LCK/CS/2015-16/

February 20, 2016

The General Manager
Pakistan Stock Exchange
Limited
Karachi

The Deputy Chief
Securities & Exchange
Commission of Pakistan
Islamabad

The London Stock Exchange
10 Paternoster
Square,
London

Dear Sir(s)

FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

This is to inform you that the Board of Directors of our Company in their Meeting held on Saturday, February 20, 2016 at 11:30 a.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 recommended the following:

(I)	**Cash Dividend**	**Nil**
(ii)	**Bonus Issue**	**Nil**
(iii)	**Right Issue**	**Nil**
(iv)	**Interim Dividend**	**Nil**

The financial results of the Company consisting of Balance Sheet, Profit and Loss Account and Directors' Report are annexed.

We will be sending you the required copies of printed financial statements in due course of time.

Yours truly
for **LUCKY CEMENT LIMITED**

MUHAMMAD FAISAL
Executive Director and
Chief Strategy, Finance & Investment Officer

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LUCKY CEMENT

Unconsolidated Condensed Interim Balance Sheet
As at December 31, 2015

	December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	(Rupees in'000')	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**34,474,708**	35,018,819
Intangible assets	**32,503**	41,921
	34,507,211	35,060,740
Long-term investments	**12,017,020**	10,925,020
Long-term advances	**176,688**	78,981
Long-term deposits	**3,175**	3,175
	46,704,094	46,067,916
CURRENT ASSETS		
Stores and spares	**5,502,320**	4,995,423
Stock-in-trade	**1,848,556**	1,580,745
Trade debts	**2,091,756**	2,042,199
Loans and advances	**272,099**	253,350
Trade deposits and short term prepayments	**93,242**	50,688
Accrued mark-up on deposit accounts	**80,152**	79,257
Other receivables	**1,331,225**	1,032,853
Tax refunds due from the Government	**538,812**	538,812
Short term investments	**3,180,243**	-
Cash and bank balances	**15,417,912**	16,444,622
	30,356,317	27,017,949
TOTAL ASSETS	**77,060,411**	73,085,865
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital	**5,000,000**	5,000,000
Issued, subscribed and paid-up capital	**3,233,750**	3,233,750
Reserves	**59,369,584**	56,025,020
	62,603,334	59,258,770
NON-CURRENT LIABILITIES		
Long-term deposits	**70,962**	69,246
Deferred liabilities	**6,643,118**	6,327,146
	6,714,080	6,396,392
CURRENT LIABILITIES		
Trade and other payables	**6,878,405**	6,382,372
Taxation - net	**864,592**	1,048,331
	7,742,997	7,430,703
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	**77,060,411**	73,085,865

LUCKY CEMENT

Unconsolidated Condensed Interim Profit and Loss Account
For the half year ended December 31, 2015 (Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
	(Rupees in'000')		**(Rupees in'000')**	
Gross sales	**26,697,331**	25,688,304	**14,198,454**	13,166,172
Less: Sales tax and excise duty	**4,572,763**	3,920,628	**2,543,396**	2,044,762
Rebates and commission	**282,567**	357,960	**155,189**	181,635
	4,855,330	4,278,588	**2,698,585**	2,226,397
Net sales	**21,842,001**	21,409,716	**11,499,869**	10,939,775
Cost of sales	**(11,632,889)**	(12,132,854)	**(6,044,255)**	(6,074,423)
Gross profit	**10,209,112**	9,276,862	**5,455,614**	4,865,352
Distribution cost	**(1,064,255)**	(1,747,271)	**(471,981)**	(879,158)
Administrative expenses	**(579,396)**	(429,248)	**(315,762)**	(221,034)
Finance costs	**(17,468)**	(12,906)	**(14,570)**	(3,708)
Other charges	**(707,185)**	(646,453)	**(368,330)**	(333,563)
Other income	**661,176**	616,481	**302,746**	284,135
Profit before taxation	**8,501,984**	7,057,465	**4,587,717**	3,712,024
Taxation				
-current	**(2,035,062)**	(1,471,952)	**(1,103,598)**	(795,640)
-deferred	**(211,983)**	15,782	**(197,393)**	15,782
	(2,247,045)	(1,456,170)	**(1,300,991)**	(779,858)
Profit after taxation	**6,254,939**	5,601,295	**3,286,726**	2,932,166
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**6,254,939**	5,601,295	**3,286,726**	2,932,166
	(Rupees)		**(Rupees)**	
Earnings per share - basic and diluted	**19.34**	17.32	**10.16**	9.07

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LUCKY CEMENT

Condensed Interim Consolidated Balance Sheet
As at December 31, 2015

	December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	(Rupees in'000')	
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets		
Property, plant and equipment	**52,141,605**	49,900,183
Intangible assets	**7,155,497**	7,360,811
	59,297,102	57,260,994
Long-term investments	**10,952,948**	10,007,198
Long-term loans and advances	**419,356**	405,496
Long-term deposits and prepayments	**34,277**	33,952
	70,703,683	67,707,640
CURRENT ASSETS		
Stores, spares and consumables	**6,527,749**	5,921,887
Stock-in-trade	**6,213,991**	6,524,154
Trade debts	**4,036,859**	3,473,293
Loans and advances	**627,825**	578,609
Trade deposits and short-term prepayments	**545,261**	464,392
Accrued mark-up on deposit accounts	**80,519**	79,257
Other receivables	**2,329,923**	2,023,466
Short term investments	**3,180,243**	-
Tax refunds due from the Government	**538,812**	538,812
Taxation - net	**758,034**	997,518
Cash and bank balances	**17,442,605**	18,155,599
	42,281,821	38,756,987
TOTAL ASSETS	**112,985,504**	106,464,627
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	**3,233,750**	3,233,750
Reserves	**62,606,052**	58,190,818
Attributable to the owners of the Holding Company	**65,839,802**	61,424,568
Non-controlling interests	**7,412,119**	7,071,234
Total equity	**73,251,921**	68,495,802
NON-CURRENT LIABILITIES		
Long-term finances	**9,259,461**	8,854,165
Long-term deposits	**70,962**	69,246
Deferred liabilities	**9,598,130**	9,430,707
	18,928,553	18,354,118
CURRENT LIABILITIES		
Short-term borrowings and running finance	**2,108,866**	1,833,247
Trade and other payables	**16,683,113**	15,819,145
Accrued mark-up	**157,651**	165,210
Current portion of long-term finance	**1,855,400**	1,797,105
	20,805,030	19,614,707
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	**112,985,504**	106,464,627

Lucky Cement Limited
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U.A.N: 111-786-555 T: (92-21) 34537390, 34530175, 34522554 & 34530450 F: 34534302 E: info@lucky-cement.com
URL: www.lucky-cement.com

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Condensed Interim Consolidated Profit and Loss Account
For the half year ended December 31, 2015 (Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
	(Rupees in'000')			
Gross sales	**47,565,997**	47,396,494	**25,236,194**	24,343,915
Less: Sales tax and excise duty	**6,027,888**	5,260,287	**3,289,307**	2,734,830
Rebates and commission	**1,648,339**	1,556,865	**893,433**	823,140
	7,676,227	6,817,152	**4,182,740**	3,557,970
Net sales	**39,889,770**	40,579,342	**21,053,454**	20,785,945
Cost of sales	**(26,749,171)**	(28,528,681)	**(14,007,869)**	(14,368,704)
Gross profit	**13,140,599**	12,050,661	**7,045,585**	6,417,241
Distribution costs	**(1,957,240)**	(2,461,455)	**(922,732)**	(1,237,910)
Administrative expenses	**(1,044,275)**	(891,500)	**(549,080)**	(451,640)
Finance costs	**(480,666)**	(611,186)	**(220,615)**	(233,825)
Other charges	**(848,060)**	(769,417)	**(452,269)**	(414,582)
Other income	**1,284,932**	1,063,428	**664,374**	539,114
Profit before taxation	**10,095,290**	8,380,531	**5,565,263**	4,618,398
Taxation				
- current	**(2,384,557)**	(1,920,492)	**(1,293,564)**	(1,051,789)
- deferred	**(57,049)**	202,442	**(100,685)**	83,348
	(2,441,606)	(1,718,050)	**(1,394,249)**	(968,441)
Profit after taxation	**7,653,684**	6,662,481	**4,171,014**	3,649,957
Attributable to:				
Owners of the Holding Company	**7,169,468**	6,268,894	**3,871,653**	3,371,272
Non-controlling interests	**484,216**	393,587	**299,361**	278,685
Total comprehensive income for the period	**7,653,684**	6,662,481	**4,171,014**	3,649,957
Other comprehensive income for the period				
Foreign exchange differences on translation of foreign operations	**143,259**	4,922	**10,744**	(91,054)
Items to be reclassified to profit or loss in subsequent periods:				
Loss on hedge during the period	**(2,285)**	-	**1,057**	-
Income tax relating to hedging reserve	**731**	-	**(338)**	-
	(1,554)	-	**719**	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	**1,554**	-	**1,168**	-
	7,796,943	6,667,403	**4,183,645**	3,558,903
Attributable to:				
Owners of the Holding Company	**7,312,727**	6,273,816	**3,883,455**	3,280,218
Non-controlling interests	**484,216**	393,587	**300,190**	278,685
	7,796,943	6,667,403	**4,183,645**	3,558,903
	(Rupees)		(Rupees)	
Earnings per share - basic and diluted	**22.17**	19.39	**11.97**	10.43

Directors' Report:

The Directors of your Company have the pleasure in presenting to you the financial results of your Company which include both, the stand-alone (duly reviewed by the auditors) and consolidated unaudited financial statements for the half year ended December 31, 2015.

Overview:

Cement industry in Pakistan grew by 6.4% to 18.22 million tons during the half year ended 31 December 2015 compared to 17.12 million tons during the same period last year. While local sales volume registered a growth of 16.3% to 15.20 million tons during the half year compared to 13.07 million tons during the same period last year; export sales volume registered a decline of 25.7% to 3.02 million tons during the current half year compared to 4.06 million tons during the same period last year.

Your Company achieved an overall growth of 2.0% to 3.32 million tons during the half year ended compared to 3.25 million tons sold in the same period last year. While local sales volume of your Company registered a growth of 19.7% to 2.42 million tons during the current half year compared to 2.02 million tons during the same period last year; export sales volume declined by 27.0% to 0.90 million tons during the current half year compared to 1.23 million tons during the same period last year.

The Earnings Per Share (EPS) for the current half year was recorded at PKR 19.34 which is 11.7% higher than the same period last year's EPS of PKR 17.32.

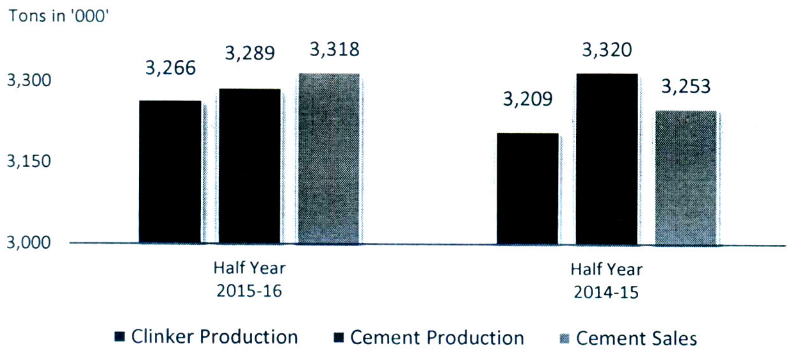
Business Performance

a. Production & Sales Volume Performance

The production and sales statistics of your Company for the half year ended 2015-16 compared to the same period last year are as follows:

Particulars	Half Year 2015-16	Half Year 2014-15	Increase/ (Decrease)
	Tons in '000'		%
Clinker Production	3,266	3,209	**1.8%**
Cement Production	3,289	3,320	**(0.9%)**
Cement Sales	3,318	3,253	**2.0%**

The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the industry and your Company for the half year ended 2015-16 with the same period last year is presented below:

Particulars (Tons in '000')	Half Year 2015-16	Half Year 2014-15	Growth / (Decline) %	
Cement Industry				
Local Sales	**15,200**	**13,065**	**2,135**	**16.3%**
Export Sales				
- Bagged	2,975	3,897	(922)	(23.7%)
- Loose	42	162	(120)	(74.1%)
Total Exports	**3,017**	**4,059**	**(1,042)**	**(25.7%)**
Grand Total	**18,217**	**17,124**	**1,093**	**6.4%**
Lucky Cement				
Local Sales	**2,418**	**2,020**	**398**	**19.7%**
Export Sales				
- Bagged	858	1,070	(213)	(19.9%)
- Loose	42	162	(120)	(73.8%)
Total Exports	**900**	**1,233**	**(333)**	**(27.0%)**
Grand Total	**3,318**	**3,253**	**65**	**2.0%**

Market Share	Half Year 2015-16	Half Year 2014-15	Growth / (Decline)%
Local Sales	15.9%	15.5%	2.6%
Export Sales			
- Bagged	28.8%	27.5%	4.7%
- Loose	100.0%	100.0%	0.0%
Total Export	**29.8%**	**30.4%**	**(2.0%)**
Grand Total	**18.2%**	**19.0%**	**(4.2%)**

Industry Source: APCMA website

b. Financial Performance

The financial performance of your Company for the half year ended 2015-16 compared to the same period last year is presented below:

Numbers in PKR million except EPS

Particulars	Half Year 2015-16	Half Year 2014-15	% Change
Revenue	21,842	21,410	2.0%
GP	10,209	9,277	10.0%
OP	8,565	7,100	20.6%
EBITDA	9,819	8,186	19.9%
NP	6,255	5,601	11.7%
EPS	19.34 / Share	17.32 / Share	11.7%

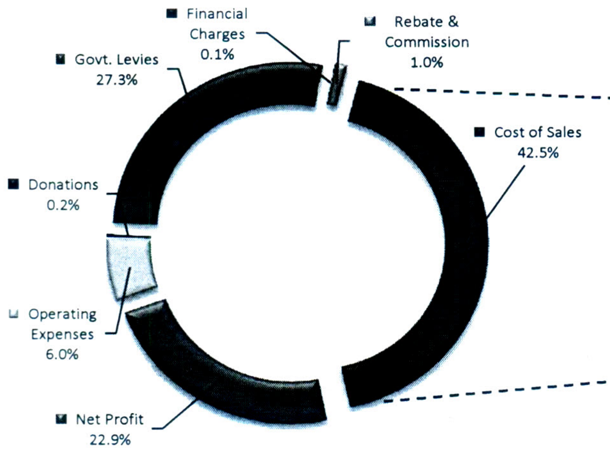
Revenue

During the half year 2015-16 under review, your Company achieved an overall net sales revenue growth of 2.0% compared to same period last year. This was mainly attributable to increase in sales volume.

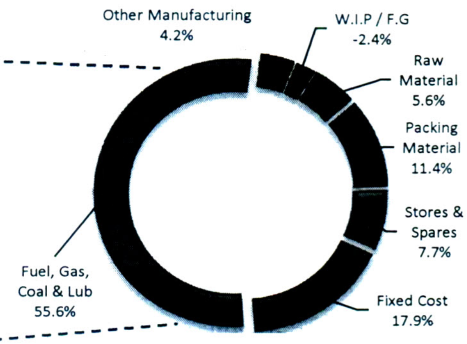
Cost of Sales

Per ton cost of sales of your Company during the period under review decreased by 6.0% compared to same period last year. The decrease was mainly attributable to decrease in coal and other fuel prices as well as positive contribution of WHR plant in Pezu and Karachi.

Distribution of Gross Revenue

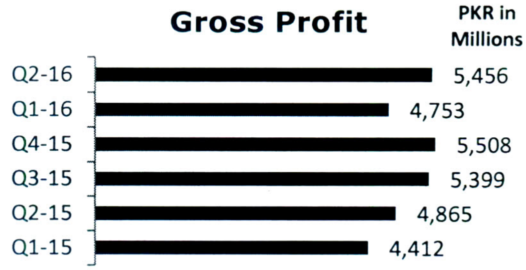


Distribution of Cost of Sales



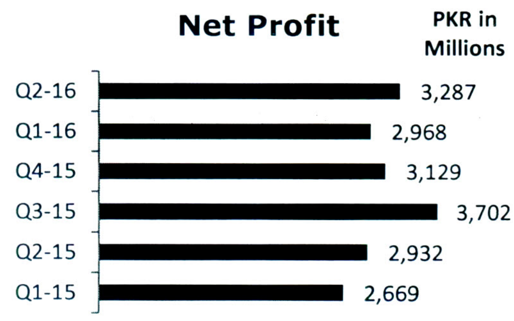
Gross Profit

Your Company was able to improve its gross profit margin to 46.7% for the half year under review compared to 43.3% reported during the same period last year.



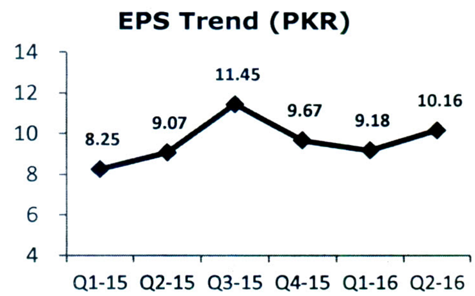
Net Profit

Your Company achieved profit before tax of PKR 8,501.9 million during the current half year under review compared to PKR 7,057.5 million reported during the same period last year. Similarly, after tax profit of PKR 6,254.9 million was achieved during the half year under review compared to PKR 5,601.3 million reported during the same period last year.



Earnings per share

The earnings per share of your Company for the half year ended December 31, 2015 was PKR 19.34 compared to PKR 17.32 reported during the same period last year.



Projects – New and Ongoing

Fully integrated green field Cement Plant in Punjab Province of Pakistan

Your Company is currently engaged with the Government of Punjab for acquisition of land for the project. Similarly, it is also in the process of negotiating and finalizing contract with the equipment supplier(s). The contract with the equipment supplier is expected to be finalized within first quarter of calendar year 2016.

Waste Heat Recovery (WHR) Plant at Captive Power Plant

By the grace of Almighty Allah, 5 MW WHR plant at PEZU Power Plant has been operational since end of October 2015.

Electricity Supply to PESCO

Your company has filed a review petition against the tariff allowed by NEPRA for electricity supply to PESCO. The tariff is expected to be re-determined by the end of April 2016.

10 MW WHR at PEZU Plant - Kiln

Your Company has decided to set up another 10 MW WHR plant at Pezu Plant for which order has been placed with the equipment supplier. The project is expected to be completed by December 2016.

Investments

Investment in 1 x 660 MW, supercritical, coal based power project

Lucky Electric Power Company Limited (LEPCL) has appointed Owners' Engineer (OE) and Technical consultant to carry out feasibility study. Negotiations with shortlisted EPC contractors are likely to start in March 2016 and the target to achieve financial close is July 2016.

The consolidated unaudited condensed financial statements of the Company for half year ended 31 December 2015 include the net assets of LEPCL which is a 100% indirectly owned subsidiary of the Company.

Joint Venture Investment in Cement Plant in DR Congo

The construction work at project site is in full swing to achieve planned Commercial Operations Date (COD) of October 2016.

The effect of 50% share of the net assets of the DR Congo plant has been reflected in the consolidated unaudited condensed financial statements of the Company for the half year ended 31 December 2015.

Equity Investment in Associated Company in 50 MW Wind Farm

The project is expected to achieve COD by the end of May 2016.

Corporate Social Responsibility

Strengthening its core value of social responsibility, your company has played a vital role in the field of education, health and environment sustainability. To instill a sense of corporate responsibility and community welfare among its employees, your Company celebrated Employee Volunteer Day by renovating a Government Girls Primary School located in Korangi, Karachi. Your Company donated cement bags to the school which were used for the construction of a new classroom for the students, and the employees wholeheartedly participated in decorating the new classroom along with engaging the students in coloring, story-telling, tree plantation and other activities.

Under the ambit of providing affordable and quality healthcare to the deserving, your Company has continued extending its support to various causes on a need basis. Your Company also made a generous donation to Special Olympics Pakistan for organizing the Healthy Athletes Program, which is a global program aimed at offering health services and information to athletes in dire need.

Outlook

Your Company is optimistic about its volumetric growth in the current financial year. Domestic sales are expected to maintain the current levels during the remaining half year as well on the back of private and public sector construction projects as well as mega infrastructure development projects under the China-Pakistan Economic Corridor (CPEC) initiative. Exports, however, are expected to remain challenging; primarily due to lower commodity prices in the international market and devaluation of currencies against USD in the prime export markets of your Company. However, Your Company estimates to fully offest the negative impact of declining export volumes with growing local volumes. Your Company's strong and debt-free financial position and free cash flow generating ability would continue to support investments in projects and avenues which can bring in further operational efficiencies and enhance shareholders' value.

Acknowledgement

Your directors take this opportunity to express their deep sense of gratitude for all the stakeholders for their encouragement and support.

We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Lucky family.

And also our shareholders, who have always shown their confidence and faith in the Company.

On behalf of the Board

MUHAMMAD YUNUS TABBA
Chairman / Director
Karachi: February 20, 2016