LCK/CS/2016-17/

January 26, 2017

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, 2016

This is to inform you that the Board of Directors of our Company in their meeting held on Thursday, January 26, 2017 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

Lucky Cement Limited
6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.
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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LUCKY CEMENT

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	(Rupees in '000')	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	**34,631,600**	33,887,375
Intangible assets	**101,829**	126,549
	34,733,429	34,013,924
Long-term investments	**12,572,020**	12,422,020
Long-term loans and advances	**88,293**	75,570
Long-term deposits	**3,175**	3,175
	47,396,917	46,514,689
CURRENT ASSETS		
Stores and spares	**6,113,982**	5,993,969
Stock-in-trade	**1,640,720**	1,588,469
Trade debts	**1,704,090**	2,181,788
Loans and advances	**455,390**	447,049
Trade deposits and short term prepayments	**88,275**	52,038
Accrued mark-up	**146,109**	125,984
Other receivables	**1,259,993**	1,274,026
Tax refunds due from the Government	**538,812**	538,812
Short term investments	**20,211,825**	400,000
Cash and bank balances	**11,891,319**	26,805,582
	44,050,515	39,407,717
TOTAL ASSETS	**91,447,432**	85,922,406
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital	**5,000,000**	5,000,000
Share capital	**3,233,750**	3,233,750
Reserves	**69,892,754**	66,089,088
	73,126,504	69,322,838
NON-CURRENT LIABILITIES		
Long-term deposits	**71,126**	70,666
Deferred liabilities	**7,092,723**	6,898,078
	7,163,849	6,968,744
CURRENT LIABILITIES		
Trade and other payables	**8,889,344**	8,563,850
Taxation - net	**2,267,735**	1,066,974
	11,157,079	9,630,824
	18,320,928	16,599,568
TOTAL EQUITY AND LIABILITIES	**91,447,432**	85,922,406

LUCKY CEMENT

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half Year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Rupees in'000')		(Rupees in'000')	
Gross sales	**31,242,508**	26,697,331	**17,193,514**	14,198,454
Less:				
Sales tax and excise duty	**7,460,182**	4,572,763	**4,123,836**	2,543,396
Rebates and commission	**340,652**	316,139	**194,819**	173,422
	7,800,834	4,888,902	**4,318,655**	2,716,818
Net sales	**23,441,674**	21,808,429	**12,874,859**	11,481,636
Cost of sales	**(11,775,513)**	(11,632,889)	**(6,559,451)**	(6,044,255)
Gross profit	**11,666,161**	10,175,540	**6,315,408**	5,437,381
Distribution cost	**(1,037,958)**	(1,030,683)	**(547,843)**	(453,748)
Administrative expenses	**(507,151)**	(579,396)	**(263,107)**	(315,762)
Finance cost	**(6,904)**	(5,607)	**(3,941)**	(2,709)
Other charges	**(1,156,569)**	(719,046)	**(742,706)**	(380,191)
Other income	**948,857**	661,176	**497,512**	302,746
Profit before taxation	**9,906,436**	8,501,984	**5,255,323**	4,587,717
Taxation				
- current	**(2,773,574)**	(2,035,062)	**(1,465,115)**	(1,103,598)
- deferred	**(95,446)**	(211,983)	**10,047**	(197,393)
	(2,869,020)	(2,247,045)	**(1,455,068)**	(1,300,991)
Profit after taxation	**7,037,416**	6,254,939	**3,800,255**	3,286,726
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**7,037,416**	6,254,939	**3,800,255**	3,286,726
	(Rupees)		(Rupees)	
Earnings per share - basic and diluted	**21.76**	19.34	**11.75**	10.16

Lucky Cement Limited
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CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2016

	December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
	(PKR in'000')	
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets		
Property, plant and equipment	**53,287,451**	52,357,646
Intangible assets	**6,815,412**	7,022,261
	60,102,863	59,379,907
Long-term investments	**11,916,277**	10,654,528
Long-term loans and advances	**458,965**	433,207
Long-term deposits and prepayments	**39,168**	39,939
	72,517,273	70,507,581
CURRENT ASSETS		
Stores, spares and consumables	**7,207,223**	7,016,458
Stock-in-trade	**7,117,648**	6,905,826
Trade debts	**3,591,502**	3,821,855
Loans and advances	**884,758**	852,484
Trade deposits and short-term prepayments	**561,466**	485,469
Accrued mark-up on deposit accounts	**153,085**	126,286
Other receivables	**2,393,725**	2,098,339
Tax refunds due from the Government	**538,812**	538,812
Taxation - net	**-**	1,152,299
Short term investments	**20,211,825**	400,000
Cash and bank balances	**13,872,956**	28,448,471
	56,533,000	51,846,299
TOTAL ASSETS	**129,050,273**	122,353,880
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	**3,233,750**	3,233,750
Reserves	**75,311,932**	70,337,188
Attributable to the owners of the Holding Company	**78,545,682**	73,570,938
Non-controlling interests	**8,329,810**	7,888,373
Total equity	**86,875,492**	81,459,311
NON-CURRENT LIABILITIES		
Long-term finances	**8,632,974**	8,741,955
Long-term deposits	**71,126**	70,666
Deferred liabilities	**10,007,716**	9,916,313
	18,711,816	18,728,934
CURRENT LIABILITIES		
Trade and other payables	**19,544,341**	18,532,947
Taxation - net	**931,288**	-
Accrued mark-up	**128,819**	146,321
Short-term borrowings and running finance	**1,286,937**	1,937,184
Current portion of long-term finance	**1,571,580**	1,549,183
	23,462,965	22,165,635
TOTAL EQUITY AND LIABILITIES	**129,050,273**	122,353,880

LUCKY CEMENT

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half Year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
	(PKR in'000')		(PKR in'000')	
Gross sales	**53,877,246**	47,565,997	**29,245,212**	25,236,194
Less: Sales tax and excise duty	**8,764,985**	6,027,888	**4,831,489**	3,289,307
Rebates and commission	**2,055,827**	1,681,911	**1,172,703**	911,667
	10,820,812	7,709,799	**6,004,192**	4,200,974
Net sales	**43,056,434**	39,856,198	**23,241,020**	21,035,220
Cost of sales	**(27,895,931)**	(26,749,171)	**(15,052,169)**	(14,007,869)
Gross profit	**15,160,503**	13,107,027	**8,188,851**	7,027,351
Distribution costs	**(2,131,651)**	(1,923,668)	**(1,118,560)**	(904,498)
Administrative expenses	**(1,038,256)**	(1,044,275)	**(533,053)**	(549,080)
Finance costs	**(364,151)**	(468,805)	**(170,908)**	(208,754)
Other charges	**(1,323,374)**	(859,921)	**(837,143)**	(464,130)
Other income	**1,740,984**	1,284,932	**867,068**	664,374
Profit before taxation	**12,044,055**	10,095,290	**6,396,255**	5,565,263
Taxation				
- current	**(3,319,875)**	(2,384,557)	**(1,720,365)**	(1,293,564)
- deferred	**15,991**	(57,049)	**22,145**	(100,685)
	(3,303,884)	(2,441,606)	**(1,698,220)**	(1,394,249)
Profit after taxation	**8,740,171**	7,653,684	**4,698,035**	4,171,014
Attributable to:				
Owners of the Holding Company	**8,122,743**	7,169,468	**4,342,348**	3,871,653
Non-controlling interests	**617,428**	484,216	**355,687**	299,361
Total comprehensive income for the period	**8,740,171**	7,653,684	**4,698,035**	4,171,014
Other comprehensive income for the period				
Foreign exchange differences on translation of foreign operations	**(13,339)**	143,259	**(1,563)**	10,744
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
	8,726,832	7,796,943	**4,696,472**	4,183,645
Attributable to:				
Owners of the Holding Company	**8,109,404**	7,312,727	**4,340,785**	3,883,455
Non-controlling interests	**617,428**	484,216	**355,687**	300,190
	8,726,832	7,796,943	**4,696,472**	4,183,645
	(PKR)		(PKR)	
Earnings per share - basic and diluted	**25.12**	22.17	**13.43**	11.97

Directors' Report:

The Directors of your Company have the pleasure in presenting to you the financial results of your Company which include both, stand-alone (duly reviewed by the auditors) and consolidated unaudited financial statements for the half year ended December 31, 2016.

Overview:

Cement industry in Pakistan grew by 8.7% to 19.81 million tons during the half year ended December 31, 2016 compared to 18.23 million tons during the same period last year. While local sales volume registered a growth of 11.1% to 16.90 million tons during the half year compared to 15.21 million tons during the same period last year; export sales volume registered a decline of 3.5% to 2.91 million tons during the current half year compared to 3.02 million tons during the same period last year.

Your Company achieved an overall growth of 12.5% to 3.73 million tons during the half year compared to 3.32 million tons sold in the same period last year. While local sales volume of your Company registered a growth of 23.2% to 2.98 million tons during the current half year compared to 2.42 million tons during the same period last year; export sales volume declined by 16.3% to 0.75 million tons during the current half year compared to 0.90 million tons during the same period last year.

The EPS for the current half year was recorded at PKR 21.76 which is 12.5% higher than the same period last year's EPS of PKR 19.34.

Business Performance

a. Production & Sales Volume Performance

The production and sales statistics of your Company for the half year ended 2016-17 compared to the same period last year are as follows:

Particulars	Half Year 2016-17	Half Year 2015-16	Growth/ (Decline) %
	Tons in '000'		
Clinker Production	3,447	3,266	**5.5%**
Cement Production	3,487	3,289	**6.0%**
Cement Sales	3,498	3,318	**5.4%**
Clinker Sales	235	-	**100%**

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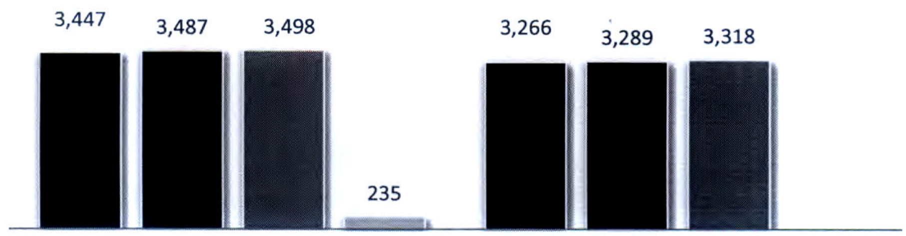
The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the industry and your Company for the half year ended 2016-17 with the same period last year is presented below:

Particulars	Half Year 2016-17	Half Year 2015-16	Growth / (Decline) %	
	(Tons in '000')			
Cement Industry				
Local Sales	**16,895**	**15,210**	**1,685**	**11.1%**
Export Sales				
- Bagged	2,790	2,976	(186)	(6.3%)
- Loose	121	42	79	188.1%
Total Exports	**2,911**	**3,018**	**(107)**	**(3.5%)**
Grand Total	**19,806**	**18,228**	**1,578**	**8.7%**
Lucky Cement				
Local Sales				
- Cement	2,745	2,418	327	13.5%
- Clinker	235	-	235	100%
Total Local Sales	**2,980**	**2,418**	**562**	**23.2%**
Export Sales				
- Bagged	632	858	(226)	(26.3%)
- Loose	121	42	79	188.1%
Total Exports	**753**	**900**	**(147)**	**(16.3%)**
Grand Total	**3,733**	**3,318**	**415**	**12.5%**

Market Share	Half Year 2016-17	Half Year 2015-16	Growth / (Decline)%
Local Sales	**17.6%**	**15.9%**	**10.7%**
Export Sales			
- Bagged	22.7%	28.8%	(21.2%)
- Loose	100.0%	100.0%	0.0%
Total Export	**25.9%**	**29.8%**	**(13.1%)**
Grand Total	**18.8%**	**18.2%**	**3.3%**

Industry Source: APCMA website

b. Financial Performance

The financial performance of your Company for the half year ended 2016-17 compared to the same period last year is presented below:

Numbers in PKR million except EPS

Particulars	Half Year 2016-17	Half Year 2015-16	% Change
Revenue	23,442	21,808	7.5%
GP	11,666	10,176	14.6%
OP	10,121	8,565	18.2%
EBITDA	11,424	9,819	16.4%
NP	7,037	6,255	12.5%
EPS	21.76/Share	19.34/ Share	12.5%

Revenue

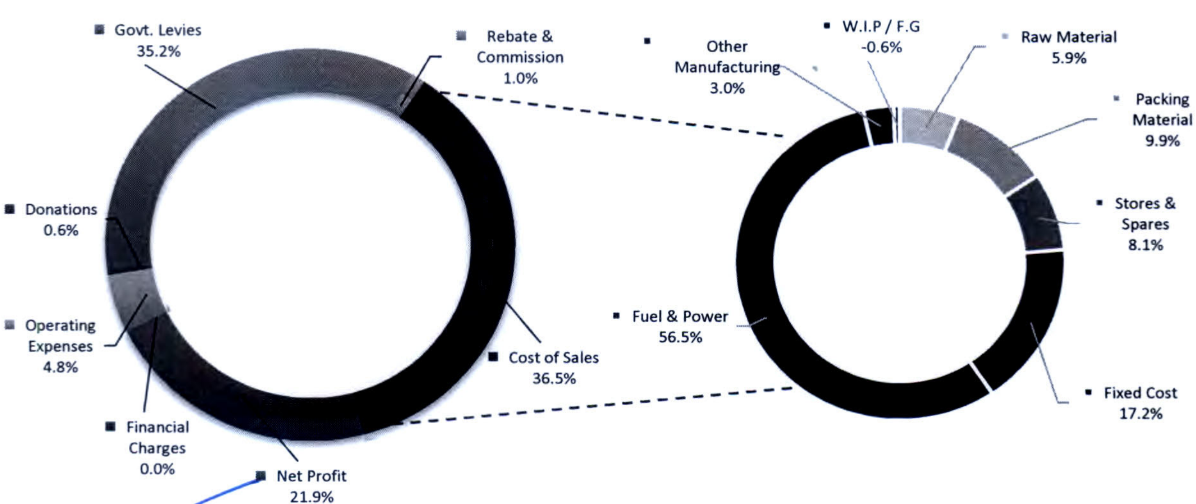
During the half year 2016-17 under review, your Company achieved an overall net sales revenue growth of 7.5% compared to same period last year. This was mainly attributable to increase in sales volumes.

Cost of Sales

During the period under review, per ton cost of sales of your Company decreased by 10.0% compared to same period last year. The decrease was mainly attributable to efficient fuel mix.

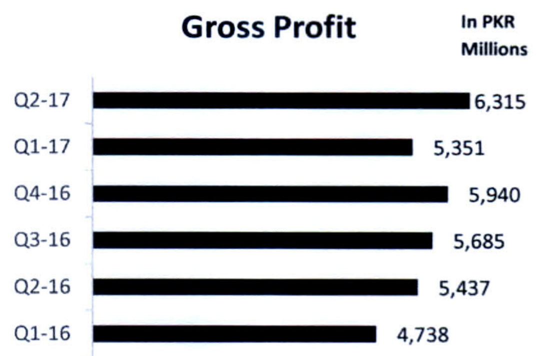
Distribution of Gross Revenue

Distribution of Cost of Sales



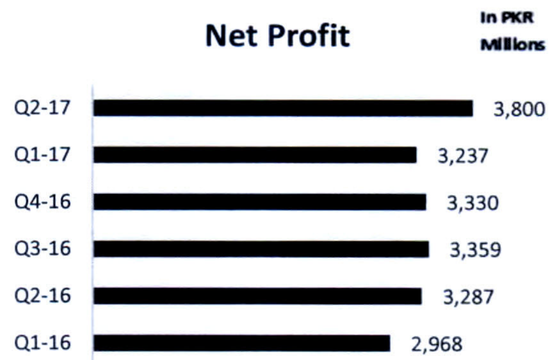
Gross Profit

Your Company was able to improve its gross profit margin to 49.8% for the half year under review compared to 46.7% reported during the same period last year.



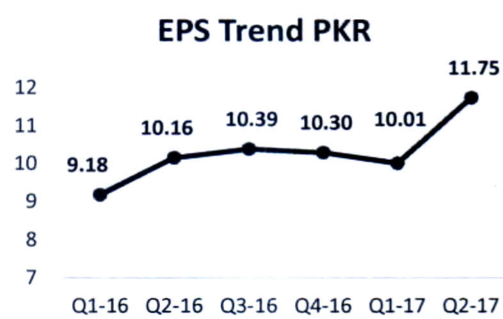
Net Profit

Your Company achieved profit before tax of PKR 9,906.4 million during the current half year under review compared to PKR 8,501.9 million reported during the same period last year. Similarly, after tax profit of PKR 7,037.4 million was achieved during the half year under review compared to PKR 6,254.9 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, 2016 was PKR 21.76 compared to PKR 19.34 reported during the same period last year.



Projects – New and Ongoing

Brownfield Expansion (Installation of additional Line of 1.25 million tons per annum) at Karachi Plant

Your company expects the new line to be operational by the end of the calendar year 2017.

Fully integrated green field Cement Plant in Punjab Province of Pakistan – 2.3 million tons per annum

Your Company is still in the process of seeking approvals and necessary authorizations from the Government of Punjab for commencement of this project. Construction is expected to start by the end of June 2017.

10 MW WHR at PEZU Plant - Kiln

The project is in testing & commissioning phase currently. It is expected to be operational by the end of January 2017.

Investments

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

Your company has executed EPC contract and finalized draft of the Power Purchase Agreement. It is currently in the process of finalizing the Implementation Agreement and long term Coal Supply Agreement with Sindh Engro Coal Mining Company (SECMC). The target to achieve financial close is May 2017 and Commercial Operation Date by June, 2020.

The consolidated unaudited financial statements of the Company for the half year ended December 31, 2016, include the net assets of LEPCL which is 100% indirectly owned subsidiary of the Company.

Joint Venture Investment in Cement Plant in DR Congo – 1.18 million tons per annum

The plant started Commercial Operations in December 2016.

The effect of 50% share of operating results as well as 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 December 31, 2016.

Brown field expansion in Cement Grinding unit in Republic of Iraq – 0.871 million tons per annum

Capacity expansion in Iraq grinding unit is expected to come online by August 2017.

Corporate Social Responsibility

Your Company is fully comitted in value-creation for the society it operates in. During the half year under review, your Company extended numerous scholarships for various leading universities in Pakistan, including a scholarship fund for 16 students from The Citizens Foundation (TCF) schools who are pursuing higher education after graduating from TCF Schools. Taking on the cause of empowering women in the country, Lucky Cement recently adopted two leading Government girls schools in Karachi in collaboration with Zindagi Trust. Your Company intends to transform these government girls schools into model campuses for the country. Your Company also donated generously for the efficient running of The Hub School and the SOS Children's Villages of Pakistan.

Ensuing its commitment of supporting quality health care projects in the country, your company continued to extend its support to Aziz Tabba Foundation, which is one of the most prominent philanthropic institutions in Pakistan, for the running of its two premium health care institutes in the country, namely Tabba Heart Institute and Tabba Kidney Institute.

Lucky Cement also donated towards the cause of community development by supporting the CPLC, an institution responsible for the safety and security of citizens.

Outlook

Your Company remains optimistic about its domestic sales volumetric growth for the current financial year. Domestic sales are anticipated to maintain the current upward momentum during the entire year as witnessed during the half year under review 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. 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: January 26, 2017