



Leading the

Change

HALF YEARLY REPORT
December 31, 2011

Being the industry leader and key driver of corporate innovation and growth in Pakistan, Lucky Cement has embraced **change** in an inspiring way to maintain competitive edge over its counterparts.

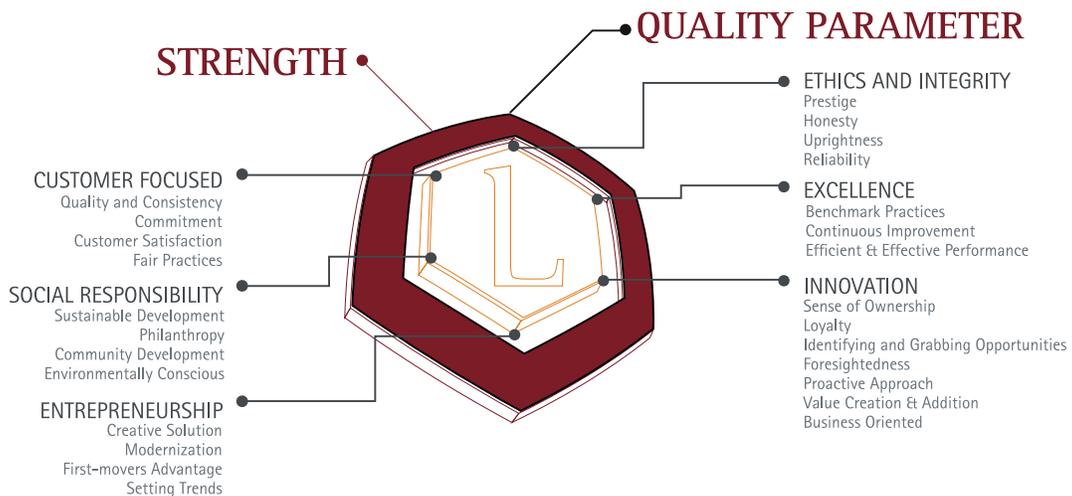
Our new logo serves as a testament to our commitment to **challenge** the norms and bring about a **change** in the company as a whole.

Our new identity reflects our acceptance towards modern and innovative business practices, smart investment moves, diversity in human resource and unconventional approaches towards building our corporate image.

We have taken the **challenge** to bring the **Change**

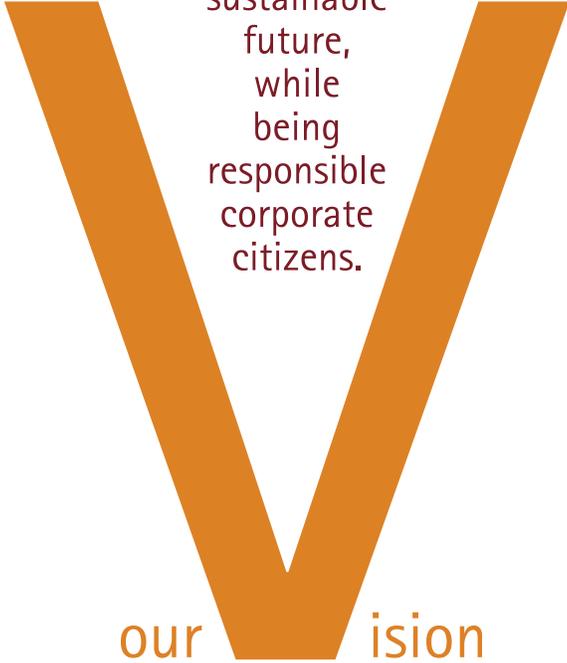
We are out with a Change

New Identity, New Spirit, New Challenges



The centrepiece of our identity is our Logo.
The hexagon presents the values and attributes
that are our strength and represent our quality parameters.

We
envision
being the leader
of the cement industry in
Pakistan,
identifying and
capitalizing on new
opportunities
in the
global market,
contributing towards
industrial progress
and
sustainable
future,
while
being
responsible
corporate
citizens.

our  ision

Our mission is to be a premium cement manufacturer by building a professional organization, having state-of-the-art technology, identifying new prospects to reach globally and maintain service and quality standards to cater to the international construction needs with an environment-friendly approach.

our mission

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Company Information

Leading the Change
Challenge the Norms

Board of Directors

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

Chief Executive

Mr. Muhammad Ali Tabba

Chief Operating Officer

Mr. Noman Hasan

Director Finance and Company Secretary

Mr. Muhammad Abid Ganatra
FCA, FCMA, FCIS

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 and Co.,
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank AL-Habib Limited
Bank Alfalah Limited
Barclays Bank plc
Citibank N.A.
Deutsche Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

Pezu, District Lakki Marwat, Khyber Pakhtunkhwa

Head Office

6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi - 75350
UAN # (021) 111-786-555
Website: www.lucky-cement.com
E-mail: info@lucky-cement.com

Production Facilities

1. Pezu, District Lakki Marwat, Khyber Pakhtunkhwa
2. 58 Kilometers on Main Super Highway,
Gadap Town, Karachi.

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

BOARD COMMITTEES

Audit Committee

Mr. Muhammad Sohail Tabba (Chairman)
Mr. Imran Yunus Tabba
Mr. Jawed Yunus Tabba
Mrs. Mariam Tabba Khan
Mr. Ali J Siddiqui

Budget Committee

Mr. Jawed Yunus Tabba (Chairman)
Mr. Muhammad Sohail Tabba
Mrs. Rahila Aleem

Human Resource and Remuneration Committee

Mrs. Mariam Tabba Khan (Chairperson)
Mr. Imran Yunus Tabba
Mr. Ali J Siddiqui

Corporate Governance Committee

Mr. Manzoor Ahmed (Chairman)
Mr. Jawed Yunus Tabba
Mrs. Rahila Aleem



Directors' Report

Leading the Change
Challenge the Norms

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, 2011 duly reviewed by the Auditors.

Overview

The cement industry achieved a meager growth of 4% in volumetric sales of both local and exports during the 1st half year ended Dec 31, 2011 with volumetric sales of 15.40 million tons compared to 14.77 million tons during the same period last year.

The local sales volume of the industry during first half of this financial year registered a growth of 8% from 10.11 million tons cement sold last year to 10.94 million tons cement sold during this half year. Whereas exports sales volume of the industry declined by 5% from 4.67 million tons cement sold last year to 4.46 million tons cement sold during this half year.

The sales volume of your Company registered a growth of 2% comprising of both local and export sales. The local sales volume of your Company registered a growth of 11% from 1.51 million tons cement sold last year to 1.68 million tons cement sold during this half year. The export sales volume of your Company declined by 8% from 1.29 million tons cement sold last year to 1.19 million tons cement sold during this half year.

A comparison of the key financial results of the Company for the half year ended December 31, 2011 with same period last year is as under:

Particulars	Half Year 2011-12	Half Year 2010-11	Change
Sales revenue	15,374	12,028	28%
Gross profit	5,815	3,968	47%
Operating profit	3,832	1,994	92%
Profit before tax	3,480	1,581	120%
Net profit after tax	3,018	1,461	107%
Earnings per share	9.33	4.52	106%

*Rupees in million except EPS

A comparison of the key financial results of the Company for the 2nd quarter 2011-12 versus 1st quarter 2011-12 is as under:

Particulars	2nd Quarter 2011-12	1st Quarter 2011-12	Change
Sales revenue	7,878	7,496	5%
Gross profit	2,900	2,915	(1%)
Operating profit	1,959	1,873	5%
Profit before tax	1,777	1,703	4%
Net profit after tax	1,513	1,506	0.5%
Earnings per share	4.68	4.66	0.5%

*Rupees in million except EPS

Directors' Report

Leading the Change
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A comparison of the key financial results of the Company for the 2nd quarter versus same quarter last year is as under:

Particulars	2nd Quarter 2011-12	2nd Quarter 2010-11	Change
Sales revenue	7,878	6,444	22%
Gross profit	2,900	2,236	30%
Operating profit	1,959	1,009	94%
Profit before tax	1,777	798	123%
Net profit after tax	1,513	734	106%
Earnings per share	4.68	2.27	106%

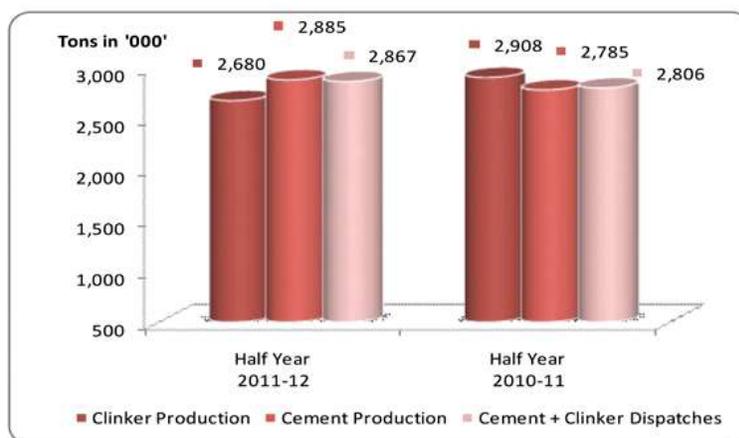
*Rupees in million except EPS

Business Performance

(a) Production and Sales Volume Performance

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 2011-12 (Tons)	Half Year 2010-11 (Tons)	Increase/ (Decrease) %
Clinker Production	2,680,029	2,908,472	(8%)
Cement Production	2,884,540	2,785,390	4%
Cement + Clinker Dispatches	2,867,379	2,805,612	2%



Directors' Report

Leading the Change
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A comparison of dispatches of the Industry and your Company for the half year ended on December 31, 2011 with the same corresponding period last year is as under:

Particulars	Half Year	Half Year	Growth / (Decline)	
	2011-12 (Tons)	2010-11 (Tons)	(Tons)	%
Cement Industry				
Local Sales	10,944,456	10,108,712	835,744	8%
Export Sales				
Cement				
- Bagged	4,339,711	4,176,972	162,739	4%
- Loose	118,670	381,483	(262,813)	(69%)
Sub-Total	4,458,381	4,558,455	(100,074)	(2%)
Clinker	-	110,680	(110,680)	(100%)
Total Export	4,458,381	4,669,135	(210,754)	(5%)
Grand Total	15,402,837	14,777,847	624,990	4%

Lucky Cement Limited

Local Sales	1,682,051	1,514,734	167,317	11%
Export Sales				
Cement				
- Bagged	1,066,658	884,539	182,119	21%
- Loose	118,670	369,240	(250,570)	(68%)
Sub-Total	1,185,328	1,253,779	(68,451)	(5%)
Clinker	-	37,099	(37,099)	(100%)
Total Export	1,185,328	1,290,878	(105,550)	(8%)
Grand Total	2,867,379	2,805,612	61,767	2%

Lucky Cement Limited - Market Share (%)

	Half Year 2011-12	Half Year 2010-11
Local Sales	15%	15%
Export Sales		
Cement		
- Bagged	25%	21%
- Loose	100%	97%
Sub-Total	27%	28%
Clinker	0%	34%
Total Export	27%	28%
Grand Total	19%	19%

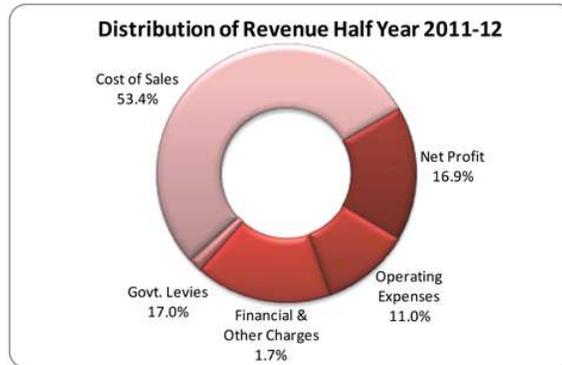
(b) Financial Performance

During the period under review, the local sales revenue of your Company increased by 54% due to increase in sales volume and prices of cement in the domestic markets. The prices of cement were mainly increased on the back of increase in production cost. The export sales revenue also increased by 4% because of better prices achieved during the 1st half as compared to same period last year.

During the period under review, cost of sales in terms of absolute value increased by 19% whereas cost per ton of cement increased by 16% as compared to same period last year mainly due to increase in coal, packing and fuel costs.

Your Company achieved a gross profit rate of 38% for the period under review as compared to 33% gross profit rate achieved during same period last year.

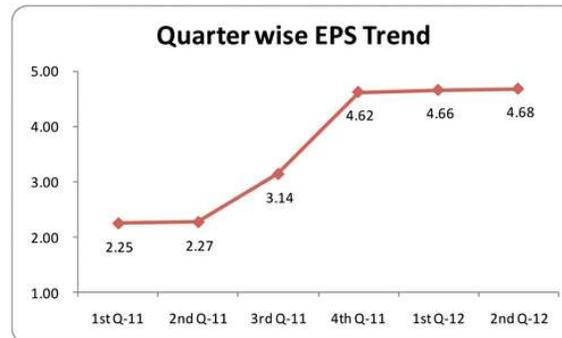
The finance cost of your Company for the period under review was decreased to Rs.170 million as compared to Rs.294 million during the same period last year.



The distribution costs were decreased by Rs.129 million during the period under review as compared to same period last year.

Your Company achieved a profit before tax rate of 23% for the period under review as compared to 13% rate achieved during the same period last year.

The earnings per share of your Company during the period under review was Rs.9.33 per share which was Rs.4.52 per share during the same period last year.



Progress on Projects

Alternative Fuel (RDF / TDF Plant):

By the grace of Allah, the project of alternative fuel comprises of used tyres as well as municipal and agriculture wastes for replacing coal in the pyro process has started trial operations in the month of December 2011 as per schedule. This project will further enhance the competitive edge of your Company by reducing its cost of production in time to come.

Supply of Power to HESCO

The civil works for this project has been completed whereas the work on installation of grid station and interconnection with distribution network of HESCO is in progress which will Insha'Allah be completed within the third quarter of this financial year.

Joint Venture Investment in Cement Plant in DR Congo

The management of your Company is pursuing the regulatory approval for equity investment in the project Company in DRC. On the other hand, the project Company has started negotiations with the suppliers of plant and machinery as well as the contractors for execution of civil, mechanical and erection works for the proposed project. Moreover, the terms and conditions for project debt financing are also in process of finalization with various international multilateral financial institutions.

Corporate Social Responsibility

Your Company is proud to announce the sponsorship of an ultrasound facility including cost of the doctor and equipment at the Mother & Child Healthcare Clinic for the poor and needy people of Machar Colony, one of the biggest katchi abadi's in Karachi, which was inaugurated on 9th August 2011.

Your Company also conducted a major food and ration distribution campaign during the month of Ramadan and distributed over 4,000 ration bags to the needy people.

Future Outlook

Based on the volumetric growth of 8% achieved in the domestic sales during the 1st half year ended December 31, 2011 it is anticipated that the demand of cement in the domestic market during the remaining period of this financial year will be ended up with growth ranging 5% to 10% over last year.

The export of cement to Afghanistan is expected to achieve a new level of 5 million tons during current financial year as 10% growth was witnessed during the 1st half of this financial year. The exports of cement to regional countries like Sri Lanka, Iraq and India as well as to various African countries will continue the momentum of exports during this financial year.

Acknowledgement

Your Directors express their appreciation to the bankers and financial institutions that extended assistance in financing to the Company, its contractors who are working on the expansion projects and the Company's workers, staff and executives for their devotion and hard working. The board also acknowledges the commendable contributions made by (late) Mr. Mehbub-ur-Rehman, in the overall success of the Company as Director Operations who expired on December 19, 2011.

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 YUNUS TABBA
Chairman / Director

Karachi: January 30, 2012

Auditors' Report To The Members On Review Of Interim Financial Information

Leading the Change
Challenge the Norms

Introduction

We have reviewed the accompanying condensed interim balance sheet of Lucky Cement Limited (the Company) as at 31 December 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-months period then ended (here-in-after referred to as "interim financial information"). 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.

Emphasis of matter

We draw attention to note 5 to the accompanying condensed interim financial information which explain the reasons for recording an asset representing a claim of refund of excise duty amounting to Rs.538.8 million in the books of account of the Company.

Our conclusion is not qualified in respect of this matter.

Ernst & Young Faisal Rizvi Sadiq Hyele

Chartered Accountants

Date: 30 January 2012

Karachi



Condensed Interim Balance Sheet
As at December 31, 2011

	Note	December 31, 2011 (Un-audited) (Rupees in'000')	June 30, 2011 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	31,495,403	31,705,156
Intangible assets		981	1,685
		<u>31,496,384</u>	<u>31,706,841</u>
Long-term advance		55,373	55,373
Long-term deposits		3,175	3,175
		<u>31,554,932</u>	<u>31,765,389</u>
CURRENT ASSETS			
Stores and spares		6,780,234	6,313,584
Stock-in-trade		1,307,717	1,248,538
Trade debts - considered good		1,055,485	620,961
Loans and advances		148,649	72,164
Trade deposits and short term prepayments		58,593	38,669
Other receivables		222,906	218,884
Tax refunds due from the government	5	538,812	538,812
Taxation – net		19,179	41,652
Sales tax refundable		15,561	-
Cash and bank balances		303,785	351,202
		<u>10,450,921</u>	<u>9,444,466</u>
TOTAL ASSETS		<u>42,005,853</u>	<u>41,209,855</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		26,263,702	24,539,079
		<u>29,497,452</u>	<u>27,772,829</u>
NON-CURRENT LIABILITIES			
Long-term finance	6	525,598	658,298
Long-term deposits		49,509	37,306
Deferred liability		433,684	391,837
Deferred tax liability	7	1,961,132	1,652,796
		<u>2,969,923</u>	<u>2,740,237</u>
CURRENT LIABILITIES			
Trade and other payables		3,343,516	4,043,689
Accrued mark-up		58,069	85,448
Short-term borrowings	8	5,871,493	6,302,252
Current portion of long-term finance	6	265,400	265,400
		<u>9,538,478</u>	<u>10,696,789</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>42,005,853</u>	<u>41,209,855</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Condensed Interim Profit and Loss Account
For The Half Year Ended December 31, 2011 (Un-audited)

Note	Half Year Ended		Quarter Ended		
	December 31, 2011 (Rupees in ' 000')	December 31, 2010	December 31, 2011 (Rupees in ' 000')	December 31, 2010	
Gross sales	10	17,907,148	14,407,070	9,199,627	7,768,339
Less: Sales tax and excise duty		2,403,587	2,286,199	1,260,838	1,280,333
Rebate and Commission		129,342	92,971	60,659	44,278
		2,532,929	2,379,170	1,321,497	1,324,611
Net sales		15,374,219	12,027,900	7,878,130	6,443,728
Cost of sales		(9,559,678)	(8,060,188)	(4,978,391)	(4,208,048)
Gross profit		5,814,541	3,967,712	2,899,739	2,235,680
Distribution costs		(1,741,765)	(1,815,628)	(819,610)	(1,127,247)
Administrative expenses		(240,319)	(158,071)	(120,888)	(99,525)
Finance costs		(169,562)	(294,149)	(88,554)	(150,589)
Other charges		(183,465)	(119,259)	(93,599)	(60,105)
Other income		771	259	361	111
Profit before taxation		3,480,201	1,580,864	1,777,449	798,325
Taxation					
- Current		(153,742)	(120,279)	(78,781)	(64,438)
- Deferred		(308,336)	-	(186,141)	-
		(462,078)	(120,279)	(264,922)	(64,438)
Profit after taxation		3,018,123	1,460,585	1,512,527	733,887
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		3,018,123	1,460,585	1,512,527	733,887
		(Rupees)		(Rupees)	
Earnings per share - basic and diluted		9.33	4.52	4.68	2.27

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Condensed Interim Cash Flow Statement
For The Half Year Ended December 31, 2011 (Un-audited)

	Note	December 31, 2011	December 31, 2010
(Rupees in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operations	11	2,721,180	1,361,321
Finance costs paid		(196,941)	(285,647)
Income tax paid		(131,269)	(65,325)
Gratuity paid		(12,017)	(7,871)
		(340,227)	(358,843)
Long-term deposits		12,203	4,478
Net cash flows from operating activities		2,393,156	1,006,956
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(596,252)	(598,368)
Sale proceeds on disposal of property, plant and equipment		2,120	1,638
Net cash flows used in investing activities		(594,132)	(596,730)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(132,700)	(777,961)
(Repayments) / receipts of short-term borrowings		(430,759)	1,502,621
Dividends paid		(1,282,982)	(1,104,315)
Net cash flows used in financing activities		(1,846,441)	(379,655)
Net (decrease) / increase in cash and cash equivalents		(47,417)	30,571
Cash and cash equivalents at the beginning of the period		351,202	333,629
Cash and cash equivalents at the end of the period		303,785	364,200

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Condensed Interim Statement Of Changes in Equity
For The Half Year Ended December 31, 2011 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General Reserve	Unappropriated profit		
-----Rupees in '000'-----						
Balance as at July 01, 2010	3,233,750	7,343,422	10,000,000	4,518,757	21,862,179	25,095,929
Transferred to general reserve	-	-	2,500,000	(2,500,000)	-	-
Final dividend at Rs. 4/- per share for the year ended June 30, 2010	-	-	-	(1,293,500)	(1,293,500)	(1,293,500)
Total comprehensive income for the period	-	-	-	1,460,585	1,460,585	1,460,585
Balance as at December 31, 2010	3,233,750	7,343,422	12,500,000	2,185,842	22,029,264	25,263,014
Balance as at July 01, 2011	3,233,750	7,343,422	12,500,000	4,695,657	24,539,079	27,772,829
Transferred to general reserve	-	-	2,500,000	(2,500,000)	-	-
Final dividend at Rs. 4/- per share for the year ended June 30, 2011	-	-	-	(1,293,500)	(1,293,500)	(1,293,500)
Total comprehensive income for the period	-	-	-	3,018,123	3,018,123	3,018,123
Balance as at December 31, 2011	3,233,750	7,343,422	15,000,000	3,920,280	26,263,702	29,497,452

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Notes to the Condensed Interim Financial Statements
For The Half Year Ended December 31, 2011 (Un-audited)

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 Khyber Pakhtunkhwa. The Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended December 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and 2010 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half years ended December 31, 2011 and 2010. These condensed interim 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, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2011, except as follows:

New and amended standards and interpretations

The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 – Financial Instruments: Disclosures
- IAS 24 – Related Party Disclosure (Revised)
- IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 – Financial Instrument Disclosures (Clarification of disclosures)
- IAS 1 – Presentation of Financial Statements (Clarification of statement of changes in equity)
- IAS 34 – Interim Financial Reporting (Significant events and transactions)
- IFRIC 13 – Customer Loyalty Programmes (Fair value of award credits)

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

4.1. The following is the movement in property, plant and equipment during the period/year:

		December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
	Note	----- (Rupees in '000) -----	
Operating fixed assets (WDV) - opening balance		30,565,211	29,465,134
Add: Additions during the period/year	4.2	78,126	2,678,122
		<u>30,643,337</u>	<u>32,143,256</u>
Less: Disposals during the period / year (WDV)		1,428	7,500
Depreciation charge for the period / year		804,511	1,570,545
Operating fixed assets (WDV) – closing balance		<u>29,837,398</u>	<u>30,565,211</u>
Add: Capital work-in-progress	4.3	1,658,005	1,139,945
		<u>31,495,403</u>	<u>31,705,156</u>

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

	Additions (Cost)	Deletions (Cost)
	----- (Rupees in '000) -----	
Operating fixed assets		
Land - leasehold	17,599	-
Building on leasehold land	1,216	-
Plant and machinery	22,118	-
Generators	1,246	-
Quarry equipments	495	-
Vehicles including cement bulkers	22,896	1,909
Furniture and fixtures	834	-
Office equipments	5,697	1,542
Computer and accessories	2,675	75
Other assets	3,350	-
	78,126	3,526

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

	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
	----- (Rupees in '000) -----	
Note		
Opening balance	1,139,945	1,913,121
Add: Additions during the period/year	548,992	1,657,458
	1,688,937	3,570,579
Less: Transferred to operating fixed assets	30,932	2,430,634
Closing balance	1,658,005	1,139,945

4.4. Borrowing costs amounting to Rs.nil (June 30, 2011: Rs.8.274 million) have been capitalised in capital work-in-progress during the period / year.

5. TAX REFUNDS DUE FROM THE GOVERNMENT

As more fully explained in note 14 to the financial statements of the Company for the year ended June 30, 2011, 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.

6. LONG-TERM FINANCE

Long-term finance	6.1	790,998	923,698
Less: Current portion of long-term finance		265,400	265,400
		525,598	658,298

6.1. The terms and conditions of long-term finance are the same as disclosed in the annual financial statements of the Company for the year ended June 30, 2011.

	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
	------(Rupees in '000')-----	

7. DEFERRED TAX LIABILITY

This comprises of the following :

Deferred tax liability

- difference in tax and accounting
bases of property, plant and equipment

Deferred tax assets

- unabsorbed tax losses

- provisions

	3,631,542	3,280,809
	(1,522,965)	(1,495,783)
	(147,445)	(132,230)
	(1,670,410)	(1,628,013)
	1,961,132	1,652,796

8. SHORT-TERM BORROWINGS

Export refinance

Foreign Currency Import Finance

8.1

	4,250,000	350,000
	1,621,493	5,952,252
	5,871,493	6,302,252

8.1. The terms and conditions of short-term borrowings are the same as disclosed in the annual financial statements of the Company for the year ended June 30, 2011.

9. CONTINGENCIES AND COMMITMENTS

9.1. Contingencies

There are no major changes in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended June 30, 2011.

9.2. Commitments

Capital Commitments

Plant and machinery under letters of credit

	136,686	304,738
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Other Commitments

Stores, spares and packing material under
letters of credit

	1,212,441	1,364,705
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Bank guarantees issued on behalf of the Company

	643,375	638,629
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	For the half-year ended December 31, 2011	December 31, 2010
	------(Rupees in '000')-----	

10. GROSS SALES

Local

Export

	11,328,583	8,096,461
	6,578,565	6,310,609
	17,907,148	14,407,070

	Note	For the half-year ended	
		December 31, 2011	December 31, 2010
------(Rupees in '000)-----			
11. CASH GENERATED FROM OPERATIONS			
Profit before taxation		3,480,201	1,580,864
Adjustments for non cash charges and other items			
Depreciation	4.1	804,511	774,126
Amortization on intangible assets		770	733
Provision for slow moving spares		15,359	-
Gain on disposal of property, plant and equipment		(691)	(161)
Provision for gratuity		53,864	49,317
Finance costs		169,562	294,149
		4,523,576	2,699,028
Working capital changes			
Increase in current assets		(1,091,705)	(1,942,335)
(Decrease) / increase in current liabilities		(710,691)	604,628
		(1,802,396)	(1,337,707)
Cash generated from operations		2,721,180	1,361,321

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of 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:

Associated Undertakings			
Lucky Paragon Ready Mix Limited			
Sales		34,220	38,313
Purchase		-	55
Lucky Textile Mills			
Sales		9,816	3,021
Gadoon Textile Mills Limited			
Sales		17,287	4,748
Yunus Textile Mills Limited			
Sales		3,275	1,416
Fazal Textile Mills Limited			
Sales		10,869	2,944
Aziz Tabba Foundation			
Sales		-	1,262

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on January 30, 2012 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



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Karachi Plant

104km Milestone from
Karachi to Hyderabad
(58 km towards Karachi)
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