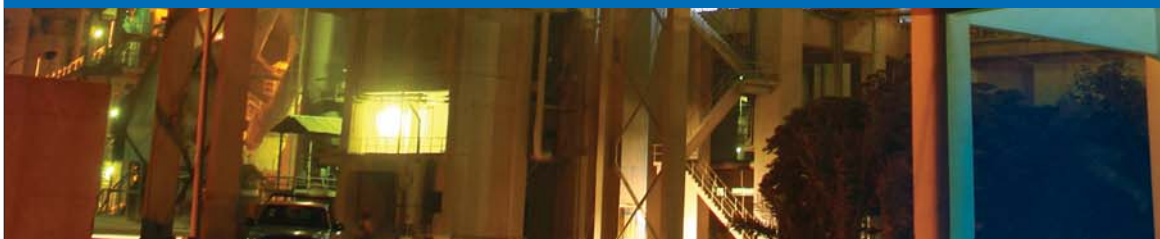
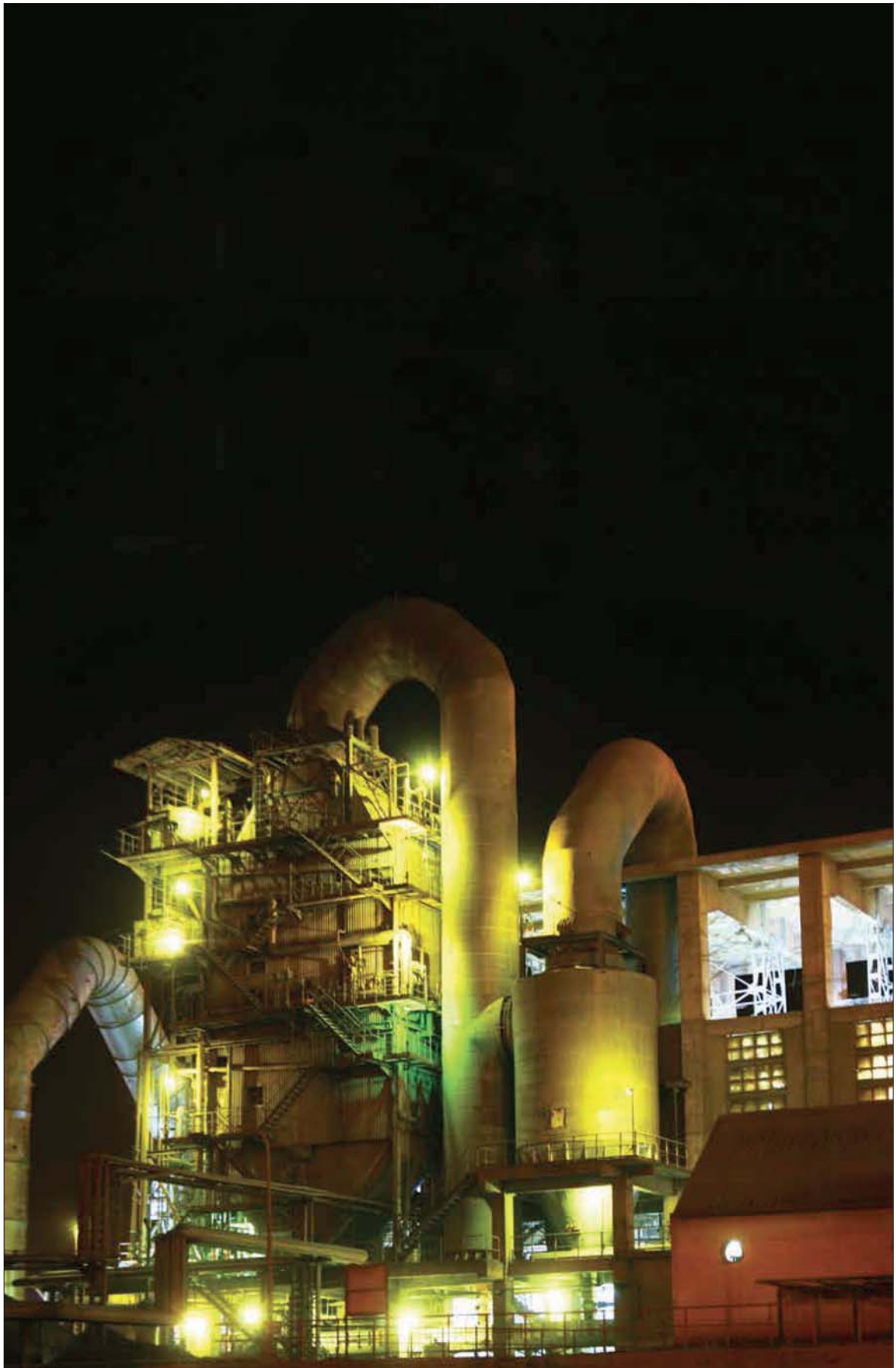




First Quarter Report September 30, 2015







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Interim Financial Information

Company Information

Board of Directors

Dr. Ghaith R. Pharaon (Chairman)
Laith G. Pharaon
Wael G. Pharaon
Shuaib A. Malik
Abdus Sattar
Agha Sher Shah
Babar Bashir Nawaz

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Shuaib A. Malik
Irfan Amanullah
Fakhrul Islam Baig

Audit Committee of the Board

Abdus Sattar	Chairman
Shuaib A. Malik	Member
Agha Sher Shah	Member

HR & Remuneration Committee

Shuaib A. Malik	Chairman
Abdus Sattar	Member
Babar Bashir Nawaz	Member

Company Secretary

Irfan Amanullah

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisors

Sattar & Sattar
Attorneys at Law

Bankers

Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan Ltd.
Allied Bank Ltd.
Bank Al-Habib
NIB Bank Limited
United Bank Limited
Meezan Bank Limited
The Bank of Punjab
Habib Bank Limited
Askari Bank Limited
Samba Bank Limited
Dubai Islamic Bank Limited

Registered Office

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
Website: www.attockcement.com

Plant

Hub Chowki, Lasbella
Baluchistan

Share Registrar

Technology Trade (Pvt) Limited
Dagja House, 241-C, Block-2
PECHS, Off: Shahrah-e-Quaideen,
Karachi.
Tel: (92-21) 34391316-17
Fax: (92-21) 34391318

DIRECTORS'
REVIEW



Directors' Review

The Directors are pleased to announce the results of the Company for the quarter ended September 30, 2015.

Operational Results

Production and sales figures for the quarter ended September 30, 2015 are as follows:

	Jul-Sep. 2015	Jul-Sep. 2014
-----Tonnes-----		
Clinker Production	499,155	451,665
Cement Production	420,767	448,027
Cement Despatch - Local	283,049	254,512
- Export	130,104	202,925
	413,153	457,437
Clinker- Exports	3,780	-
Total Despatches	416,933	457,437
Clinker Capacity Utilization	115%	104%

The overall capacity utilization clocked at 115% as both the production lines remain operational without any routine or non routine shutdown and therefore achieved maximum production with higher number of kiln running days.

Industry Review

During the first quarter, the local market witnessed a very healthy growth of 11% owing to lower inflation, improved law and order situation, positive economic indicators and commencement of work on mega projects in North. However, due to imposition of antidumping duty in South Africa, Pakistani cement manufacturers suffered a major setback in this market. Further, currencies of most of the African and Asian countries have been devalued by 10% - 20% because of Chinese Yuan's depreciation against US\$. As a result the exports of cement to these countries have been affected significantly and exports declined by 27% as compared to corresponding period. Overall net increase in despatches has recorded a meager growth of 1% only in 1Q 2015-16.

Sales Review

During the quarter under review, the overall cement despatches declined by 44,284 M Tons (10%) as compared to same period last year mainly due to reduction in export sales. The export sales declined by 72,666 (36%) owing to reasons mentioned above. However, the local sales increased by 28,382 (11%) which is in line with the growth of local market.

Financial Review

The overall net sales revenue decreased by Rs. 310 million (10%) over corresponding period mainly due to decline in overall despatches. Production cost per ton of cement sold decreased by Rs. 350 (7%) due to lower input costs and higher efficiencies achieved because of continuous plant operations. Despite reduction in sales, due to higher closing stocks, the overall gross and operating margins have been improved from 30% and 20% respectively to 35% and 26%. Due to change in sales mix of local and export sales the effective tax rate also increased from 24% to 34%. Consequently the company recorded net profit after tax of Rs. 481 million higher by 2% as compared to same period last year.

Future Outlook

The economy of the country is gaining momentum with lower inflation and positive macroeconomic indicators. Improved law and order situation also contributing favorably and we expect that demand in local market will remain healthy in months to come. The company is aggressively exploring the regional markets and during the period under review has added India, Yemen and Somalia as potential new markets to replace South African market to some extent. Beside this the company is further strengthening its position in Sri Lanka and other East African markets. Though because of current turmoil in global commodity prices and devaluations in African currencies the challenges are enormous but still the company is able to sell its product in these markets through effective price mechanism.

It is also anticipated that with the announcement of China Pakistan Economic Corridor, the investment activities in Pakistan would pick up and the country would become the ultimate destination of much needed foreign investment which would also improve the local demand.

The management is also actively working on operational efficiencies and cost cutting measures in order to maintain its margins.

On behalf of the Board



BABAR BASHIR NAWAZ
Chief Executive

October 21, 2015
Karachi, Pakistan



Condensed Interim Financial Statements

First Quarter Ended September 30, 2015




Condensed Interim Balance Sheet

As at September 30, 2015

	Note	Unaudited Sept. 30, 2015	Audited June 30, 2015
-----Rupees '000-----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	5,965,167	5,999,669
Long-term investment		4,500	4,500
Long-term loans and advances		55,754	55,754
Long-term deposits		42,980	42,980
		6,068,401	6,102,903
Current assets			
Stores, spares and loose tools	5	1,314,032	986,146
Stock-in-trade		1,031,552	763,715
Trade debts - considered good		121,106	124,414
Loans and advances		64,313	61,115
Short-term deposits and prepayments		69,295	16,938
Investments		2,507,305	3,104,907
Other receivables		83,098	68,117
Refunds due from government - Sales tax		33,795	147,585
Cash and bank balances		1,205,952	858,698
		6,430,448	6,131,635
Total assets		12,498,849	12,234,538
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,145,225	1,145,225
Unappropriated profit		7,068,810	7,789,909
		8,214,035	8,935,134
LIABILITIES			
Non-current liabilities			
Liability against asset subject to finance lease		6,509	7,956
Deferred taxation		813,378	813,378
Retirement benefit - obligations		228,643	252,336
		1,048,530	1,073,670
Current liabilities			
Trade and other payables	6	2,701,348	1,772,101
Current maturity of liability against asset subject to finance lease		4,859	3,927
Taxation - provision less payments		530,077	449,706
		3,236,284	2,225,734
Total liabilities		4,284,814	3,299,404
Contingency and commitments			
	7		
Total equity and liabilities		12,498,849	12,234,538

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


Babar Bashir Nawaz
 Chief Executive



Abdus Sattar
 Director

Condensed Interim Profit and Loss Account

For the quarter ended September 30, 2015 - unaudited

	Note	Sept. 30, 2015	Sept. 30, 2014
-----Rupees in '000-----			
Net sales	8	2,865,624	3,175,736
Cost of goods sold		(1,872,701)	(2,233,635)
Gross Profit		992,923	942,101
Distribution cost	9	(189,605)	(270,858)
Administrative expenses		(97,132)	(87,734)
Other operating expenses		(56,000)	(46,500)
Other operating income		87,832	92,849
Operating profit		738,018	629,858
Finance cost		(6,631)	(8,456)
Profit before taxation		731,387	621,402
Taxation		(250,000)	(151,000)
Profit after taxation		481,387	470,402
Other comprehensive income		-	-
Total comprehensive income for the period		481,387	470,402
Earnings per share	Rs.	4.20	4.11

The annexed notes form an integral part of these condensed interim financial Statements.


Babar Bashir Nawaz
 Chief Executive



Abdus Sattar
 Director

Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2015 - unaudited

	Note	Sept. 30, 2015	Sept. 30, 2014
		-----Rupees '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	(37,161)	(78,763)
Finance cost paid		(6,631)	(8,456)
Income tax paid		(169,630)	(78,879)
Retirement benefit obligations		(44,380)	4,737
Net cash used in operating activities		(257,802)	(161,361)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(71,319)	(106,821)
Proceeds from disposal of fixed assets		1,557	126
Proceeds from sale of open ended mutual fund units		3,420,010	2,180,108
Purchase of open ended mutual fund units		(2,753,290)	(1,410,034)
Dividend income		1,572	-
Interest received		7,059	6,033
Net cash from investing activities		605,589	669,412
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(19)	(36)
Payments made under finance lease		(514)	(516)
Net cash used in financing activities		(533)	(552)
Net increase in cash and cash equivalents		347,254	507,499
Cash and cash equivalents at the beginning of the period		858,698	467,835
Cash and cash equivalents at the end of the period		1,205,952	975,334

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


Babar Bashir Nawaz
 Chief Executive



Abdus Sattar
 Director

Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2015 - unaudited

	Share capital	Unappropriated profit	Total
	----- Rs. '000 -----		
Balance as at July 01, 2015	1,145,225	7,789,909	8,935,134
Final dividend for the year ended June 30, 2015 @ Rs. 10.50 per share	-	(1,202,486)	(1,202,486)
Profit after taxation for the quarter ended September 30, 2015	-	481,387	481,387
Balance as at September 30, 2015	1,145,225	7,068,810	8,214,035
Balance as at July 01, 2014	1,145,225	7,300,828	8,446,053
Final dividend for the year ended June 30, 2014 @ Rs. 10.00 per share	-	(1,145,225)	(1,145,225)
Profit after taxation for the quarter ended September 30, 2014	-	470,402	470,402
Balance as at September 30, 2014	1,145,225	6,626,005	7,771,230

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


Babar Bashir Nawaz
 Chief Executive


Abdus Sattar
 Director

Selected Notes to the Condensed Interim Financial Information

For the quarter ended September 30, 2015 - unaudited

1 THE COMPANY AND ITS OPERATION

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 registered office of the company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi. The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan. The company also has a representative / liaison office in Dubai, UAE, to explore business opportunities in the growing markets of Middle East and Africa.

The company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

The company has entered into a Joint Venture agreement with Al Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company will be to build and operate a cement grinding plant having production capacity of approximately 900,000 metric tons per annum. The new limited liability company has been established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Limited having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. The expected investment of the Company in foreign subsidiary would be USD 24 million. However, no capital has yet been remitted due to pending regulatory approvals.

2 BASIS OF PRESENTATION

This condensed interim financial information of the Company has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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.

This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2015.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2015.

Selected Notes to the Condensed Interim Financial Information

For the quarter ended September 30, 2015 - unaudited

(Unaudited) (Audited)
Sept. 30, June 30,
2015 2015
 -----Rupees '000-----

4 FIXED ASSETS

Operating assets	5,502,122	5,551,093
Capital work-in-progress	129,542	120,343
Stores held for capital expenditure	333,503	328,233
	<u>5,965,167</u>	<u>5,999,669</u>

Sept. 30, Sept. 30,
2015 2014
 -----Rupees '000-----

4.1 Additions to property plant and equipment during the period were as follows:

Buildings and roads on freehold land	5,539	4,896
Plant and machinery	52,136	82,786
Furniture and fittings	459	48
Office equipment	4,557	1,684
Vehicles	1,816	1,828
	<u>64,507</u>	<u>91,242</u>

Disposals during the period - Net book value	<u>1,420</u>	<u>126</u>
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Transfers to stores during the period - Net book value	<u>7,207</u>	<u>5,735</u>
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(Unaudited) (Audited)
Sept. 30, June 30,
2015 2015
 -----Rupees '000-----

5 STORES SPARES AND LOOSE TOOLS

Bricks	132,174	72,725
Coal	579,911	332,005
Stores & spares	599,763	579,029
Loose tools	2,184	2,387
	<u>1,314,032</u>	<u>986,146</u>

6 TRADE AND OTHER PAYABLES

Creditors	177,397	201,659
Accrued liabilities	736,475	768,633
Advances from customers	216,587	148,911
Excise duty payable	48,339	8,010
Dividend payable	1,207,770	5,303
Others	314,780	639,585
	<u>2,701,348</u>	<u>1,772,101</u>

Selected Notes to the Condensed Interim Financial Information

For the quarter ended September 30, 2015 - unaudited

7 CONTINGENCY AND COMMITMENTS

7.1 The status of contingency as reported in financial statements for the year ended June 30, 2015 is the same.

7.2 Commitments in respect of capital expenditure outstanding as at September 30, 2015 amounted to Rs. 65.2 million (June 30, 2015: Rs. 66.9 million).

	Sept. 30, 2015	Sept. 30, 2014
	-----Rs. in '000-----	
8 NET SALES		
Local sales	2,808,149	2,541,286
Less: Commission	(63,445)	(55,536)
Net sales	<u>2,744,704</u>	<u>2,485,750</u>
Exports sales	736,817	1,205,229
	<u>3,481,521</u>	<u>3,690,979</u>
Less: Excise duty and sales tax	(615,897)	(515,243)
	<u>2,865,624</u>	<u>3,175,736</u>

9 DISTRIBUTION COST

Distribution cost includes Rs. 126.9 million (September 30, 2014: Rs. 240.3 million) in respect of export and commission expenses.

	Sept. 30, 2015	Sept. 30, 2014
	-----Rs. in '000-----	
10 CASH GENERATED FROM OPERATIONS		
Profit before taxation	731,387	621,402
Adjustment for non cash charges and other items:		
Depreciation	104,401	88,874
Gain on disposal of operating assets	(137)	-
Gain on sale of open ended mutual fund units	(11,820)	(25,848)
Gain on re-measurement of fair value of investment in mutual fund units	(58,871)	(47,291)
Interest income	(7,059)	(6,033)
Retirement benefits - obligations	20,688	-
Finance cost	6,631	8,456
	<u>53,833</u>	<u>18,158</u>
	<u>785,220</u>	<u>639,560</u>

10.1 EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

(Increase) / decrease in current assets :

Stores, spares and loose tools	(327,886)	(540,362)
Stock-in-trade	(267,836)	(52,120)
Trade debts - considered good	3,308	(238,953)
Loans and advances	(3,198)	(9,712)
Short - term deposits and prepayments	(52,357)	10,870
Other receivables	(14,981)	4,123
Refunds due from government - Sales tax	113,790	(16,671)
	<u>(549,160)</u>	<u>(842,825)</u>

(Decrease) / Increase in current liabilities:

Trade and other payables	(273,221)	124,502
	<u>(822,381)</u>	<u>(718,323)</u>
Cash generated from operations	<u>(37,161)</u>	<u>(78,763)</u>

Selected Notes to the Condensed Interim Financial Information

For the quarter ended September 30, 2015 - unaudited

Sept. 30, 2015 Sept. 30, 2014
-----Rs. in '000-----

11 SUMMARY OF TRANSACTIONS WITH RELATED PARTIES

Holding Company

Recovery of expenses	539	500
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Associated Companies

Purchase of goods	53,331	73,117
Reimbursement of expenses	600	936
Recovery of expenses	616	2,007

Other related parties

Payments made to retirement benefit funds	60,280	23,299
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Key management compensation

Salaries and other retirement benefits	30,318	27,436
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12 CORRESPONDING FIGURES

Prior period figures have been reclassified wherever necessary for the purpose of appropriate presentation.

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 21, 2015 by the Board of Directors of the company.


Babar Bashir Nawaz
Chief Executive


Abdus Sattar
Director



Attock Cement Pakistan Limited

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