



**Lucky  
Cement**

Concrete Progress

LCD/SD/ANNO/2007-08/



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
: (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302.  
E-mail : info@lucky-cement.com - luckycm@cyber.net.pk  
Website : www.lucky-cement.com

October 27, 2008

1/8

The General Manager  
Karachi Stock Exchange  
(Guarantee) Limited  
Karachi.

The Secretary  
Lahore Stock Exchange  
(Guarantee) Limited  
Lahore.

The Managing Director  
Islamabad Stock Exchange  
(Guarantee) Limited  
Islamabad.

The Deputy Chief  
Securities & Exchange  
Commission of Pakistan  
Islamabad

The Regulatory News Service  
London Stock Exchange  
10 Paternoster Square,  
London

Dear Sir(s),

**FINANCIAL RESULTS FOR THE 1<sup>ST</sup> QUARTER ENDED – SEPTEMBER 30, 2008**

We have to inform you that the Board of Directors of our Company in their Meeting held on Monday, October 27, 2008 at 11:30 a.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 recommended the following:

(i)	<u>Cash Dividend</u>	Nil
(ii)	<u>Bonus Issue</u>	Nil
(iii)	<u>Right Issue</u>	Nil
(iv)	<u>Interim Dividend</u>	Nil

The financial results of the Company consisting of balance sheet, profit and loss account and directors report are annexed.

Yours truly,  
for: LUCKY CEMENT LIMITED

  
MUHAMMAD ABID GANATRA  
Company Secretary

D:/Data/1<sup>st</sup> Quarter 2008/Announce to Stock.doc

**YB**

A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**

**YB**

A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350. Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302

Central Marketing Office : 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN : (042) 111-786-555 Fax : (+92-42) 7530435

Site Office : Pezu District Lakki Marwat. N.W.F.P. Telephones : (+92-0961) 780123, 780124, 780125, 780126 UAN : (+92-0961) 111-786-555 Fax : (+92-0961) 780122





**Lucky  
Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
          : (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302.  
E-mail : info@lucky-cement.com - luckycm@cyber.net.pk  
Website : www.lucky-cement.com

**BALANCE SHEET (UN-AUDITED)  
AS AT SEPTEMBER 30, 2008**

2/8

	September 30, 2008 (Un-audited)	June 30, 2008 (Audited)
	(Rupees in '000')	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	27,260,710	25,829,520
Long term deposits	2,175	2,175
	<u>27,262,885</u>	<u>25,831,695</u>
<b>CURRENT ASSETS</b>		
Stores and spares	5,540,236	4,160,146
Stock-in-trade	1,308,824	709,372
Trade debts - considered good	637,401	720,314
Loans and advances	158,579	163,844
Trade deposits and short term prepayments	155,823	189,641
Other receivables	655,663	890,204
Tax refunds due from government	538,812	538,812
Taxation - net	167,302	130,899
Sales Tax refundable	459,207	634,136
Cash and bank balances	359,591	270,011
	<u>9,981,438</u>	<u>8,407,379</u>
<b>TOTAL ASSETS</b>	<u><u>37,244,323</u></u>	<u><u>34,239,074</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized</b>		
500,000,000 (June 30, 2008 : 500,000,000)		
Ordinary shares of Rs.10/- each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Issued, subscribed and paid up</b>	<u>3,233,750</u>	<u>3,233,750</u>
<b>Reserves</b>	<u>16,384,664</u>	<u>15,421,673</u>
	<u>19,618,414</u>	<u>18,655,423</u>
<b>NON- CURRENT LIABILITIES</b>		
Long term finance	6,633,333	6,633,333
Deferred taxation	1,170,619	1,058,998
Deferred liabilities	186,427	174,171
Long term deposits	30,424	30,252
	<u>8,020,803</u>	<u>7,896,754</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,218,304	3,549,543
Accrued mark-up	302,086	288,977
Short term borrowings	5,880,549	3,606,710
Current portion of long term finance	204,167	241,667
	<u>9,605,106</u>	<u>7,686,897</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>37,244,323</u></u>	<u><u>34,239,074</u></u>

*(Signature)*



A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**



A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350. Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302

Central Marketing Office : 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN : (042) 111-786-555 Fax : (+92-42) 7530435

Site Office : Pezu District Lakki Marwat. N.W.F.P. Telephones : (+92-0961) 780123, 780124, 780125, 780126 UAN : (+92-0961) 111-786-555 Fax : (+92-0961) 780122





**Lucky  
Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
          : (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302  
E-mail : info@lucky-cement.com  
Website : www.lucky-cement.com

3/8

## PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2008

	September 30, 2008	September 30, 2007
	(Rupees in '000')	
Turnover - net	5,715,063	3,651,506
Cost of sales	3,370,869	2,656,356
<b>Gross profit</b>	<b>2,344,194</b>	995,150
Distribution costs	367,559	184,000
Administrative expenses	48,801	32,378
	416,360	216,378
<b>Operating profit</b>	<b>1,927,834</b>	778,772
Finance costs	320,772	154,113
Other operating income	-	(226)
Other charges	502,707	57,226
	823,479	211,113
<b>Profit before taxation</b>	<b>1,104,355</b>	567,659
Taxation		
-Current	29,745	18,346
-Deferred	111,619	(181,287)
	141,364	(162,941)
<b>Profit after taxation</b>	<b>962,991</b>	730,600
	(Rupees)	(Rupees)
<b>Basic and diluted earnings per share</b>	<b>2.98</b>	2.77

YB

A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**

YB

A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350. Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302  
Central Marketing Office : 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN : (+92-42) 111-786-555 Fax : (+92-42) 7530435  
Plant Sites : Pezu Plant: Pezu District, Lakki Marwat. N.W.F.P. Tel. : (+92-969) 580123, 580124, 580125, 580126 UAN : (+92-969) 111-786-555 Fax : (+92-969) 580122  
Karachi Plant: 58 Km Milestone Super Highway, Karachi. Telephones: (+92-21) 6809936 Fax: (+92-21) 5206421





**Lucky Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
: (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302  
E-mail : info@lucky-cement.com  
Website : www.lucky-cement.com

4/8

## Directors' Report

The Directors of your Company have pleasure to present before you the un-audited financial statements of the Company for the first quarter ended September 30, 2008.

### Overview

During the period under review, the industry maintained its overall dispatches to the same level as that of corresponding period last year. The local sales witnessed a negative growth of 16% with volume of 4.79 million tons as compared to 5.72 million tons during the same period last year, whereas exports from the country registered a hefty growth of 59% with volume of 2.50 million tons as compared to 1.57 million tons during the same period last year. The growth in exports compensated the shortfall in local sales. The ratio of exports to total sales of the industry increased to 34% as compared to 22% achieved during the same period last year.

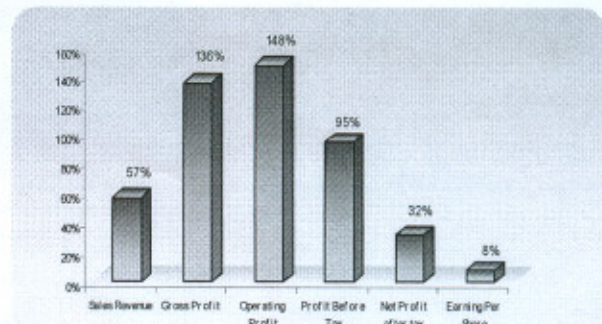
Your Company continued to focus more on export markets and achieved a growth of 8% in the export sales with volume of 0.61 million tons during the period under review as compared to 0.57 million tons exported same period last year. On the domestic sales your Company achieved a negative growth of 22% with volume of 0.62 million tons during the period under review as compared 0.80 million tons same period last year.

During the quarter under review, the export performance of your Company was affected due to the transport strike in Karachi which continued for a couple of weeks. Similarly the law and order situation in N.W.F.P. coupled with the closure of Kohat Tunnel affected the local sales of your Company from the Pezu plant. The overall market share of your Company during the period under review was reduced to 17.0% from 18.7% because of the shortfall in domestic and export sales as a result of the reasons explained above.

A comparison of the key financial results of the Company for the quarter ended September 30, 2008 with same period last year is as under:

Particulars	2008	2007	%
Sales Revenue	5,715,063	3,651,506	56.51%
Gross Profit	2,344,194	995,150	135.56%
Operating Profit	1,927,834	778,772	147.55%
Profit Before Tax	1,104,355	567,659	94.55%
Net Profit after tax	962,991	730,600	31.81%
Earnings Per Share	2.98	2.77	7.58%

\* Rupees in thousand Except EPS.



YB

A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**

Page 1 of 5 YB

A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350. Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302

Central Marketing Office : 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN : (+92-42) 111-786-555 Fax : (+92-42) 7530435

Plant Sites: Pezu Plant: Pezu District, Lakki Marwat. N.W.F.P. Tel. : (+92-969) 580123, 580124, 580125, 580126 UAN : (+92-969) 111-786-555 Fax : (+92-969) 580122  
Karachi Plant: 58 Km Milestone Super Highway, Karachi. Telephones: (+92-21) 6809936 Fax: (+92-21) 5206421





**Lucky  
Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
: (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302  
E-mail : info@lucky-cement.com  
Website : www.lucky-cement.com

5/8

In spite of shortfall in overall sales volume by 0.13 million tons as compared to same period last year, your Company managed to achieve a healthy growth of 32% in the net profits after tax amount. The earnings per share also registered a growth of 8% even after accounted for 23% increase in the equity shares due to issuance of GDRs.

## Business Performance

### (a) Production & Sales Volume Performance

A comparative analysis of sales volume of the industry vis-à-vis your company for the first quarter ended on September 30, 2008 is as under.

Particulars	Jul-08 to Sep-08 (Tons)	Jul-07 to Sep-07 (Tons)	Growth	
			(Tons)	%
<b>Cement Industry</b>				
<b>Local Sales</b>	<b>4,788,470</b>	<b>5,715,678</b>	<b>(927,208)</b>	<b>-16.22%</b>
<b>Export Sales</b>				
<b>Cement</b>				
- Bagged	1,732,997	1,025,560	707,437	68.98%
- Loose	418,872	413,166	5,706	1.38%
Sub-Total	2,151,869	1,438,726	713,143	49.57%
<b>Clinker</b>	342,229	128,535	213,694	166.25%
<b>Total Export</b>	<b>2,494,098</b>	<b>1,567,261</b>	<b>926,837</b>	<b>59.14%</b>
<b>Grand Total</b>	<b>7,282,568</b>	<b>7,282,939</b>	<b>(371)</b>	<b>-0.01%</b>
<b>Lucky Cement</b>				
<b>Local Sales</b>	<b>623,961</b>	<b>796,485</b>	<b>(172,524)</b>	<b>-21.66%</b>
<b>Export Sales</b>				
<b>Cement</b>				
- Bagged	177,997	123,171	54,826	44.51%
- Loose	418,872	413,166	5,706	1.38%
Sub-Total	596,869	536,337	60,532	11.29%
<b>Clinker</b>	14,770	31,700	(16,930)	-53.41%
<b>Total Export</b>	<b>611,639</b>	<b>568,037</b>	<b>43,602</b>	<b>7.68%</b>
<b>Grand Total</b>	<b>1,235,600</b>	<b>1,364,522</b>	<b>(128,922)</b>	<b>-9.45%</b>

YB

A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**

Page 2 / 5

YB

A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350. Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302

Central Marketing Office : 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN : (+92-42) 111-786-555 Fax : (+92-42) 7530435

Plant Sites : Pezu Plant: Pezu District, Lakki Marwat. N.W.F.P. Tel. : (+92-969) 580123, 580124, 580125, 580126 UAN : (+92-969) 111-786-555 Fax : (+92-969) 580122  
Karachi Plant: 58 Km Milestone Super Highway, Karachi. Telephones: (+92-21) 6809936 Fax: (+92-21) 5206421



6/8

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

Particulars	1st Qtr. 2008	1st Qtr. 2007	Increase/ (Decrease)	Increase/ (Decrease)
	----- Tons -----			%
Clinker Production	1,344,310	1,268,880	75,430	5.94%
Cement Production	1,240,220	1,331,151	(90,931)	-6.83%
Cement Dispatches	1,235,600	1,364,523	(128,923)	-9.45%

The analysis of market share of your Company is as under:

LCL - Market Share (%)	Jul-08 to Sep-08	Jul-07 to Sep-07
<b>Local Sales</b>	<b>13.03%</b>	<b>13.94%</b>
<b>Export Sales</b>		
Cement		
- Bagged	10.27%	12.01%
- Loose	100.00%	100.00%
Sub-Total	27.74%	37.28%
Clinker	4.32%	0.00%
<b>Total Export</b>	<b>24.52%</b>	<b>36.24%</b>
<b>Grand Total</b>	<b>16.97%</b>	<b>18.74%</b>

**(b) Financial Performance**

**(i) Sales Performance**

During the period under review, your Company achieved a growth of 56.51% in net sales revenue as compared to same period last year. The increase in revenue was attributed due to increase in export volume with better retention and favorable dollar parity. The prices of cement and clinker remained robust in the international markets whereas the prices in the domestic markets also improved during the quarter under review on the backdrop of increase in energy cost coupled with increase in duties and taxes imposed by the Government in Federal Budget 2008. The ratio of sales revenue from exports was 52.05% whereas the local sales accounted for 47.95% during the quarter under review.







**Lucky  
Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
: (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302  
E-mail : info@lucky-cement.com  
Website : www.lucky-cement.com

7/8

### **(ii) Cost of Sales**

During the quarter under review, cost of sales in term of absolute value increased by 27%. Whereas, cost per ton of cement increased by 40% as compared to same period last year. Energy cost comprising of heat and power was the major cost component which accounted for 78% of total cost of production and the same was increased by 19% during the quarter under review as compared same period last year. Prices of coal during most part of the quarter were remained firm however, the same have started declining in the international market because of change in the global economic scenario. Your Company managed to reduce the cost of power generation as a result of conversion even after partially offset of 31% increase in the prices of natural gas effective from 1<sup>st</sup> July 2008.

### **(iii) Gross Profit**

Your Company achieved a gross profit rate of 41.02% for the quarter ended September 30, 2008 compared to 27.25% gross profit rate achieved same period last year.

### **(iv) Finance and Other Costs**

The finance cost of your Company for the quarter under review was increased to Rs.321 million from Rs.186 million during the same period last year. The finance cost was mainly increased due to winding up of cross currency transactions at different exchange rates by the Company during the quarter under review which were providing interest rates hedging. These cross currency transactions were executed by the Company in prior years when Pak Rupee parity was stable against US dollar and the Company was getting the benefits of interest rates hedging from lower LIBOR rates comparative to KIBOR. However, the long term financing of your Company has been exposed to KIBOR based markup instead of LIBOR based markup.

Your Company suffered a net loss of Rs.419.6 million including the exchange loss on winding up of cross currency transactions during the quarter under review as a result of the depreciation of Pak Rupee which has been shown under the captioned of other charges.

### **(v) Distribution Costs**

Distribution costs were increased due to increase in export volume coupled with increase of inland and ocean freights due to depreciation of Pak Rupee against US dollar and oil prices.

### **(vi) Deferred Taxation**

During the quarter under review, your Company has provided a deferred tax provision of Rs.111.62 million.

*(Handwritten signature)*

Page 4 / 5

YB

A Project of Yunus Brothers Group

**A YUNUS BROTHERS GROUP PROJECT**

YB

A Project of Yunus Brothers Group

**Lucky Cement Limited** Head Office: 6-A, M. Ali Housing Society, Karachi-75350, Pakistan. UAN: (021) 111-786-555, Fax: (021) 4534302  
Central Marketing Office: 2nd Floor, Al-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road Lahore. Tel & UAN: (+92-42) 111-786-555 Fax: (+92-42) 7530435  
Plant Sites: Pezu Plant: Pezu District, Lakki Marwat, N.W.F.P. Tel.: (+92-969) 580123, 580124, 580125, 580126 UAN: (+92-969) 111-786-555 Fax: (+92-969) 580122  
Karachi Plant: 58 Km Milestone Super Highway, Karachi. Telephones: (+92-21) 6809936 Fax: (+92-21) 5206421





**Lucky  
Cement**

Concrete Progress



6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350 - Pakistan.  
Phone : UAN 111 - 786 - 555  
          : (+92-21) 453 7390, 452 2554, 453 0175, 438 2949  
Fax : (+92-21) 453 4302  
E-mail : info@lucky-cement.com  
Website : www.lucky-cement.com

8/8

## Progress on expansion Projects

The work on additional production line at Karachi plant has been progressing as per schedule. The first phase of conversion of Pezu plant power generators from oil to gas based firing has been completed whereas the work on the second phase is progressing accordingly. The Silo project at port has been delayed slightly due to certain constraints of working within the port area. However, these will come into operation shortly.

## Future Outlook

The prospects for export of cement to the region are positive as the mega projects already in pipeline throughout the Middle East will continue to support export of cement from our country. The raw material deficit countries in the region will be dependent on the imported cement and clinker. This will provide ample opportunity to those cement manufacturers who are efficient, cost competitive, have advantage of their locations and export infra structure.

The cement industry may face a negative growth in the domestic sales for the financial year 2009 because of the tight liquidity position of the country coupled with the law and order situation however, the growing exports are likely to compensate the shortfall in the total sales.

## 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.

On behalf of the Board

**MUHAMMAD YUNUS TABBA**  
Chairman / Director

Karachi: October 27, 2008