



LEADERSHIP
AS SOLID AS
CONCRETE

THIRD QUARTER REPORT
March 31, 2013



A Part of
YBG

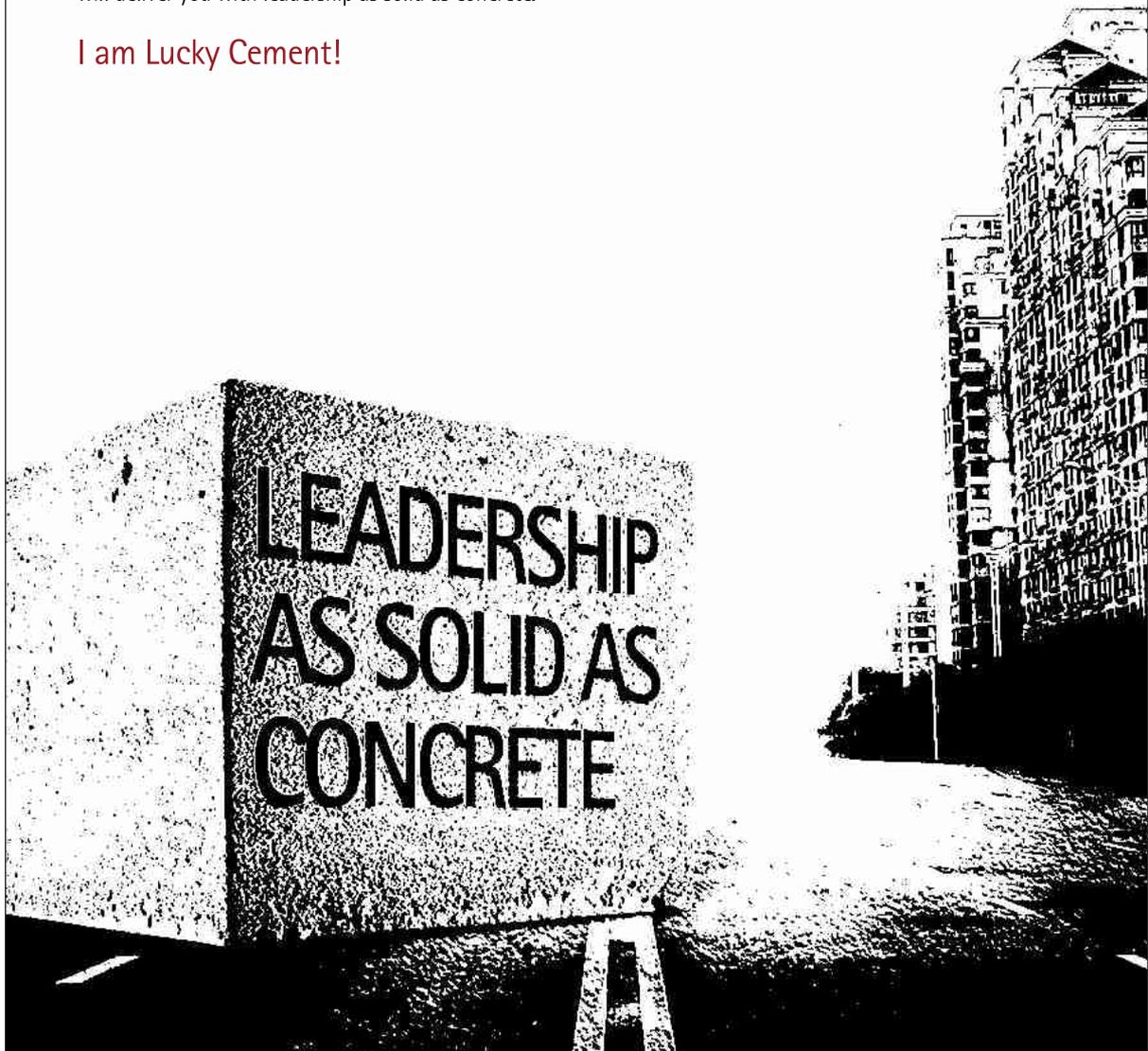
Leadership As Solid As Concrete

I was the first one to reach the top. None, but my shadow was my competition. I relied on the strength of my body and soul; my guiding stars were faith, honesty and excellence. I fired above the mark that I intended to hit. Energy and invincible determination with the right motives are the levers through which I moved the world.

Reflecting on my success, it is evident that I am the unparalleled market leader. Through my strategies, I anticipate the needs of the industry. I have managed to stay on top with cutting edge solutions, building your dreams and making them a reality. On my journey, I have left traces for winners to become champions.

As I embark on a new chapter to help shape the future of our nation, you can rest assured that I will deliver you with leadership as solid as concrete.

I am Lucky Cement!



VISION

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.

MISSION

Our mission is to be a premium cement manufacturer by building a professional organisation, 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.

CORE VALUES

Customer Focused

- Quality and consistency
- Commitment
- Customer satisfaction
- Fair practices

Social Responsibility

- Sustainable development
- Philanthropy
- Community development
- Environmentally conscious

Entrepreneurship

- Sense of ownership
- Loyalty
- Identifying and grabbing opportunities
- Foresightedness
- Proactive approach
- Value creation & addition
- Business oriented

Ethics and Integrity

- Prestige
- Honesty
- Uprightness
- Reliability

Innovation

- Creative solution
- Modernization
- First-movers advantage
- Setting trends

Excellence

- Benchmark practices
- Continuous improvement
- Efficient and effective performance

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Company Information

Board of Directors

Mr. Muhammad Yunus Tabba (Chairman)
Mr. Muhammad Ali Tabba
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Mrs. Rahila Aleem
Mrs. Zulekha Razzak Tabba
Mr. Muhammad Abid Ganatra
Mr. Tariq Iqbal Khan

Chief Executive

Mr. Muhammad Ali Tabba

Executive Director

Mr. Muhammad Abid Ganatra
FCA, FCMA, FCIS

Chief Operating Officer

Mr. Noman Hasan

CFO & Chief Investment Officer

Mr. Muhammad Faisal
FCA

Company Secretary

Mr. Muhammad Suhail
FCA, FCMA

Statutory Auditors

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

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.
Dubai Islamic Bank (Pakistan) Limited
Soneri Bank Limited
Habib Bank Limited
Habib Metro Bank Limited
Meezan Bank Limited
MCB 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 Shakra-e-Faisal, Karachi.
(Toll Free): 0800 23275

BOARD COMMITTEES :

Audit Committee

Mr. Tariq Iqbal Khan
Mr. Muhammad Ali Tabba
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Mrs. Zulekha Razzak Tabba
Mr. Muhammad Abid Ganatra

HR Committee

Mrs. Rahila Aleem
Mr. Jawed Yunus Tabba
Mrs. Zulekha Razzak Tabba

Corporate Governance Committee

Mr. Jawed Yunus Tabba
Mr. Muhammad Abid Ganatra
Mrs. Rahila Aleem

Budget Committee

Mr. Muhammad Sohail Tabba
Mr. Muhammad Ali Tabba
Mr. Jawed Yunus Tabba
Mr. Muhammad Abid Ganatra

Directors' Report

The Directors of your Company have pleasure to present before you the performance review together with the financial statements of the Company for the quarter and nine months period ended March 31, 2013.

OVERVIEW

Pakistan cement industry concluded the 3rd quarter of the current financial year with the overall growth of 4.60%. Sales volume increased to 8.59 million tons from 8.22 million tons reported during the same quarter last year. Despite the deteriorating economic and law & order situation in the country coupled with persistent energy crises, devaluation of Pak Rupee and uncertainties prevailing in anticipation of the upcoming elections, the industry has been able to sustain sales volumes during the 3rd quarter of the current financial year.

The local sales volume of the industry registered a growth of 3.5% to 6.65 million tons from 6.43 million tons sold during the same quarter last year. On the other hand, the exports sales volume of the industry increased by 9.0% to 1.95 million tons from 1.79 million tons sold during the same quarter last year.

The overall sales volume of your company during the 3rd quarter of the current financial year registered a growth of 9.0%. While the local sales volume of your Company shows a decline of 1.6% to 0.99 million tons from 1.01 million tons sold during the same quarter last year, the export sales volume registered an impressive 30% growth to 0.65 million tons from 0.51 million tons sold during the same quarter last year.

During the cumulative nine months of the current financial year, the industry grew by 4.1%. Sales volume increased to 24.54 million tons from 23.57 million tons sold during the same period last year whereby, your Company achieved an overall growth of 1% to 4.43 million tons from 4.38 million tons sold during the same period last year.

A comparison of the key financial results of the Company for the 3rd quarter 2012-13 with the same quarter last year is as follows:

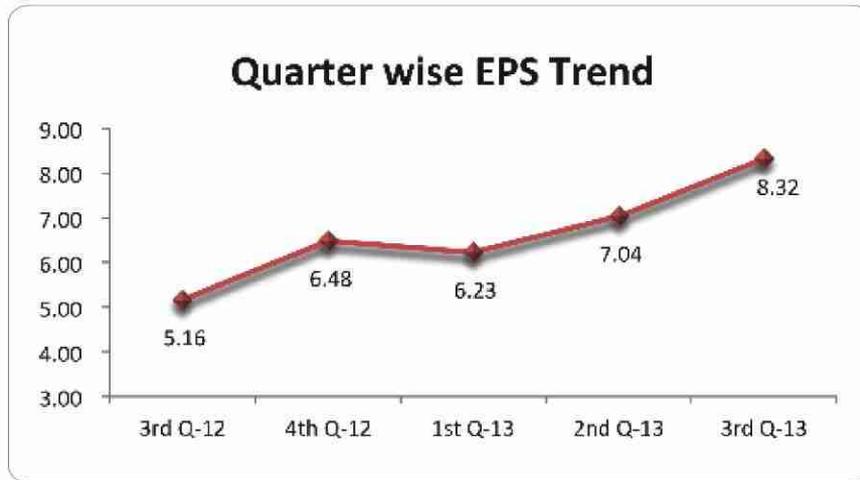
Particulars	3rd Quarter 2012-13	3rd Quarter 2011-12	% Change
Sales revenue	10,224	8,572	19.28%
Gross profit	4,558	3,248	40.31%
Operating profit	3,419	2,390	43.06%
Profit before tax	3,065	2,154	42.27%
Net profit after tax	2,692	1,669	61.31%
Earnings per share	8.32	5.16	61.31%

* Rupees in million except EPS.

A comparison of the key financial results of the Company for the nine months period ended March 31, 2013 with the same period last year is as follows:

Particulars	Nine Months 2012-13	Nine Months 2011-12	% Change
Sales revenue	27,735	23,946	15.82%
Gross profit	12,247	9,063	35.14%
Operating profit	8,770	6,222	40.94%
Profit before tax	8,230	5,635	46.07%
Net profit after tax	6,982	4,687	48.97%
Earnings per share	21.59	14.49	48.97%

* Rupees in million except EPS.

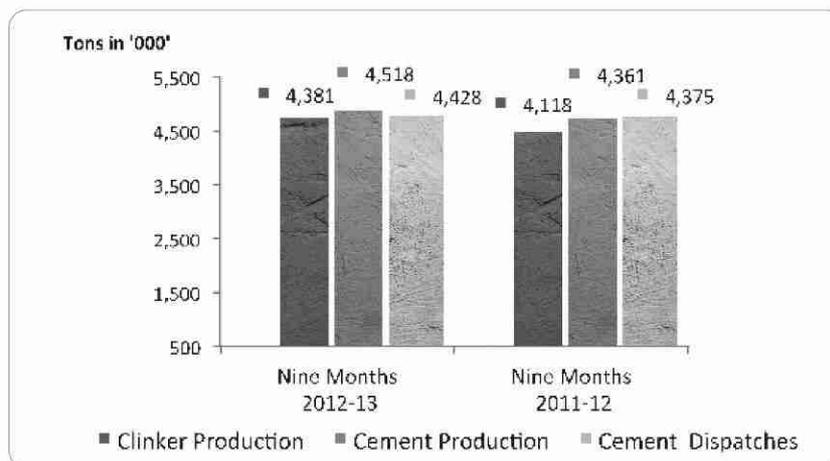


BUSINESS PERFORMANCE

(a) Production & Sales Volume Performance

The Production and Sales volume statistics of your Company for the nine months under review compared to same period last year are as follows:

Particulars	Nine Months 2012-13	Nine Months 2011-12	Increase/ (Decrease) %
	----- Tons -----		
Clinker Production	4,380,678	4,118,491	6.37%
Cement Production	4,518,450	4,360,750	3.62%
Cement Dispatches	4,428,392	4,375,408	1.21%



A comparison of dispatches of the Industry and your Company for the 3rd quarter ended March 31, 2013 with the same period last year is as follows:

Particulars	3rd Quarter 2012-13 (Tons)	3rd Quarter 2011-12 (Tons)	Growth / (Decline)	
			(Tons)	%
Cement Industry				
Local Sales	6,649,085	6,426,508	222,577	3.5%
Export Sales				
Cement				
- Bagged	1,778,569	1,612,094	166,475	10.3%
- Loose	167,285	173,143	(5,858)	(3.4%)
Sub-Total	1,945,854	1,785,237	160,617	9.0%
Total Cement Dispatch	8,594,939	8,211,745	383,194	4.7%
Clinker	-	3,955	(3,955)	(100.0%)
Grand Total	8,594,939	8,215,700	379,239	4.6%
Lucky Cement				
Local Sales	989,737	1,005,801	(16,064)	1.6%
Export Sales				
Cement				
- Bagged	484,628	325,130	159,498	49.1%
- Loose	167,285	173,143	(5,858)	(3.4%)
Sub-Total	651,913	498,273	153,640	30.8%
Total Cement Dispatch	1,641,650	1,504,074	137,576	9.1%
Clinker	-	3,955	(3,955)	(100.0%)
Grand Total	1,641,650	1,508,029	133,621	8.9%

Market Share

LCL - Market Share (%)	3rd Quarter 2012-13	3rd Quarter 2011-12
Local Sales	15%	16%
Export Sales		
Cement		
- Bagged	27%	20%
- Loose	100%	100%
Total Export	34%	28%
Clinker	-	100%
Grand Total	19%	18%

Directors' Report

A comparison of dispatches of the Industry and your Company for the nine months ended March 31, 2013 with the same period last year is as follows:

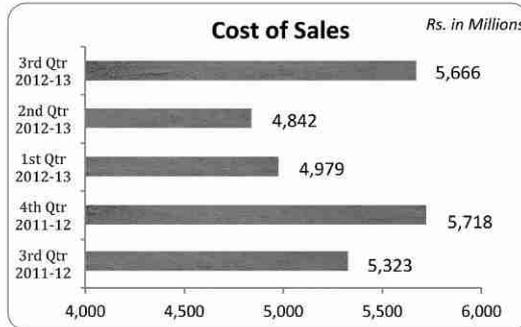
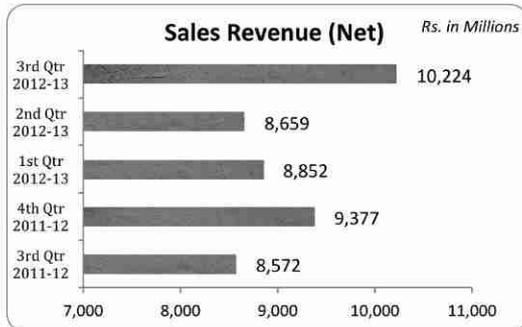
Particulars	Nine Months 2012-13 (Tons)	Nine Months 2011-12 (Tons)	Growth / (Decline)	
			(Tons)	%
Cement Industry				
Local Sales	18,372,789	17,325,072	1,047,713	6.0%
Export Sales				
Cement				
- Bagged	5,782,981	5,951,590	(168,605)	(2.8%)
- Loose	385,870	291,813	94,057	32.2%
Sub-Total	6,168,851	6,243,403	(74,548)	(1.2%)
Total Cement Dispatch	24,541,640	23,568,475	973,165	4.1%
Clinker	-	3,955	(3,955)	(100.0%)
Grand Total	24,541,640	23,572,430	969,210	4.1%
Lucky Cement				
Local Sales	2,763,979	2,687,852	76,127	2.8%
Export Sales				
Cement				
- Bagged	1,278,543	1,391,788	(113,245)	(8.1%)
- Loose	385,870	291,813	94,057	32.2%
Sub-Total	1,664,413	1,683,601	(19,188)	1.1%
Total Cement Dispatch	4,428,392	4,371,453	56,939	1.3%
Clinker	-	3,955	(3,955)	(100.0%)
Grand Total	4,428,392	4,375,408	52,984	1.2%

Market Share

LCL - Market Share (%)	Nine Months 2012-13	Nine Months 2011-12
Local Sales	15%	16%
Export Sales		
Cement		
- Bagged	22%	23%
- Loose	100%	100%
Total Export	27%	27%
Clinker	-	100%
Grand Total	18%	19%

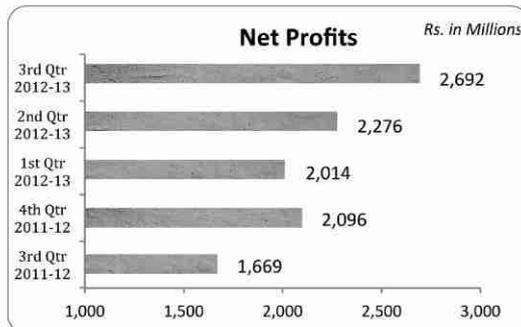
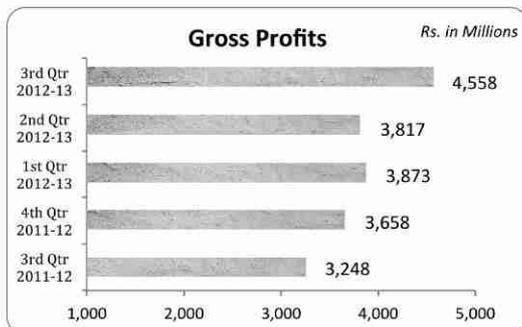
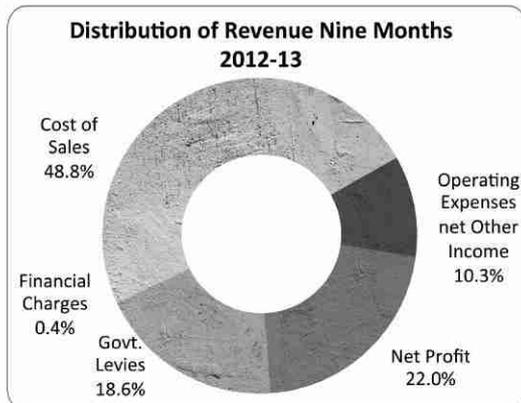
(b) Financial Performance

During the third quarter under review, the combined sales revenue of your Company increased by 19.3% which is contributed by 8.5% growth in domestic sales and 40.1% growth in export sales. However, the combined sales revenue of your Company increased by 15.1% during nine months of the current financial year.



Your Company achieved a gross profit margin of 44.6% during the third quarter as compared to 37.9% achieved during the same period last year.

Per ton cost of sales of your Company declined by 2.2% during the third quarter under review as compared to same period last year mainly due to decline in coal prices in the international market and the use of alternative fuel.



Directors' Report

The operating profit margin comes to 33.4% during the third quarter of the current financial year compared to 27.9% achieved during the same period last year.

Your Company managed to reduce its financial cost by 61% during the period under review compared to same period last year.

A provision for deferred tax amounting to Rs. 1.05 billion has been made in the Profit and Loss account thereby making the total deferred tax provision amounting to Rs. 3.91 billion as on March 31, 2013.

During the third quarter, the profit after tax of your Company increased by Rs. 1.02 billion to Rs. 2.69 billion from Rs.1.67 billion reported during the same period last year, whereas, during the nine months period under review, your Company managed to achieve impressive profit after tax of Rs. 6.98 billion.

The earnings per share during the third quarter amounts to Rs. 8.32 compared to Rs. 5.16 per share achieved during the same period last year. During the nine months period under review, your Company achieved earnings per share of Rs. 21.59 compared to Rs. 14.49 per share reported during the same period last year.

PROGRESS OF ONGOING PROJECTS

Vertical Cement Mills at Karachi Plant

As informed earlier that the management of your Company decided to replace the existing Chinese origin two cement grinding mills of Karachi plant with the renowned European latest technology vertical mills to enhance the quality of cement for capturing new export markets. The contract for purchase has been finalized and expected shipment schedule will be available by the end of this financial year.

Ventomatic Packing Plant at Pezu

The management of your company is pleased to inform you that by the Grace of Almighty, the European technology packing plants have been installed and commissioned successfully at Pezu Plant.

INVESTMENT IN PROJECTS

Joint Venture Investment in Cement Plant in DR Congo

The Economic Coordination Committee (ECC) and the Cabinet have approved the equity contribution of your Company for setting up a cement manufacturing plant in DR Congo under joint venture agreement with a local partner.

The plant and machinery for this project has been finalized and negotiated with the European supplier. Furthermore, the project team is in the final stages of negotiating the concession agreement with the Congolese Government.

The Company is also currently negotiating the terms of financial closure with the lenders consortium of Multilateral Agencies, Developed Financial Institution and Export Credit Agencies under the leadership of HBL for raising debt financing for the project. These lenders have recently visited site as part of due diligence process and the Company expects to achieve financial closure by September 2013.

Joint Venture Investment in Cement Grinding Facility in Iraq

The contract for the supply of plant and machinery for this project has been signed and the project team has also been mobilized at the project site.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is leading the way in corporate social responsibility in Pakistan and this is exemplified in many of the initiatives your Company has taken over the years. During the period under review, your Company contributed significantly for uplifting the education and health sectors of Pakistan through various scholarships and donations.

Scholarships were given to leading national universities including Lahore University of Management Sciences (LUMS) and the Indus Valley School of Arts and Architecture. Numerous deserving students availed the scholarship (Abdul Razzak Tabba Scholars) at LUMS through your Company's support. Support was also given to deserving employees to facilitate the educational and health needs of their families.

To uplift education from the grass root level, your company also donated cement for construction of a Madressa in Pezu, Khyber Pakhtunkhwa during the period under review.

NEAR TERM BUSINESS OUTLOOK

The remaining part of this financial year seems promising as interim setup has come into power with smooth transition; the demand of cement in the Country is expected to grow on the same pace especially on the back of the new democratic government coming in to power which is expected to deploy funds for the Public Sector Development Program after elections.

On the export front, the demand of cement was slightly suppressed during the period under review. However, exports to Afghanistan and African markets will continue to support the export of cement for the industry during the remaining part of current financial year.

ACKNOWLEDGEMENT

The Directors express their deep appreciation to our valued customers, distributors, Company's employees for their untiring efforts and the cooperation extended by financial institutions / government agencies, which have enabled the Company to demonstrate excellent performance both on operational and financial fronts.

For and on behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director

Karachi: April 29, 2013

Condensed Interim Balance Sheet

As at March 31, 2013 (Un-audited)

	Note	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	31,392,099	31,016,532
Intangible assets		3,828	1,514
		<u>31,395,927</u>	<u>31,018,046</u>
Long-term investment	5	5,619,000	-
Long-term advance		55,373	55,373
Long-term deposits		3,175	3,175
		<u>37,073,475</u>	<u>31,076,594</u>
CURRENT ASSETS			
Stores and spares		4,888,884	5,396,220
Stock-in-trade		1,715,483	1,276,433
Trade debts		1,375,765	1,050,639
Loans and advances		237,643	148,189
Trade deposits and short term prepayments		47,737	67,894
Other receivables		1,079,046	105,677
Tax refunds due from the Government	6	538,812	538,812
Taxation - net		286,456	126,361
Cash and bank balances		737,095	844,422
		<u>10,906,921</u>	<u>9,554,647</u>
TOTAL ASSETS		<u><u>47,980,396</u></u>	<u><u>40,631,241</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		35,069,512	30,027,995
		<u>38,303,262</u>	<u>33,261,745</u>
NON-CURRENT LIABILITIES			
Long-term finance	7	193,848	392,898
Long-term deposits		53,964	52,752
Deferred liabilities	8	4,425,414	3,299,522
		<u>4,673,226</u>	<u>3,745,172</u>
CURRENT LIABILITIES			
Trade and other payables		3,946,654	3,345,605
Accrued mark-up		41,854	13,319
Short term borrowings		750,000	-
Current portion of long-term finance	7	265,400	265,400
		<u>5,003,908</u>	<u>3,624,324</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u><u>47,980,396</u></u>	<u><u>40,631,241</u></u>

The annexed notes from 1 to 15 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 3rd quarter and nine months period ended March 31, 2013 (Un-audited)

	Note	Nine months (July-March)		Third Quarter (January-March)	
		March 31, 2013 (Rupees in'000')	March 31, 2012 (Rupees in'000')	March 31, 2013 (Rupees in'000')	March 31, 2012 (Rupees in'000')
Gross sales	10	32,081,589	28,075,223	11,791,231	10,168,075
Less: Sales tax and excise duty		4,023,047	3,901,396	1,450,181	1,497,809
Rebates and commission		323,772	227,864	116,883	98,522
		4,346,819	4,129,260	1,567,064	1,596,331
Net sales		27,734,770	23,945,963	10,224,167	8,571,744
Cost of sales		(15,487,435)	(14,883,078)	(5,666,353)	(5,323,400)
Gross profit		12,247,335	9,062,885	4,557,814	3,248,344
Distribution cost		(3,008,826)	(2,476,357)	(966,684)	(734,592)
Administrative expenses		(468,633)	(364,139)	(172,147)	(123,820)
Finance cost		(115,185)	(294,126)	(49,088)	(124,564)
Other charges		(620,242)	(296,861)	(347,918)	(113,396)
Other income	11	195,800	3,112	43,045	2,341
Profit before taxation		8,230,249	5,634,514	3,065,022	2,154,313
Taxation					
- current		(198,459)	(239,459)	(73,458)	(85,717)
- deferred		(1,050,023)	(708,336)	(300,001)	(400,000)
		(1,248,482)	(947,795)	(373,459)	(485,717)
Profit after taxation		6,981,767	4,686,719	2,691,563	1,668,596
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		6,981,767	4,686,719	2,691,563	1,668,596
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Earnings per share – basic and diluted		21.59	14.49	8.32	5.16

The annexed notes from 1 to 15 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

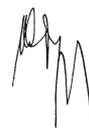
For the nine months period ended March 31, 2013 (Un-audited)

	Note	March 31, 2013	March 31, 2012
------(Rupees in'000')-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated from operations	12	9,094,172	6,337,007
Finance cost paid		(86,650)	(293,140)
Income tax paid		(358,554)	(244,782)
Gratuity paid		(19,896)	(34,144)
Long-term deposits		(465,100)	(572,066)
Net cash flows from operating activities		1,212	14,699
		8,630,284	5,779,640
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,756,238)	(854,790)
Long Term investment		(5,619,000)	-
Sale proceeds on disposal of fixed assets		10,494	5,364
Net cash used in investing activities		(7,364,744)	(849,426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(199,050)	(199,050)
Receipt / (repayments) of short-term borrowings		750,000	(3,170,909)
Dividends paid		(1,923,817)	(1,283,508)
Net cash flows used in financing activities		(1,372,867)	(4,653,467)
Net (decrease) / increase in cash and cash equivalents		(107,327)	276,747
Cash and cash equivalents at the beginning of the period		844,422	351,202
Cash and cash equivalents at the end of the period		737,095	627,949

The annexed notes from 1 to 15 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 nine months period ended March 31, 2013 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves		Total reserves	Total equity
			General reserves	Unappropriated Profit		
-----Rupees in '000'-----						
Balance as at July 01, 2011	3,233,750	7,343,422	12,500,000	4,695,657	24,539,079	27,772,829
Transfer to general reserve	-	-	2,500,000	(2,500,000)	-	-
Final dividend at the rate of 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	-	-	-	4,686,719	4,686,719	4,686,719
Balance as at March 31, 2012	<u>3,233,750</u>	<u>7,343,422</u>	<u>15,000,000</u>	<u>5,588,876</u>	<u>27,932,298</u>	<u>31,166,048</u>
Balance as at July 01, 2012	3,233,750	7,343,422	15,000,000	7,684,573	30,027,995	33,261,745
Transfer to general reserve	-	-	5,000,000	(5,000,000)	-	-
Final dividend at the rate of Rs.6/- per share for the year ended June 30, 2012	-	-	-	(1,940,250)	(1,940,250)	(1,940,250)
Total comprehensive income for the period	-	-	-	6,981,767	6,981,767	6,981,767
Balance as at March 31, 2013	<u>3,233,750</u>	<u>7,343,422</u>	<u>20,000,000</u>	<u>7,726,090</u>	<u>35,069,512</u>	<u>38,303,262</u>

The annexed notes from 1 to 15 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 nine months period ended March 31, 2013 (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 Global Depository Receipts (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. During the period, the Company acquired 75% shares of Lucky Holdings Limited (see note 5).

The condensed interim financial statements are the separate financial statements of the Company. As of balance sheet date the condensed interim consolidated financial statements have not been prepared pursuant to the exemption obtained from Securities and Exchange Commission of Pakistan vide their letter reference no.EMD/233/381/2002-1154 dated March 08, 2013.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended March 31, 2013 have 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. 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 Company's annual financial statements for the year ended June 30, 2012.

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, 2012 except as follows:

Amended standards

The Company has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any material effect on the financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

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

	Note	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
------(Rupees in'000')-----			
Operating fixed assets (WDV) Opening balance		30,637,815	30,565,211
Add: Additions during the period/year	4.2	947,424	1,811,162
		<u>31,585,239</u>	<u>32,376,373</u>
Less: Disposals during the period/year (WDV)		2,411	15,925
Depreciation charge for the period/year		1,375,193	1,722,633
Operating fixed assets (WDV) - closing balance		<u>30,207,635</u>	<u>30,637,815</u>
Add: Capital work-in-progress	4.3	1,184,464	378,717
		<u>31,392,099</u>	<u>31,016,532</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		
Buildings	171,236	-
Plant and machinery	328,325	-
Generators	23,647	-
Quarry equipments	332,954	-
Vehicles	49,939	12,578
Furniture and fixtures	3,413	21
Office equipments	5,517	-
Computer & Accessories	20,269	47
Other assets	12,124	-
	<u>947,424</u>	<u>12,646</u>

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

	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
------(Rupees in'000')-----		
Opening balance	378,717	1,139,945
Add: Additions during the period/year	1,687,596	939,140
	<u>2,066,313</u>	<u>2,079,085</u>
Less: Transferred to operating fixed assets	881,849	1,700,368
Closing balance	<u>1,184,464</u>	<u>378,717</u>

5 LONG TERM INVESTMENT

During the period on 20 December 2012, the Company invested in 75 percent of share capital of Lucky Holdings Limited (LHL). LHL is an unlisted Company incorporated in Pakistan. The investment in subsidiary is stated at cost less impairment in value, if any.

Financials

As of balance sheet date, LHL held 75.93 percent shares of ICI Pakistan Limited. The said acquisition was made as per the share purchase agreement with ICI Omicron B.V. a wholly owned subsidiary of Akzo Noble N.V. Netherlands.

6 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, 2012, 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.

		March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	Note	------(Rupees in '000)-----	
7 LONG TERM FINANCE			
Long-term finance	7.1	459,248	658,298
Current portion of long term finance		(265,400)	(265,400)
		<u>193,848</u>	<u>392,898</u>

7.1 The terms and conditions of long-term finance and short-term borrowings are the same as disclosed in the annual financial statements of the Company for the year ended June 30, 2012.

8 DEFERRED LIABILITIES

Staff gratuity		514,260	438,391
Deferred tax liability	8.1	3,911,154	2,861,131
		<u>4,425,414</u>	<u>3,299,522</u>
8.1 Deferred tax liability			
This comprises of the following :			
Deferred tax liability			
- Difference in tax and accounting bases of fixed assets		4,097,294	3,789,558
Deferred tax assets			
- Unabsorbed tax losses		-	(768,313)
- Provisions		(186,140)	(160,114)
		<u>(186,140)</u>	<u>(928,427)</u>
		<u>3,911,154</u>	<u>2,861,131</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2012, except in note 24.2 detail as follows:

The learned Civil Judge, Peshawar was pleased to pass Ex-Parte decree in favour of the Company amounting to Rs.1,693.61 million along with markup 14% per annum till the realization of the decree. The Federal Government had filed an application u/s 12(2) CPC, which was allowed by Learned Civil Judge, Peshawar and after the detailed evidences, the relief sought by the Company has been declined by the Learned Tribunal Court, against which an appeal has been filed in Peshawar High Court which at present, is pending adjudication.

Leadership as solid as concrete

	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	------(Rupees in'000')-----	
9.2 Commitments		
Capital Commitments		
Plant and machinery under letters of credit	1,706,428	439,303
Other Commitments		
Stores, spares and packing material under letters of credit	1,337,937	1,685,833
Bank guarantees issued on behalf of the Company	771,424	685,425

For the nine months ended
March 31, **March 31,**
2013 **2012**
 Note ------(Rupees in'000')-----

10 GROSS SALES

Local	21,152,918	18,541,667
Export	10,928,671	9,533,556
	<u>32,081,589</u>	<u>28,075,223</u>

11 OTHER INCOME

Represents mainly net income from supply of surplus electricity to Hyderabad Electricity Supply Corporation (HESCO).

12 CASH FLOWS GENERATED FROM OPERATIONS

Profit before taxation		8,230,249	5,634,514
Adjustments for non cash charges and other items			
Depreciation	4.1	1,375,193	1,273,063
Amortization on intangible assets		744	1,160
Provision for slow moving spares		20,003	30,537
Gain on disposal of fixed assets		(8,074)	(3,018)
Provision for gratuity		95,765	83,208
Finance cost		115,185	294,126
Profit before working capital changes		<u>9,829,065</u>	<u>7,313,590</u>
Working capital changes			
(Increase) / decrease in current assets		(1,319,509)	(274,544)
Increase / (decrease) in current liabilities		584,616	(702,039)
		<u>(734,893)</u>	<u>(976,583)</u>
Cash flows generated from operations		<u>9,094,172</u>	<u>6,337,007</u>

13 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, 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:

Financials

	For the nine months ended	
	March 31, 2013	March 31, 2012
	----- (Rupees in '000) -----	
Subsidiary Company		
Lucky Holdings Limited		
Investment made during the period	5,619,000	-
Associated Undertakings		
Lucky Paragon ReadyMix Limited		
Sales	138,875	66,880
Lucky Textile Mills		
Sales	19,010	16,862
Gadoon Textile Mills Limited		
Sales	7,299	21,253
Younus Textile Mills Limited		
Sales	3,339	4,312
Fazal Textile Mills Limited		
Sales	27,975	26,381
Aziz Tabba Foundation		
Sales	1,354	-
Lucky One (Pvt) Limited		
Sales	70,967	-
ICI Pakistan Limited		
Sales	8,580	-

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2013 by the Board of Directors of the Company.

15 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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Plants

Pezu Plant

Main Indus Highway, Pezu, Distt. Lakki Marwat, Khyber Pakhtunkhwa
Tel: (+92-969) 580123-5 Fax: (+92-969) 580122

Karachi Plant

104km Milestone from Karachi to Hyderabad (58km towards Karachi)
Fax: (092-21) 35206421

Report prepared by: Corporate Communications Department



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