

# Directors' Review

It gives us great pleasure to present the interim financial information of your company duly reviewed by the auditors for the half year ended 31st December 2012.

## Market Review

During the first half of FY 2012-13 local dispatches of cement in Pakistan have increased by 7.61% while exports have declined by 5.28% compared to the corresponding period last year. Overall growth in sales volume in the country for the period has been recorded at 3.87%. The sales volumes of your company during the half-year have increased by 7.32%, which is well above the industry average.

## Production and Sales Volumes

During the half year ended 31 December 2012, clinker production increased by 23.71% and 44.94% in the second quarter of FY 2012-13 as compared with the corresponding period last year.

Dispatches have also shown a growth of 7.32% during the half year under review and 12.90% in the second quarter as compared with corresponding period last year.

Production and sales volumes of the Company during the period were as follows:

	October-December		July-December	
	2012	2011	2012	2011
	(Quantities in tons)		(Quantities in tons)	
Clinker Production	538,501	371,522	881,811	712,788
Cement Dispatches	487,659	431,918	842,129	784,633

## Financial Performance

Improved production with increased sales volumes has helped your Company to earn a net profit of Rs. 1.178 billion after accounting for depreciation of Rs. 190.2 million and provision for taxation of Rs. 442.1 million. This represents an EPS of Rs. 9.16 for the period. Financial results are summarized below:

	October-December		July-December	
	2012	2011	2012	2011
	(Rupees in thousands)		(Rupees in thousands)	
Net Sales Revenue	2,964,807	2,372,677	5,068,322	4,074,167
Operating Profit	1,114,484	660,286	1,777,210	979,036
Finance Cost	71,274	160,765	156,072	340,523
Profit after Taxation	702,855	426,639	1,178,966	554,723
Earnings per share (Rs.)	5.46	3.31	9.16	4.31

## Debt Obligations

The Company is current with its debt obligations. In addition to the scheduled payments, Company has also pre-paid long term debts to the extent of Rs. 200 million during the period under review.

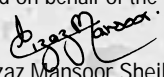
## Future outlook

Domestic demand of cement is expected to remain stable. Management will mainly focus on cost effective production methods to improve the profitability of the Company.

## Acknowledgments

While placing on record our thanks to all the stakeholders, we look forward to their continued support in future. The employees of the Company deserve a special vote of thanks for their hard work, dedication and commitment.

For and on behalf of the Board

  
Aizaz Mansoor Sheikh  
Chief Executive

Lahore: January 29, 2013



# KOHAT CEMENT COMPANY LIMITED

## 2nd Quarter and Half Yearly Report (Un-audited) December 31, 2012