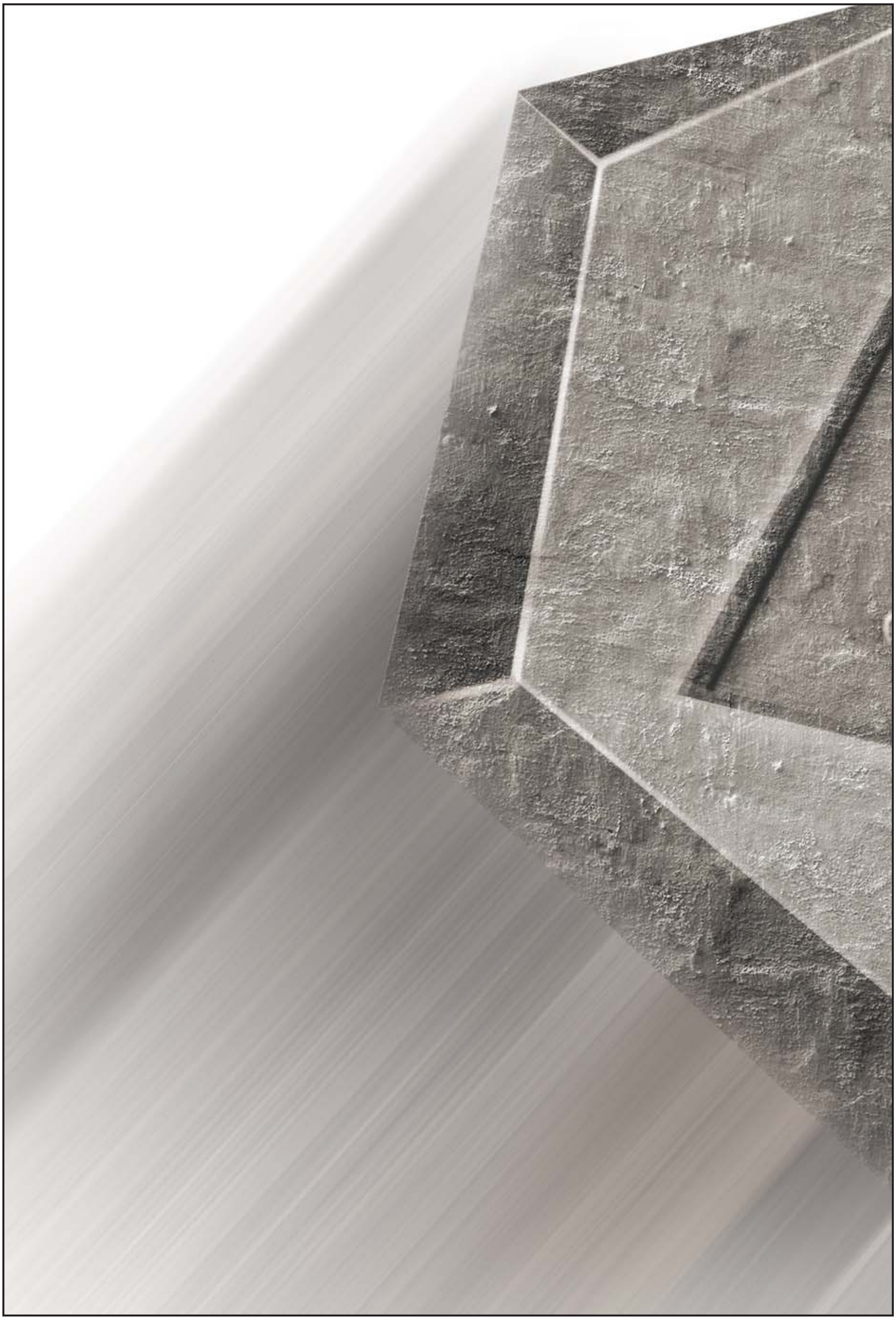
Lucky Cement

Concrete Progress

Half Yearly Report
December 31, 2009

From a single brick...

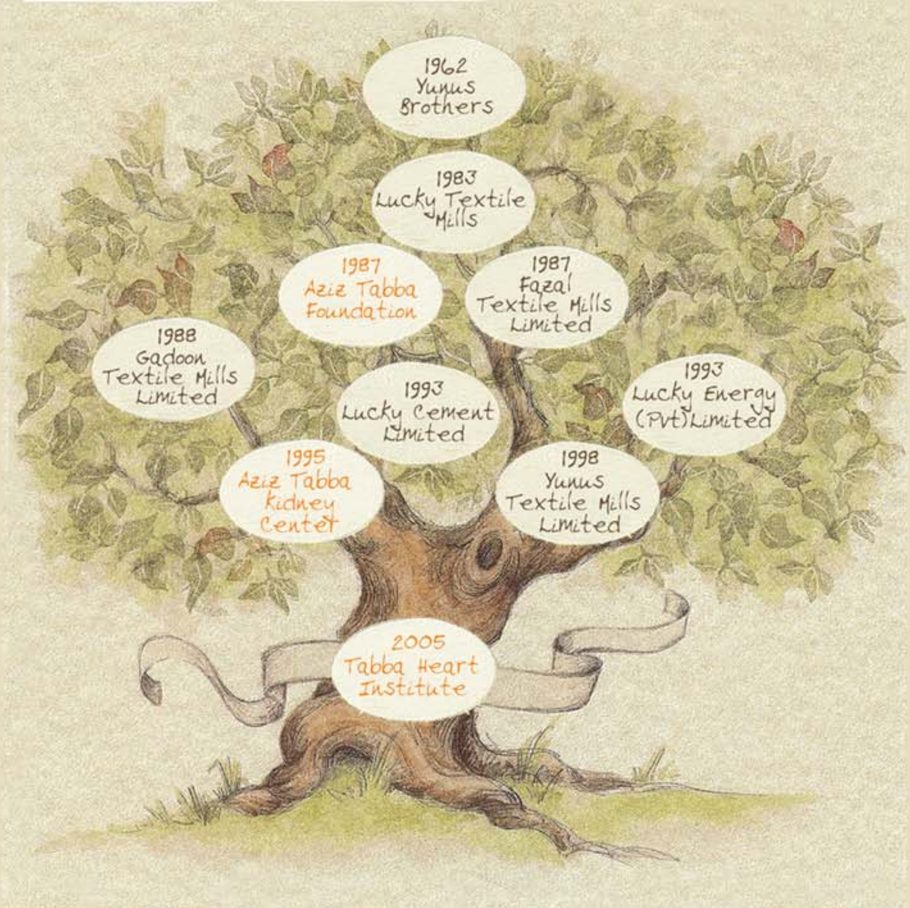


combined with concrete progress...

From the house you live in to the road you travel on; from your child's classroom to hospital buildings, just an additive in the building process. It gives meaning to our everyday existence by satisfying one

bridges and dams, cement stands out as the single most important ingredient. It is more than of the most basic needs of humanity – Shelter! It holds our lives together.

Group Company's Establishment in Chronological Order



Indicates Charitable Foundations and Institutions

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Half Yearly Report
December 31, 2009

Company Information

BOARD OF DIRECTORS

Mr. Muhammad Yunus Tabba
(Chairman/Director)
Mr. Muhammad Sohail Tabba
Mr. Imran Yunus Tabba
Mr. Javed Yunus Tabba
Mrs. Rahila Aleem
Miss Mariam Razzak
Mr. Ali J Siddiqui
Mr. Manzoor Ahmed (NIT)

CHIEF EXECUTIVE OFFICER

Mr. Muhammad Ali Tabba

EXECUTIVE DIRECTOR

Mr. Abdur Razzaq Thaplawala

DIRECTOR FINANCE & COMPANY SECRETARY

Mr. Muhammad Abid Ganatra
FCA, FCMA, FCIS

AUDIT COMMITTEE

Mr. Muhammad Sohail Tabba
Mr. Imran Yunus Tabba
Mr. Javed Yunus Tabba
Miss Mariam Razzak

STATUTORY AUDITORS

M/s. Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
A member firm of
Ernst & Young Global Limited

INTERNAL AUDITORS

M/s. M. Yousuf Adil Saleem & Co.,
Chartered Accountants
A member firm of
Deloitte Touche Tohmatsu

COST AUDITORS

M/s. KPMG Taseer Hadi & Co.,
Chartered Accountants

BANKERS

Allied Bank Limited
Bank AL-Habib Limited
Barclays Bank plc
Citibank N.A.,
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

REGISTERED OFFICE

Pezu, District Lakki Marwat, N.W.F.P.

PRODUCTION FACILITIES

1. Pezu, District Lakki Marwat, N.W.F.P.
2. 58 Kilometers on Main Super Highway, Gadap Town, Karachi.

HEAD OFFICE

6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi - 75350
UAN # (021) 111-786-555

SHARE REGISTRAR/TRANSFER AGENT

Central Depository Company of
Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shahra-e-Faisal,
Karachi.
(Toll Free) : 0800 23275

WEB SITE: www.lucky-cement.com **E-MAIL:** info@lucky-cement.com

Directors' Report

Lucky Cement
Concrete Progress

The Directors of your Company have pleasure to present before you the performance review together with the financial statements of the Company for the Half Year ended December 31, 2009 duly reviewed by the auditors.

Overview

By the grace of Almighty, your Company managed to continue its journey of volumetric sales growth and registered an overall sales volume growth of 21.4% during the first half year under review inspite of difficult business environment prevailed both in domestic and export markets.

The local sales volume of your Company registered a decent growth of 12.2% with volume of 1.338 million tons during the period under review as compared to 1.193 million tons cement sold same period last year despite of deteriorated economic and law and order situations prevailed in the Country coupled with drastic reduction in Public Sector Development Project spending and slow down of construction activities.

On the export front, the export sales volume of your Company registered a robust growth of 29.2% with volume of 1.845 million tons during the period under review as compared to 1.428 millions tons exported same period last year despite of global financial crises and increase in cement capacities in the region.

During the period under review, the management of your Company has signed two important Memorandum of Understandings (MoUs) with Karachi Electric Supply Company Limited for supply of 49.5 MW electricity from Karachi plant and with M/s. Oracle Coal Fields PLC, UK for purchase of indigenous coal to be mined at Thar Coal Field, District Tharparkar, Sindh. These MoUs when materialized may have significant impact on the overall performance of your Company.

A comparison of the key financial results of the Company for the half year ended December 31, 2009 with same period last year is as under:

Particulars	**2009-10**	2008-09	% Change
Sales Revenue	**12,116**	12,407	(2.34%)
Gross Profit	**4,525**	4,884	(7.36%)
Operating Profit	**2,640**	3,699	(28.63%)
Profit Before Tax	**2,179**	2,213	(1.53%)
Net Profit after tax	**1,908**	1,938	(1.58%)
Earnings Per Share	**5.90**	5.99	(1.50%)

** Rupees in million except EPS.*

Lucky Cement
Concrete Progress

Business Performance

(a) Production & Sales Volume Performance

A comparison of dispatches of the Company for the half year ended on December 31, 2009 with the same corresponding period last year is as under:

Particulars	Jul-09 to Dec-09 (Tons)	Jul-08 to Dec-08 (Tons)	Growth (Tons)	Growth %
Local Sales	**1,338,559**	1,193,451	**145,108**	**12.16%**
Export Sales				
Cement				
- Bagged	817,423	425,361	392,062	92.17%
- Loose	890,761	878,707	12,054	1.37%
Sub-Total	**1,708,184**	1,304,068	**404,116**	**30.99%**
Clinker	136,318	123,968	12,350	9.96%
Total Export	**1,844,502**	1,428,036	**416,466**	**29.16%**
Grand Total	**3,183,061**	2,621,487	**561,574**	**21.42%**

The Production statistics of your Company for the half year under review as compared to same period last year is as under:

Particulars	Half Year 2009-10	Half Year 2008-09	Difference	Difference
	-------------------- Tons	--------------------	--------------------	%
Clinker Production	**3,018,734**	2,457,126	561,608	22.86%
Cement Production	**3,063,290**	2,486,955	576,335	23.17%
Cement Dispatches	**3,183,061**	2,621,487	561,574	21.42%

(b) Financial Performance

During the period under review, average selling prices of your Company were reduced by 26% in the domestic markets and 16% in the export markets as compared to the same period last year because of stiff competition both in domestic and export markets. The overall sales revenue of your Company was declined by 2.3% during the period under review despite of volumetric growth of 21.42% achieved.

During the period under review, cost of sales in terms of absolute value increased by 1% whereas cost per ton of cement decreased by 16.9% as compared to same period last year. Energy cost comprising of heat and power, the major cost component which accounted for 63% of total cost of production, was decreased by 9% during the period under review as compared to same period last year.

Your Company achieved a gross profit rate of 37.34% for the period under review as compared to 39.36% gross profit rate achieved during same period last year. The finance cost of your Company for the period under review was Rs. 297.885 million as compared to Rs. 825.475 million during the same period last year. The reduction of finance cost was mainly achieved due to early repayment of long term loans carrying high markups. The distribution costs were increased by Rs. 627 million during the period under review as compared to same period last year mainly because of increase in inland and ocean freights.

Directors' Report

During the period under review, Your Company has provided a deferred tax provision of Rs.172.12 million in the profit and loss account making the total deferred tax liabilities to Rs.1.65 billion as on December 31, 2009.

Progress on Waste Heat Recovery Projects

By the grace of Almighty Allah, the commissioning work on Waste Heat Recovery Project of Karachi Plant has been successfully completed and the project is under going test and trial run operations. Insha Allah, the smooth power generation from this project would be started from the month of February 2010.

The installation and erection works on Waste Heat Recovery System of Pezu Plant are going in full swings and it is expected that the power generation from the Pezu Plant would Insha Allah be started by end of this financial year.

Future Outlook

The demand of cement in the domestic markets during first half was under pressure due to economic, financial and law and order situation prevailed in the Country. However, there appears to have some sign of recovery in the recent past on the basis of which it is anticipated that the demand of cement in the domestic market may improve in the coming months. The prices of cement were also under pressure in the domestic market during the period under review despite of pressure on cost of production. However, there has been some recovery in cement prices in the North Market because of recent hike in energy prices.

On the export front, the demand of cement in the Middle East has declined but there still exists demand of cement in certain countries which are naturally deficit of raw material required for cement manufacturing. The demand of cement also exists in certain African countries which are dependent on imported cement for another couple of years. The prices of cement in exports have been reduced and reached to its bottom which still provides margins for those who are cost competitive with export infra structure and have location advantage.

Acknowledgement

The Directors express their deep appreciation to our valued customers, the dedication of Company's employees to their professional obligations and the cooperation extended by financial institutions / government agencies, which have enabled the Company to display excellent performance both in operational and financial fields.

Conclusion

With profound gratitude to the blessings of Allah Almighty, the Board is of the opinion that the Company remains on its way to success.

For and on behalf of the Board

MUHAMMAD ALI TABBA
Chief Executive Officer

Karachi: January 25, 2010

Auditor's Report To The Members On Review Of Interim Financial Information

Lucky Cement
Concrete Progress

Introduction

We have reviewed the accompanying interim condensed balance sheet of **Lucky Cement Limited** as at **31 December 2009** and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our review report, we draw attention to note 6 to the interim condensed financial statements wherein the justification for recognizing a claim of refund of excise duty amounting to Rs. 538.8 million has been fully explained.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Engagement Partner: Shariq Ali Zaidi

Karachi: January 25, 2010

Interim Condensed Balance Sheet
As at December 31, 2009

Lucky Cement
Concrete Progress

	Note	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
		(Rupees in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**31,422,802**	30,476,872
Intangible assets	5	**3,620**	-
		31,426,422	30,476,872
Long-term advance		**55,373**	55,373
Long-term deposits		**2,175**	2,175
		31,483,970	30,534,420
CURRENT ASSETS			
Stores and spares		**3,321,496**	3,411,549
Stock-in-trade		**1,076,728**	1,196,608
Trade debts - considered good		**945,808**	1,267,248
Loans and advances		**103,426**	108,876
Trade deposits and short term prepayments		**65,936**	9,761
Other receivables		**62,959**	59,251
Tax refunds due from the government	6	**538,812**	538,812
Taxation – net		**165,618**	176,584
Sales tax refundable		**166,741**	40,162
Cash and bank balances		**239,333**	1,049,091
		6,686,857	7,857,942
TOTAL ASSETS		**38,170,827**	38,392,362
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized			
500,000,000 (June 30, 2009: 500,000,000) Ordinary shares of Rs.10 each		**5,000,000**	5,000,000
Issued, subscribed and paid up		**3,233,750**	3,233,750
Reserves		**20,632,409**	20,018,222
		23,866,159	23,251,972
NON-CURRENT LIABILITIES			
Long-term finance	7	**2,017,215**	4,300,000
Long-term deposits		**28,905**	28,589
Deferred liabilities		**273,256**	234,633
Deferred taxation	8	**1,650,617**	1,478,490
		3,969,993	6,041,712
CURRENT LIABILITIES			
Trade and other payables		**2,461,763**	2,677,356
Accrued mark-up		**167,732**	233,381
Short-term borrowings	9	**7,523,481**	6,187,941
Current portion of long-term finance		**181,699**	-
		10,334,675	9,098,678
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		**38,170,827**	38,392,362

The annexed notes from 1 to 15 form an integral part of these interim condensed financial statements.

Muhammad Ali Tabba
Chief Executive

Mr. Manzoor Ahmed
Director

Interim Condensed Profit and Loss Account

For the Half Year ended December 31, 2009 (Un-audited)

	Note	Half Year Ended December 31, 2009	Half Year Ended December 31, 2008	Quarter Ended December 31, 2009	Quarter Ended December 31, 2008
		(Rupees in '000')		(Rupees in '000')	
Gross sales	11	**14,126,273**	14,629,295	**7,087,546**	7,768,478
Less: Sales tax and excise duty		**1,836,130**	2,145,809	**890,905**	1,026,573
Rebate and Commission		**173,970**	76,722	**122,108**	50,204
		2,010,100	2,222,531	**1,013,013**	1,076,777
Net sales		**12,116,173**	12,406,764	**6,074,533**	6,691,701
Cost of sales		**7,591,617**	7,523,232	**3,784,031**	4,152,363
Gross profit		**4,524,556**	4,883,532	**2,290,502**	2,539,338
Distribution costs		**1,726,582**	1,099,866	**1,046,220**	732,307
Administrative expenses		**158,145**	84,265	**114,103**	35,464
		1,884,727	1,184,131	**1,160,323**	767,771
Operating profit		**2,639,829**	3,699,401	**1,130,179**	1,771,567
Finance costs		**297,885**	825,475	**143,129**	504,703
Other operating income		**(1,657)**	(945)	**(349)**	(945)
Other charges		**164,470**	662,008	**69,271**	159,300
		460,698	1,486,538	**212,051**	663,058
Profit before taxation		**2,179,131**	2,212,863	**918,128**	1,108,509
Taxation					
- Current		**99,317**	71,372	**50,797**	41,627
- Deferred		**172,127**	203,134	**62,155**	91,515
		271,444	274,506	**112,952**	133,142
Profit after taxation		**1,907,687**	1,938,357	**805,176**	975,367
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		**1,907,687**	1,938,357	**805,176**	975,367
		(Rupees)		**(Rupees)**	
Basic and diluted earnings per share		**5.90**	5.99	**2.49**	3.02

The annexed notes from 1 to 15 form an integral part of these interim condensed financial statements.

Muhammad Ali Tabba
Chief Executive

Mr. Manzoor Ahmed
Director

Interim Condensed Cash Flow Statement

For the Half Year ended December 31, 2009 (Un-audited)

Lucky Cement
Concrete Progress

	Note	**December 31, 2009**	December 31, 2008
		(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	**3,158,061**	2,694,287
Finance costs paid		**(363,534)**	(794,148)
Income tax paid		**(88,352)**	(111,623)
Gratuity paid		**(2,637)**	(7,586)
		(454,523)	(913,357)
Long-term deposits		**316**	15,022
Net cash generated from operating activities		**2,703,854**	1,795,952
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(1,639,529)**	(3,322,285)
Sale proceeds on disposal of property, plant and equipment		**5,192**	25,962
Net cash used in investing activities		**(1,634,337)**	(3,296,323)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances		**(2,101,086)**	(158,333)
Receipts of short-term borrowings		**1,315,410**	2,650,492
Dividends paid		**(1,113,729)**	(19)
Net cash (used in) / generated from financing activities		**(1,899,405)**	2,492,140
Net (decrease) / increase in cash and cash equivalents		**(829,888)**	991,769
Cash and cash equivalents at the beginning of the period		**910,890**	(1,438,749)
Cash and cash equivalents at the end of the period		**81,002**	(446,980)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		**239,333**	286,665
Short-term running finances		**(158,331)**	(733,645)
		81,002	(446,980)

The annexed notes from 1 to 15 form an integral part of these interim condensed financial statements.

Muhammad Ali Tabba
Chief Executive

Mr. Manzoor Ahmed
Director

Interim Condensed Statement of Changes in Equity

For the Half Year ended December 31, 2009 (Un-audited)

Lucky Cement
Concrete Progress

	Issued, subscribed and paid-up capital	Capital reserve: Share premium	Revenue reserves: General Reserves	Revenue reserves: Unappropriated profit	Total reserves	Total equity
	---------- (Rupees in '000') ----------					
Balance as at July 01, 2008	3,233,750	7,343,422	5,000,000	3,078,251	15,421,673	18,655,423
Net profit for the period	-	-	-	1,938,357	1,938,357	1,938,357
Balance as at December 31, 2008	**3,233,750**	**7,343,422**	**5,000,000**	**5,016,608**	**17,360,030**	**20,593,780**
Balance as at July 01, 2009	3,233,750	7,343,422	5,000,000	7,674,800	20,018,222	23,251,972
Transferred to general reserve	-	-	5,000,000	(5,000,000)	-	-
Final dividend at Rs. 4/- per share for the year ended June 30, 2009	-	-	-	(1,293,500)	(1,293,500)	(1,293,500)
Net profit for the period	-	-	-	1,907,687	1,907,687	1,907,687
Balance as at December 31, 2009	**3,233,750**	**7,343,422**	**10,000,000**	**3,288,987**	**20,632,409**	**23,866,159**

The annexed notes from 1 to 15 form an integral part of these interim condensed financial statements.

Muhammad Ali Tabba
Chief Executive

Mr. Manzoor Ahmed
Director

1. THE COMPANY AND ITS OPERATION

Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on all the three stock exchanges in Pakistan. The Company has also issued GDRs which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement. The registered office of the Company is located at Pezu, District Lakki Marwat in North West Frontier Province (NWFP). The Company has two production facilities at Pezu, District Lakki Marwat in NWFP and at Main Super Highway in Karachi, Sindh.

2. BASIS OF PREPARATION

These interim condensed financial statements are un-audited but subject to limited scope review by the auditors. These are required to be presented to the shareholders under section 245 of the Ordinance and have been prepared in a condensed form in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan. The figures of the interim condensed profit and loss account for the quarters ended December 31, 2008 and 2009 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half years ended December 31, 2008 and 2009. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2009, except adoption of revised IAS 1 as noted below:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income).

The Company has chosen to present all non-owner changes in equity in one performance statement – statement of comprehensive income (profit and loss account). The Company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have any significant impact on the presentation of the Company's financial statements and does not require the restatement or reclassification of comparative information.

4. PROPERTY, PLANT AND EQUIPMENT

4.1. The following additions and deletions were made during the period in operating fixed assets:

	Additions (Cost)	Deletions (Cost)
	(Rupees in `000)	
Operating fixed assets		
Building on land	**2,403**	-
Plant and machinery	**137,500**	-
Generator	**4,485**	-
Quarry equipments	**4,386**	-
Vehicles including cement bulkers	**7,189**	6,505
Furniture and fixtures	**1,203**	-
Office equipment	**1,541**	-
Computers and accessories	**1,230**	-
Other assets	**3,056**	63
	162,993	6,568

4.2. The following is the movement in capital work-in-progress during the period/year:

	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
	(Rupees in `000)	
Opening balance	**2,143,111**	4,831,256
Add: Additions during the period/year	**1,625,401**	5,712,795
	3,768,512	10,544,051
Less: Transferred to fixed assets	**152,855**	8,400,940
Closing balance	**3,615,657**	2,143,111

4.3. Borrowing costs amounting to Rs. 79.585 million (June 30, 2009: Rs. 634.298 million) have been capitalised in capital work-in-progress during the period/year.

5. INTANGIBLE ASSETS

Represents computer software - Oracle and is amortized on straight line basis over the period of 36 months.

6. TAX REFUNDS DUE FROM THE GOVERNMENT

As more fully explained in note 13 to the financial statements of the Company for the year ended June 30, 2009, a review petition was filed by the Federal Board of Revenue (FBR) against the order of the Honourable Supreme Court of Pakistan, whereby Supreme Court of Pakistan had dismissed the FBR's point of view that excise duty be calculated on declared retail price inclusive of excise duty.

The Honourable Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Company. The Company is actively pursuing the matter with the department for the settlement of the said refund claim.

	Note	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
		(Rupees in `000)	

7. LONG-TERM FINANCE

	Note	December 31, 2009	June 30, 2009
Long-term finance	7.1	**2,198,914**	4,300,000
Less: Current portion of long-term finance		**181,699**	-
		2,017,215	4,300,000

7.1. The Company has repaid the long-term finance of Rs. 4.3 billion during the half year ended December 31, 2009 as per the option available to it. During this period, the Company has obtained long-term finance of Rs. 2.199 billion under LTFF scheme of State Bank of Pakistan carrying mark-up at 10.38% per annum. These are secured by letters of hypothecation providing charge over plant, machinery, equipments, generators, all tools and spares of the Company and all future modification and replacement thereof. These are further secured by specific charge over the machinery being acquired by these LTFF.

8. DEFERRED TAXATION

	December 31, 2009	June 30, 2009
This comprises of the following:		
Deferred tax liability – difference in tax and accounting bases of property, plant and equipment	**2,472,432**	1,870,067
Deferred tax assets		
- Unabsorbed tax losses	**(758,650)**	(349,494)
- Provision for staff gratuity and compensated absences	**(63,165)**	(42,083)
	(821,815)	(391,577)
	1,650,617	1,478,490

9. SHORT-TERM BORROWINGS — Secured

	December 31, 2009	June 30, 2009
Running finance under mark-up arrangements from banks	**158,331**	138,201
Export refinance	**7,365,150**	6,049,740
	7,523,481	6,187,941

The Company has short-term financing facilities including Export Refinance aggregating to Rs. 10.125 billion available from various banks. These facilities are secured against hypothecation on stores, stock and trade debts and repayable within one year.

10. CONTINGENCIES AND COMMITMENTS

10.1. Contingencies

10.1.1. The Competition Commission of Pakistan has passed a single order on August 27, 2009 against all the cement manufacturers of the Country on the alleged ground of formation of cartel for marketing arrangement and thereby imposed upon a penalty at 7.5% on total turnover of each company consisting of both local and export sales. The amount of penalty imposed on the Company is Rs.1,271,840,925/- which has been challenged in the Court of Law. The Company's legal council is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, hence, no provision for the above has been made in the interim condensed financial statements.

10.1.2. The Supreme Court of Pakistan while disposing off an appeal of the Collector of Customs, Karachi has issued a judgment on July 28, 2009 whereby it has set aside the earlier order of the Peshawar High Court decided in favour of the Company on the issue of plant and machinery imported under SRO 484(I)/92 dated May 14, 1992 after obtaining approvals from the concerned Ministries. The Company has filed a review petition against the referred order which is pending before the Supreme Court of Pakistan. The amount of disputed liabilities is not ascertainable at this stage as no order was earlier framed by the Collector of Customs.

10.1.3. The Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 vide SROs 580(1)/91 and 561(1)/94 dated 27-06-1991 and 09-06-1994 respectively. In June 1997, the Federal Government withdrew the sales tax from the entire cement industry and deprived the Company from the advantage of its sales tax exemption. Being aggrieved by the denial of the benefit of sales tax exemption, the Company had filed a writ petition in the Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice but at the same time a suit was filed for compensation. During the period, civil judge Peshawar has granted the ex-parte decree in favor of the Company amounting to Rs. 1,693.61 million along with 14% per annum until the said amount is actually paid. The above would be recorded at the appropriate time in accordance with the requirements of International Accounting Standard-37.

10.1.4. There are no other major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2009.

	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
	(Rupees in `000)	
10.2. Commitments		
Capital Commitments		
Plant and machinery under letters of credit	**50,394**	1,203,584
Other Commitments		
Stores and spares and packing material under letters of credit	**1,905,254**	540,414
Bank guarantees issued on behalf of the Company	**623,416**	677,379

	For the half-year ended	
	December 31, 2009	December 31, 2008
	(Rupees in `000)	
11. GROSS SALES		
Local	**6,243,717**	7,439,034
Export	**7,882,556**	7,190,261
	14,126,273	14,629,295

12. CASH GENERATED FROM OPERATIONS

Profit before taxation	**2,179,131**	2,212,863
Adjustments for non cash charges and other items		
Depreciation	**686,444**	524,205
Gain on disposal of property, plant and equipment	**(1,657)**	(945)
Provision for gratuity	**41,260**	28,580
Finance costs	**297,885**	825,475
	3,203,063	3,590,178
Working capital changes		
Decrease in current assets	**350,361**	496,378
Decrease in current liabilities	**(395,363)**	(1,392,269)
	(45,002)	(895,891)
Cash generated from operations	**3,158,061**	2,694,287

13. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated undertakings, directors and key management personnel. Transactions with related parties during the period, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	For the half-year ended	
	December 31, 2009	December 31, 2008
	(Rupees in `000)	
Associated Undertakings		
Lucky Paragon Ready Mix Limited		
Sales	**25,708**	100,988
Purchase	**22**	9,376
Lucky Textile Mills		
Sales	**224**	463
Gadoon Textile Mills Limited		
Sales	**239**	359
Yunus Textile Mills Limited		
Sales	**826**	331
Fazal Textile Mills Limited		
Sales	**324**	10,824
Lucky Knit (Private) Limited		
Sales	**95**	-

14. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue on January 25, 2010 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand of Rupees.

Muhammad Ali Tabba
Chief Executive

Mr. Manzoor Ahmed
Director

Lucky Cement
Concrete Progress

Head Office

6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi-75350
UAN: (+92-21) 111-786-555
Tel: (+92-21) 34537390, 34530175,
34522554 & 34530450
Fax: (+92-21) 34534302
Email: info@lucky-cement.com

Plants

Pezu Plant

Main Indus Highway, PEZU,
Distt: Lucky Marwat, N.W.F.P
UAN: (+92-969) 111-786-555
Tel: (+92-969) 580123-5
Fax: (+92-969) 580127, 580122

Karachi Plant

58 km Milestone Super Highway
Tel: (+92-21) 38258227
Fax: (+92-21) 35206421

Marketing Offices

Marketing Head Office - Islamabad

House No. 1-A, Street No. 70, Sector F-8/3, Islamabad
UAN: (+92-51) 111-786-555
Tel: (+92-51) 2287085-6
Fax: (+92-21) 2287087
Email: gmmarketing@lucky-cement.com

Lahore Office

2nd Floor, Al-Hassan Plaza, Jamia Ashrafia,
Main Ferozpur Road, Lahore
UAN: (+92-42) 111-786-555
Tel: (+92-42) 37530480-2
Fax: (+92-42) 37530435
Email: lahore@lucky-cement.com

Multan Office

Dastageer Tower, near GPO Hassan Parwana Road, Multan
UAN: (+92-61) 111-786-555
Tel: (+92-61) 4540556-9
Fax: (+92-61) 4540558
Email: multan@lucky-cement.com

Peshawar Office

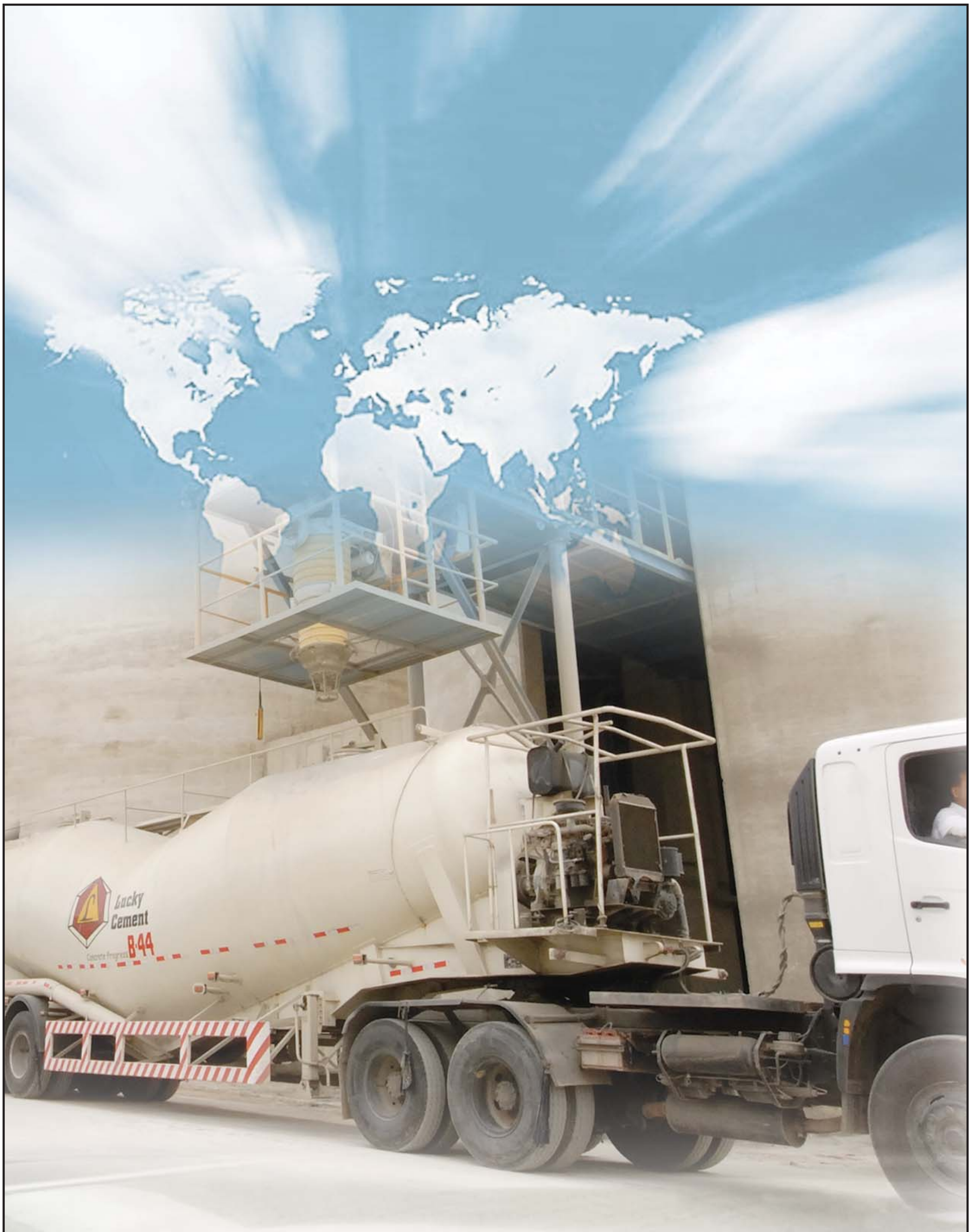
Ground Floor, APTMA House, Tehkal
Payan, Jammrud Road, Peshawar
Tel: (+92-91) 5844903, 5705189
Fax: (+92-91) 5850969
Email: peshawar@lucky-cement.com

Quetta Office

F-1, The Institute of Eng Bldg, Zargoon Road, Quetta
Tel: (+92-81) 2837583
Fax: (+92-81) 2829267
Email: quetta@lucky-cement.com

D.I. Khan Office

Mezzanine Floor, State Life Bldg.
East Circular Road, D.I Khan
Tel: (+92-966) 713799
Fax: (+92-966) 712279



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