

KOHAT CEMENT COMPANY LIMITED

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

April 24, 2014

Financial Results for the 3rd Quarter and Nine Months ended March 31, 2014

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **April 24, 2014 at 11:00 A.M. at Head Office, 37-P, Gulberg II, Lahore**, recommended the following:

- (i) **CASH DIVIDEND** : **NIL**
- (ii) **BONUS SHARES** : **NIL**
- (iii) **RIGHT SHARES** : **NIL**
- (iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** : **NIL**
- (v) **ANY OTHER PRICE-SENSITIVE INFORMATION** : **-**

The financial results of the Company are as follows:

	3rd Quarter ended		Nine Months ended	
	31-Mar- 14	31-Mar- 13	31-Mar- 14	31-Mar- 13
	Rupees	Rupees	Rupees	Rupees
Sales-net	3,309,457,964	3,117,027,040	9,162,459,401	8,185,349,200
Cost of goods sold	1,911,666,591	1,870,656,992	5,380,749,844	5,012,861,816
Gross profit	1,397,791,373	1,246,370,048	3,781,709,557	3,172,487,384
Selling and distribution cost	22,999,254	20,543,689	60,650,968	45,355,726
Administrative & general expenses	24,466,717	18,248,878	78,524,204	62,970,507
Other operating expenses	90,446,052	60,484,228	240,770,841	146,218,358
Other operating income	(133,188,957)	(9,207,115)	(173,520,490)	(15,568,320)
	4,723,066	90,069,680	206,425,523	238,976,271
Operating profit	1,393,068,307	1,156,300,368	3,575,284,034	2,933,511,113
Finance cost	46,205,381	47,509,897	126,026,268	203,582,730
Profit before taxation	1,346,862,926	1,108,790,471	3,449,257,766	2,729,928,383
Taxation	392,050,985	377,187,623	1,020,448,568	819,358,827
Profit after taxation	954,811,941	731,602,848	2,428,809,198	1,910,569,556
Earnings per share		(Restated)		(Restated)
(Basic and Diluted)	6.18	4.74	15.72	12.37

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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

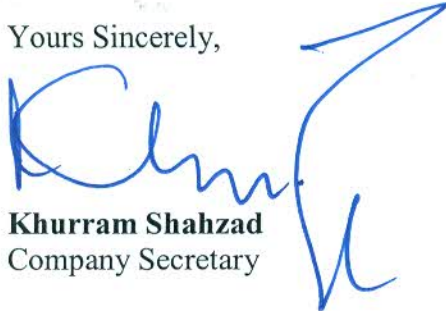


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DIRECTORS REVIEW REPORT FOR THE PERIOD IS ATTACHED. "ANNEXURE-A"

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange.

Yours Sincerely,



Khurram Shahzad
Company Secretary

CC: The Secretary,
Lahore Stock Exchange Ltd.,
19-Khyaban-e-Aiwan-e-Iqbal,
Lahore.

The Secretary,
Islamabad Stock Exchange Ltd.,
Stock Exchange Building,
101-E, Fazal-ul-Haq Road,
Islamabad.



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DIRECTORS' REVIEW

The Directors of Kohat Cement Company Limited feel pleasure to present the interim financial statements of your Company for the 3rd quarter and nine month period ended on 31st March 2014.

Market Review

During the period under review, dispatches of cement sector in Pakistan have increased by 0.96% (local dispatches increased by 2.11% while exports declined by 2.46%,) compared to the corresponding period last year. However, Sales volumes of your company during the nine months have increased by 2.72%, which is above the overall growth rate of the cement sector.

Production and Sales Volumes

Clinker production was down by 37.42% in the third quarter of FY 2013-14 whereas an overall reduction of 17.88% occurred in clinker production during the nine months of FY 2013-14 as compared with corresponding period last year. Decrease in clinker production is due to availability of stocks at the beginning of the period.

Old Grey Cement line has not produced any Clinker as New Grey Cement line alone met the market demand during the nine months period under review.

Production and sales volumes for the period are as follows:

	January-March		July-March	
	2014	2013	2014	2013
	(Quantities in tons)		(Quantities in tons)	
Clinker Production	299,664	478,839	1,117,404	1,360,650
Cement Dispatches	488,559	496,044	1,374,535	1,338,173

Financial Performance

Efficient operations resulted in lower operating costs coupled with slight increase in sales volumes alongwith better selling prices have helped your Company in posting a net profit of Rs.2.429 billion after accounting for depreciation of Rs.263.98 million and provision for taxation of Rs.1.02 billion. This represents an EPS of Rs.15.72 for the period.



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KOHAT CEMENT COMPANY LIMITED

Financial results are summarized below:

	January-March		July-March	
	2014	2013	2014	2013
	(Rupees in thousands)		(Rupees in thousands)	
Net Sales Revenue	3,309,458	3,117,027	9,162,459	8,185,349
Operating Profit	1,393,068	1,156,300	3,575,284	2,933,511
Finance Cost	46,205	47,509	126,026	203,582
Profit after taxation	954,812	731,602	2,428,809	1,910,569
Earnings per share (Rs.)	6.18	(Restated) 4.74	15.72	(Restated) 12.37

Debt Obligations

The Company is current with its debt obligations.

Waste Heat Energy Power Plant (WHR)

We are pleased to inform you that Letter of credit for the import of 15 MW Waste Heat Recovery Power Plant (WHR) from China has been established. The WHR Plant is expected to be operative in next one and a half years approximately.

After installation of WHR system, the Company shall be able to generate almost 30% of its current electricity requirements from the aforesaid WHR Plant. The electricity generated by this system will be almost free of cost except for some salary, maintenance and finance costs. This will help to mitigate the impact of rising cost of electricity on overall production cost of cement.

The cost of the proposed project is estimated at Rs. 2 billion which shall be financed through 20% equity and 80% debt i.e., Rs 1.6 billion, which shall be raised through a term loan from financial institutions.

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: April 24, 2014



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