CEMENT

GROWING WITH RESILIENCE

ANNUAL REPORT 2010

bringing materials to *life* ™

LAFARGE PAKISTAN CEMENT Ltd.

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LAFARGE

bringing materials to life ™

THE GROUP

Founded in 1833, Lafarge is the world leader in building materials and holds top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum, with 76,000 employees in 78 countries. Lafarge's businesses are truly fundamental: we extract mineral resources from the heart of earth and transform them into major construction materials. Our activities meet the basic needs of mankind by providing housing and infrastructures all over the world. Shaping the everyday surroundings of millions of men and women, Lafarge is more than ever at the heart of the way our societies are being transformed. Lafarge is driven by the needs of its customers, shareholders, local communities and architects. The Group creates high value-added solutions which encourage creativity whilst leaving a lighter trace on the world. Lafarge believes that ongoing advances in building materials must integrate respect for people, their different needs and their environment. This strong conviction is reflected in a strategy which combine industrial know-how with performance, value creation, respect for employees and local cultures, environmental protection and conservation of natural resources and energy.

The Group has successfully established itself in countries with high growth potential. With our highly cash generative business model and our excellent geographical portfolio, Lafarge is ideally positioned to lead our sector in meeting the opportunities offered by demographic growth and housing and infrastructure needs over the next decade.

COMMITMENT TO SUSTAINABILITY

Lafarge has for many years pursued a sustainable development strategy that combines industrial know-how with performance, value creation, respect for employees and local cultures, environmental protection and the conservation of natural resources and energy.

Integrity, responsibility, ethics, respect as well as courage, empathy and openness are the values underpinning Lafarge's philosophy. The Group shares a strong conviction that there cannot be any sustainable leader without respect for the environment and social responsibility. In 2009 and for the fifth year in a row, Lafarge was listed in the 'Global 100 Most Sustainable Corporations in the World'.

THE COMPANY

The Company, with one of the state-of-the-art plants commenced Commercial Operations in December 2006 with an annual cement production capacity of 2.2m tons.

Our plant is located at Kalar Kahar, District Chakwal in the province of Punjab, an area rich in lime stone reserves. The quality of lime stone in this area is considered to be the best in the region. Also, the location of our plant, close to the M2 Motorway, gives a unique edge in reaching all corners of Pakistan and for regional exports.

Lafarge Pakistan Cement limited (LP) is proud of its product PAKCEM which is the leader on all quality scales. The compressive Strength of our cement is 10,000 PSI. PAKCEM is the first cement in Pakistan to comply with European Standards (EN 197), British Standard (BS 12-1996) and with Indian Standard (IS 12269). It is also far exceeding requirements of Pakistani Standard (PS 232). In addition to Ordinary Portland Cement (OPC) the plant can also produce Sulphate Resistant Cement (SRC) with the packaging option of 50 kg bags, 1.5 tons, 2 tons jumbo bags and bulk carriers. The advanced plant laboratory is the most sophisticated in the industry and ensures consistent high quality of cement.

LP complies with National and International Environmental Standards including the World Bank Environmental Standards. LP has also integrated sustainable development into its daily business. With significant investment in the most energy efficient cement plant of Pakistan, LP produces cement with the least emissions of CO2 and other green house gasses amongst the local industry.

We have an excellent Quality Management System which is designed to ensure full compliance with applicable standards and a consistent product performance. In line with our policy we are committed to meet the needs and expectations of our customers by providing quality cement according to agreed standards.

LP's aim of being at the forefront in creating foundations for a prosperous tomorrow is backed by the Company's philosophy of providing outstanding value to its customers, a safe and stimulating work environment for its employees, superior returns for its shareholders and special focus on social responsibility and environmental protection.

LP has always provided and maintained the best working environment to its employees, with keen interest in their health and safety. It always maintains a close liaison with all its employees, with top priority given to their professional growth, safety, development and periodic training programs at all levels.

COMPANY INFORMATION

Board of Directors
Mr. Ahmad Said Heshmat Hassan
Chairman

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Mrs. Amal Tantawi
Mr. Ashraf Abouelkheir
Mr. Amr Ali Reda
Mr. Bilal Hamid Javaid
Mr. Shahid Anwar (Nominee NIT)

Audit Committee
Mr. Ahmad Said Heshmat Hassan
Chairman

Mr. Amr Ali Reda
Mrs. Amal Tantawi
Mr. Ashraf Abouelkheir

Company Secretary
Ms. Sarah Farooq

Chief Financial Officer
Mr. Bilal Hamid Javaid

Auditors
M/s Ernst & Young
Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers
Allied Bank Ltd.
Askari Bank Ltd.
Citibank N.A.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
MCB Bank Ltd.
NIB Bank Ltd.
Soneri Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
Faysal Bank Ltd.
United Bank Ltd.

Legal Advisors
Haidermota & Co.
Barristers at Law & Corporate
Counsellors, Islamabad

Share Registrar
Noble Computer Services (Pvt.) Ltd.
Mezzanine Floor, House of Habib
Building (Siddiqsons Tower) 3-Jinnah
Cooperative Housing Society,
Main Shahrah-e-Faisal
Karachi-75350
Tel. # : PABX (92-21) 34325482-87
Fax # : (92-21) 34325442

Registered Office
18-B, Kaghan Road, F-8 Markaz,
Islamabad Pakistan.
UAN: (051) 111 111 722
Fax: (051) 2817300

Plant Site
Choie Mallot Road, Tehsil
Kalar Kahar, Distt. Chakwal
Pakistan.

NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the shareholders of Lafarge Pakistan Cement Limited will be held on Thursday, April 28, 2011, at 11:00 a.m. at Marriott Hotel, Islamabad to transact the following business:

1. To confirm the minutes of the 17th Annual General Meeting held on April 29, 2010.

2. To receive and adopt the audited accounts of the Company for the year ended December 31, 2010 along with Directors' and Auditors' reports thereon.

3. To appoint Auditors for the year ending December 31, 2011 and to fix their remuneration. The retiring auditors namely M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Islamabad, being eligible, offer themselves for re-appointment.

4. To transact any other business which may be placed before the meeting with the permission of the chair.

By Order of the Board

Sarah Farooq
Company Secretary

Islamabad:
April 7, 2011

NOTES:

1. The share transfer books of the Company will remain closed from 22-04-2011 to 28-04-2011 (both days inclusive) to determine entitlement for attending Annual General Meeting.

2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

3. CDC shareholders entitled to attend and vote at this meeting, shall produce his/her original CNIC or passport to prove his/her identity. Representatives of corporate members should bring the usual documents required for such purpose. The members are requested to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

4. Shareholders are requested to immediately notify to M/s Noble Computer Services (Pvt.) Limited, the Share Registrar of the Company, of change in their address, if any.

5. Members who have not yet submitted a photocopy of their computerized National Identity Cards to the Company are requested to send the same at the earliest to the Share Registrar.

VISION STATEMENT

"Strive to exceed the expectations of our stakeholders through sustainable growth and high quality performance"

MISSION STATEMENT

"We are committed to providing outstanding value to our customers, a safe and stimulating work environment for our employees and superior returns for our shareholders."

THE MANAGMENT

Maj. Gen. (R) Rehmat Khan
CEO / Managing Director

Mr. Naveed Ijaz
Operations Director

Mr. Rizwan Jamil
Commercial Director

Mr. Attique Aslam Malik
Head of Supply Chain

Mr. Fraz Aslam
Director HR & OD

Mr. Bilal Hamid
Chief Financial Officer

INDUSTRY OVERVIEW

In 2010 the Cement Industry witnessed a slow yet steady recovery from the slump of the previous years. The August 2010 floods marred the healthy recovery which was being expected by mid-year, strongly affecting economic and business activity countrywide.

However despite the setbacks there was improvement in local dispatches from 22.1 million tons last year to 22.6 million[1] tons this year and the same is expected to continue as post-floods reconstruction carries on.

Exports on the other hand declined to 9.7 million[1] tons in 2010 from 11.2 million[1] tons in 2009, mainly due to reduced export opportunities in the Gulf States.

OPERATING HIGHLIGHTS

The Company continued its efforts to further secure itself as a strong player in the industry, whilst functioning in an external environment thwart with challenges. Gross Profit witnessed a decrease from PKR 984 million in 2009 to 856 million in 2010, however this was compensated by the fact that the Company posted an operating profit of PKR 62 million in 2010, a sharp contrast to the operating loss of PKR 172 million posted in 2009. The Company is poised for profitability if the market continues to improve and in the last quarter on a standalone basis the Company was able to achieve a profit after tax.

Similarly we are proud to share that management was able to achieve a significant reduction in financial costs from PKR 1,231 million to 981 million in 2010. It has been the Company's constant endeavor to cut cost by substituting imported coal with cheaper local coal and bio-mass.

We are also proud to state that we continue to be a premium brand not only in Pakistan but also in Tajikistan. These achievements have been possible as we draw heavily on the technical expertise of the Lafarge Group.

PRODUCTION REVIEW

Industry production suffered an overall decline of 3%[1] from 75%[1] recorded the previous year, primarily due to the decrease in exports. The Company's capacity utilization unfortunately corresponded with this trend and there was a decrease in capacity utilization to 79.65 %, from 92.68 % in 2009.

[1] APCMA

DIRECTORS' REPORT

Your Directors are pleased to place before you the Annual Report of the Company for the year ended 31st December, 2010 together with the audited accounts and Auditors' report thereon.

HEALTH & SAFETY POLICY

Health and Safety (H&S) remains a core value within the Lafarge family and in 2010 the Company dedicated itself towards maintaining exceptional standards of H&S. In all humility we report that 2010 was an accident free year where no employee suffered any injury or serious ailment during the course of employment.

Employees were involved in a range of activities to ensure all members of the Lafarge Group understand the value of H&S within the organization. Several trainings and workshops were conducted to further educate employees and third-party workers. Further employees were encouraged to conduct safety audits of various Company premises' to put their knowledge into practice and to identify any loopholes within the current set-ups.

The Company appreciates the value of such activities and that they contribute towards creating a deep rooted culture, where Health and Safety are considered the utmost priority.

FUTURE OUTLOOK

The Company looks forward to 2011 with optimism, yet prepared for challenges which inevitably surface. The international markets are already in a state of flux due to large scale natural calamities and historic social changes being witnessed across the globe. This shall undoubtedly impact the local economy, and Company exports as well.

The Company hopes that neutralizing factors such as healthy price increase, government support, a hike in local construction and possibly the commencement of reconstruction activity in Afghanistan, will allow the Company to offer its shareholders a more lucrative year.

HOLDING COMPANY

Pakistan Cement Holding Limited (PCH) holds 51.55% and Camden Holding PTE Limited (CHL) holds 21.67% ordinary shares of the Company at the balance sheet date. By virtue of indirect holding in PCH and CHL, through Lafarge Building Materials Holding, Lafarge S.A France is the Company's "Ultimate Parent Company". Lafarge is the world leader in building materials, with top-ranking positions in all of its businesses of Cement, Aggregates & Concrete and Gypsum with 76,000 employees in 78 countries.

CORPORATE SOCIAL RESPONSIBILITY

LPCL is committed towards its social, economic and environmental responsibilities for the benefit of its employees, contractors and local communities. The Company has participated in a number of projects to achieve this objective and as a consequence been able to build stronger relationships with the local community. From a compliance point of view we remain one of the most environmentally friendly plants.

SOCIAL SUPPORT SERVICES

Two medical camps were established in 2010 to provide free consultation and medication for the local communities in the vicinity of the Plant area. A team of upto 20 doctor's and nurses from one of Pakistan's leading medical institutes; Shifa International Hospital, Islamabad, provided the services. Medical camps provided facilities and assistance to upto 760 individuals.

The Company donated funds for 'Sasta Desterkhan' scheme of Government of Punjab for provision of cooked food to approximately 3500 poor inhabitants of the locality.

The Company also distributed a Ramzan package in value of Rs. 249,912 among contractors' employees.

FLOOD RELIEF DONATIONS

The Company and its employees donated 300 beds, 50 tents and 200 quilts to the flood affected people in the Charsadda Area. In addition, financial assistance was also provided to NGOs, the employees of the Company and subcontracted employees, whose homes were directly affected by the flood.

ENVIRONMENT

The Company conducted extensive plantation activities at its Plant premises in Chakwal. Around 18,000 plants of different species were planted during the year. The Company also invested in landscaping and plantation for development of a Green Belt in Chakwal city. More than 10,000 flowering plants of nine different species, valued at PKR 300,000 were planted on an approximately 7 kilometers long median at Talagang Road, Chakwal.

STATEMENT ON CORPORATE & FINANCIAL REPORTING FRAME WORK

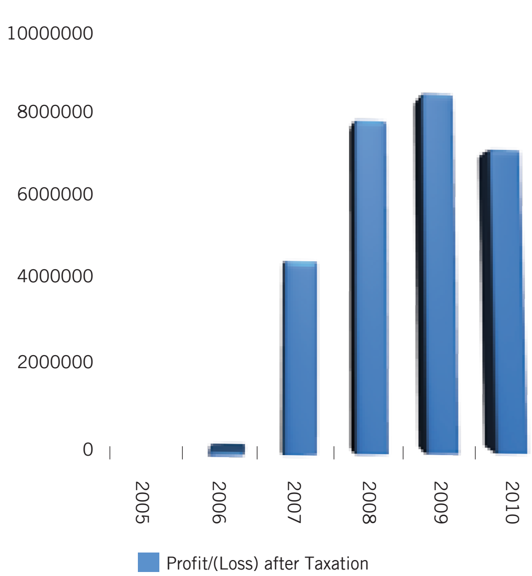
In compliance with the provisions of the Code, the Directors are pleased to report the following:

- The financial statements for the year ended 31st December, 2010 prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity;
- The Company has maintained proper books of account;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended 31st December, 2010 and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS), as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- Effective internal controls have been set up. The management monitors the internal processes on an on-going basis and will strengthen the processes whenever considered necessary;
- There are no doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations of stock exchanges;
- Key operating and financial data of last six years is given below;

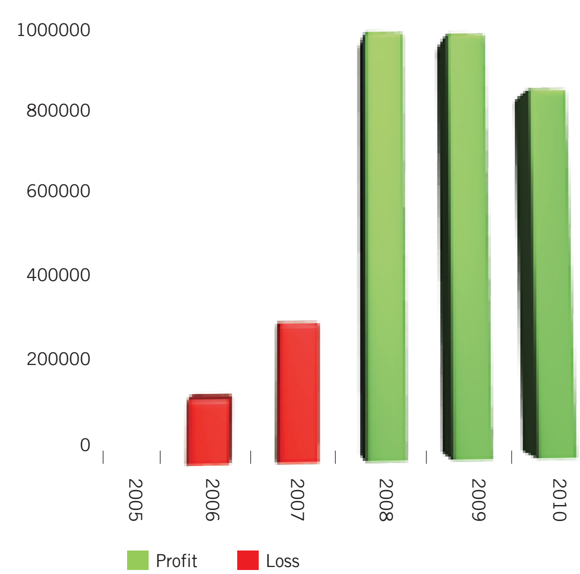
6 YEARS FINANCIAL & OPERATING HIGHLIGHTS

	Year Ended December 31st. (Rs. '000)					
PARTICULARS	2005	2006	2007	2008	2009	2010
Issued, Subscribed and Paid up Capital	6,768,379	6,768,379	11,345,149	13,126,445	13,126,445	13,126,445
Capital reserve	214,839	214,839	195,821	190,477	198,966	198,966
Long term loan-secured	6,396,600	7,015,937	5,702,369	4,388,800	3,075,232	1,761,663
Current Liabilities	595,669	3,687,719	3,122,289	5,268,865	6,865,083	8,927,252
Property Plant & Equipment	12,272,472	16,995,907	17,962,219	17,247,914	16,687,998	16,291,971
Long term advance	103,295	103,295	92,966	82,636	77,869	61,977
Long term deposits	4,040	41,706	42,430	43,787	40,578	39,867
Deferred Tax Asset	-	265,471	542,158	749,347	749,347	749,347
Current Assets	1,958,253	763,949	2,852,908	3,856,416	2,145,492	2,358,841
Net Sales	-	88,586	4,191,594	7,439,375	8,129,961	6,880,767
Gross Profit/(Loss)	-	(139,457)	(304,958)	979,234	983,703	855,910
Financial Charges	6,505	7,599	795,985	1,481,674	1,082,955	980,678
Profit/(Loss) after Taxation	621,792	(38,224)	(521,097)	(1,242,504)	(1,278,965)	(948,495)
Profit/(Loss) Per Share (Rs.)	1.03	(0.052)	(0.59)	(1.01)	(0.97)	(0.72)

NET SALES



GROSS PROFIT/LOSS



- Audited financial statements for the year ended 31st December, 2010 show a loss (after tax deduction) of Rs. 948 million. The loss per share during the year was Rs. 0.72 as against loss of Rs. 0.97 during last year. Therefore no dividend has been declared;

- There are no outstanding statutory payments on account of taxes, levies or charges except those reflected in Note No. 20 to the accounts;

- There have been no material changes or alteration in commitments affecting the financial position of the Company which have occurred between end of the financial year to which the balance sheet relates and the date of this report;

- The Company maintained a provident fund scheme for its eligible employees against which a contribution of Rs. 13.10 million was made during the year. The amount invested by the fund was Rs. 52 million as on 31st December, 2010;

- During the year ended 31st December, 2010, five meetings of Board of Directors were held and attendance of Directors is stated below:

Name of the Directors	No. of Board Meetings Attended
Mr. Ahmad Said Heshmat Hassan	4
Maj. Gen. (R) Rehmat Khan	5
Mr. Amr Ali Reda	5
Mr. Bilal Hamid Javaid	5
Mrs. Amal Tantawi	2
Mr. Ashraf Abouelkheir	4
Mr. Shahid Anwar (Nominee NIT)	3

The Directors who could not attend the board meetings were duly granted leave of absence;

- The pattern of shareholding as on 31st December, 2010 and its disclosures as required in the Code of Corporate Governance is annexed with the report;

- To the best of our knowledge, the Directors, CEO, CFO, Company Secretary, Company Auditors, their spouses and minor children have not undertaken any trading in Company's shares during the year;

AUDITORS

M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Islamabad, retire and being eligible, offer themselves for the reappointment. The Board endorses the recommendation of the Audit Committee for their appointment as auditors of the Company for the year ending 31st December, 2011.

M/s HLB Ijaz Tabussum & Co. Chartered Accountants, Islamabad were appointed as Cost Auditors for the year ended 31st December, 2010.

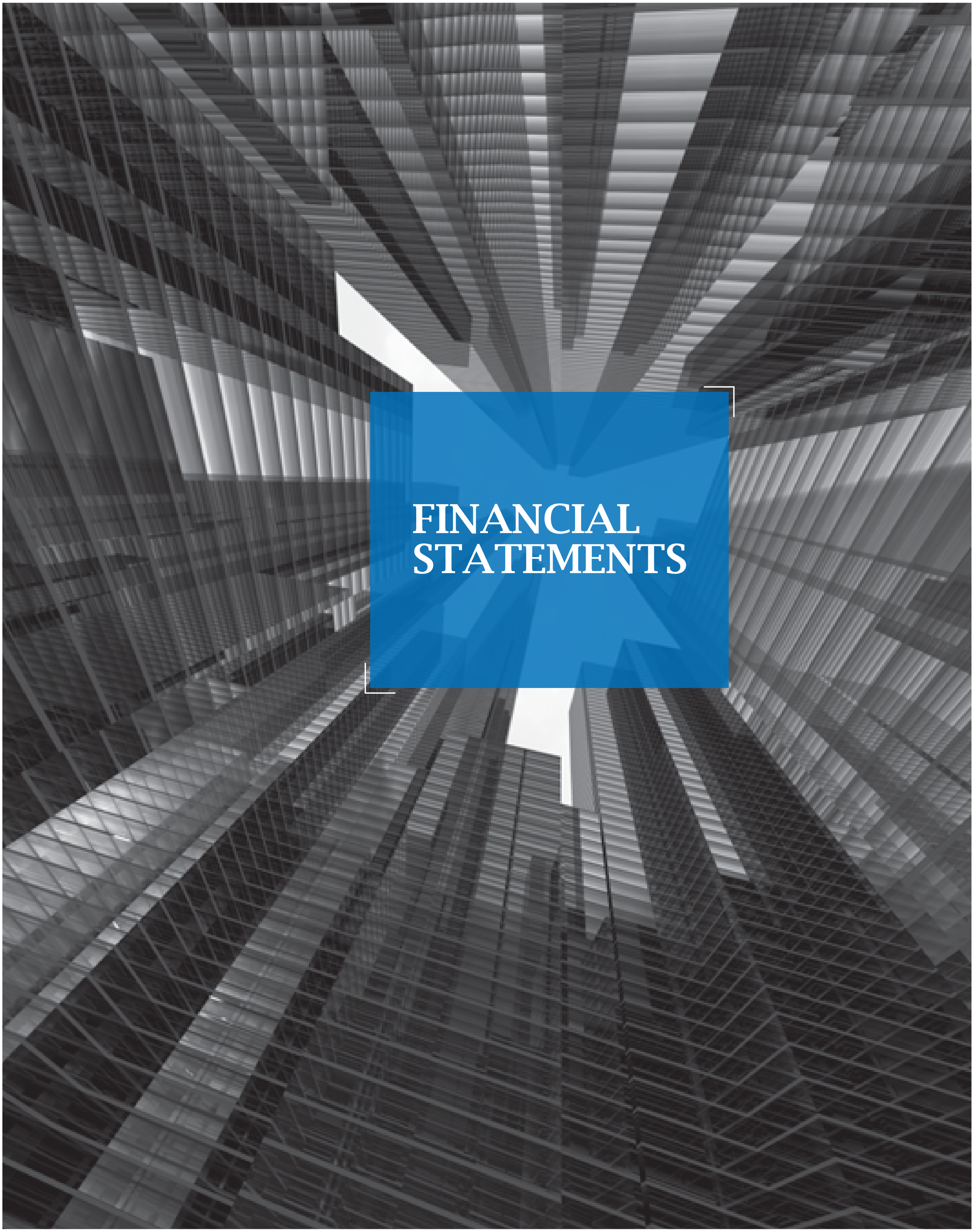
ACKNOWLEDGEMENTS

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the dedicated services, loyalty and hard work of all the employees of the Company and hope this spirit of devotion and dedication will continue to remain our strength.

For and on behalf of the Board

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Islamabad:
March 31, 2011



FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in the listing regulations of Stock Exchanges in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Lafarge Pakistan Cement Limited ("the Company") has applied the principles contained in the Code in the following manner:

1. The Company encourages the representation of independent, non-executive directors on its Board of Directors (hereinafter "the Board"). At present the Board includes two executive directors, four non-executive directors and one independent non-executive director representing institutional equity interest.

2. The directors have confirmed that none of them is serving as a director in ten or more listed companies in Pakistan, including the Company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board during the year.

5. The Company has adopted Principles of Action, Group Rules, Code of Business Conduct, Health & Safety Policy and Health & Safety Rules of Lafarge S.A. France "The Ultimate Parent Company". All directors and employees of the Company have agreed to and signed the said rules and policies.

6. The Board has developed a vision statement, overall corporate strategy and significant policies for the Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board. The remuneration payable to the working directors was approved by the Board.

8. The meetings of the Board were presided over by a director elected by the Board for the purpose and the Board met for the approval of all quarterly, half yearly and annual accounts. Written notices of the Board meetings, along with agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors. No need was felt by the directors for any orientation course in this respect during the year.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The Directors' Report for the year ended December 31, 2010 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were fully endorsed by CEO and CFO before approval of the Board.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises four members; each of whom is a non-executive director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the Committee have been formed by the Board as per Code requiremnet and advised to the Committee for compliance.

17. The Board has set up an internal control function.

18. The statutory auditors of the Company have confirmed that they have been given satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The Statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Islamabad:
March 31, 2011

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 31 December 2010 prepared by the Board of Directors of Lafarge Pakistan Cement Limited (the Company) to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange (Guarantee) Limited, Listing Regulation No. 35 of the Lahore Stock Exchange (Guarantee) Limited and Chapter XI of Listing Regulations of the Islamabad Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii) of Listing Regulations 35 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, effective for the year ended 31 December 2010.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner's Name: Sajjad Hussain Gill
Date: 31 March 2011
Place: Islamabad

AUDITORS REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of LAFARGE PAKISTAN CEMENT LIMITED as at 31 December 2010 and the related statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the statement of financial position and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of the total comprehensive loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner's Name: Sajjad Hussain Gill
Date: 31 March 2011
Place: Islamabad

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	2010	2009
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	16,291,971,459	16,687,997,614
Intangible assets	6	2,345,118	2,958,803
Long-term advance	7	61,977,000	77,868,592
Long-term deposits	8	39,866,542	40,578,283
Deferred taxation	9	749,347,229	749,347,229
		17,145,507,348	17,558,750,521
CURRENT ASSETS			
Stores and spares	10	1,268,297,857	937,101,437
Stock-in-trade	11	624,932,927	724,360,867
Trade debts	12	417,119	76,614,388
Advances	13	38,050,028	37,537,844
Short-term prepayments	14	30,828,677	54,652,098
Interest accrued		860,097	992,063
Other receivables	15	35,103,771	24,454,058
Taxation – net		353,082,246	218,518,014
Cash and bank balances	16	7,268,152	71,260,931
		2,358,840,874	2,145,491,700
TOTAL ASSETS		19,504,348,222	19,704,242,221
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorized			
2,250,000,000 (2009: 2,250,000,000) Ordinary shares of Rs.10 each		22,500,000,000	22,500,000,000
Issued, subscribed and paid-up capital	17	13,126,444,880	13,126,444,880
Reserves	18	(4,311,012,410)	(3,362,517,173)
		8,815,432,470	9,763,927,707
NON - CURRENT LIABILITIES			
Long-term financing	19	1,761,663,367	3,075,231,877
CURRENT LIABILITIES			
Trade and other payables	20	2,851,041,739	2,973,094,371
Accrued mark-up	21	260,526,761	261,290,823
Short-term borrowings	22	4,502,115,371	2,317,128,929
Current maturity of long-term financing	19	1,313,568,514	1,313,568,514
		8,927,252,385	6,865,082,637
CONTINGENCIES AND COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIE		19,504,348,222	19,704,242,221

The annexed notes from 1 to 41 form an integral part of these financial statements.

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Bilal Hamid Javaid
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010	2009
		Rupees	Rupees
NET SALES	24	6,880,766,785	8,129,960,591
Costs of sales	25	(6,024,857,146)	(7,146,258,006)
GROSS PROFIT		855,909,639	983,702,585
Distribution costs	26	(491,859,027)	(459,776,930)
Administrative expenses	27	(408,652,307)	(547,245,050)
Other operating expenses	28	(6,109,517)	(169,447,635)
Other operating income	29	112,402,527	21,218,643
		(794,218,324)	(1,155,250,972)
OPERATING PROFIT / (LOSS)		61,691,315	(171,548,387)
Finance costs	30	(980,678,084)	(1,082,954,593)
LOSS BEFORE TAXATION		(918,986,769)	(1,254,502,980)
Taxation	31	(29,508,468)	(24,461,787)
NET LOSS FOR THE YEAR		(948,495,237)	(1,278,964,767)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(948,495,237)	(1,278,964,767)
LOSS PER SHARE - Basic	32	(0.72)	(0.97)

The annexed notes from 1 to 41 form an integral part of these financial statements.

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Bilal Hamid Javaid
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010	2009
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	430,332,719	3,141,025,193
Finance costs paid		(977,330,893)	(1,348,155,143)
Staff retirement benefits paid		(12,675,207)	(11,287,109)
Income tax paid		(164,072,700)	(145,362,885)
Net cash (used in) / generated from operating activities		(723,746,081)	1,636,220,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(236,650,481)	(194,203,033)
Additions to intangible assets		(548,500)	-
Interest received on financial assets		1,728,472	3,024,121
Proceeds from disposal of property, plant and equipment		7,202,550	10,572,287
Long-term advance received		15,891,592	4,767,408
Long-term deposits		711,741	3,208,732
Net cash used in investing activities		(211,664,626)	(172,630,485)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loan		(1,313,568,514)	(1,313,568,514)
Lease rentals paid		-	(33,288,273)
Net cash used in financing activities		(1,313,568,514)	(1,346,856,787)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2,248,979,221)	116,732,784
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(2,245,867,998)	(2,362,600,782)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	37	(4,494,847,219)	(2,245,867,998)

The annexed notes from 1 to 41 form an integral part of these financial statements.

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Bilal Hamid Javaid
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	Issued, subscribed and paid-up capital	Reserves		Accumulated Losses	Total
		Share premium	Equity settled share based payment plan		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at January 01, 2009	**13,126,444,880**	**190,476,700**	-	**(2,282,517,978)**	**11,034,403,602**
Total comprehensive loss for the year	-	-	-	(1,278,964,767)	(1,278,964,767)
Employee benefit cost under IFRS 2 – "Share-based payments"	-	-	8,488,872	-	8,488,872
Balance at December 31, 2009	**13,126,444,880**	**190,476,700**	**8,488,872**	**(3,561,482,745)**	**9,763,927,707**
Total comprehensive loss for the year	**-**	**-**	**-**	**(948,495,237)**	**(948,495,237)**
Balance at December 31, 2010	**13,126,444,880**	**190,476,700**	**8,488,872**	**(4,509,977,982)**	**8,815,432,470**

The annexed notes from 1 to 41 form an integral part of these financial statements.

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Bilal Hamid Javaid
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

1. THE COMPANY AND ITS OPERATIONS

Lafarge Pakistan Cement Limited ("the Company") was incorporated in Pakistan on May 23, 1993 as a private limited company and subsequently converted into a public limited company on October 18, 1994 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is the manufacturing and sale of cement. The Company is a subsidiary of "Pakistan Cement Holding Limited" a company incorporated in the British Virgin Islands, whereas the ultimate parent company is Lafarge S.A., France. The registered office of the Company is located at Plot # 18-B, F-8 Markaz, Islamabad.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention.

4. SUMMARY OF SIGINIFICANT ACCOUNTING POLICIES

4.1 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's account policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Notes
Determining the residual values and useful lives of property, plant and equipment	4.5 & 5
Impairment of property, plant and equipment	4.5.1 and 5
Provisions against inventories and doubtful receivables	4.9,4.10 and 4.11
Accounting for staff retirement benefits	4.13
Provision for taxation and deferred taxation	4.14 and 31

4.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest rupee.

4.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan will be effective from the dates mentioned below against the respective standard or interpretation:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 32 - Financial Instruments: Presentation - Classification of Right Issue (Amendment)	**February 01, 2010**
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	**July 01, 2010**
IAS 24 - Related Party Disclosures (Revised)	**January 01, 2011**
IFRIC 14 – IAS 19 The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction (Amendments)	**January 01, 2011**
IFRS 7 - Financial Instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets	**July 01, 2011**
IAS 12 - Income Taxes - Limited scope amendment (Recovery of underlying assets)	**January 01, 2012**
IFRS 9 - Financial Instruments: Classification and Measurement	**January 01, 2013**

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards and interpretations have also been issued by the IASB as a result of its annual improvement project in May 2010. Such improvements are generally effective for accounting periods beginning on or after January 01, 2011 with two amendments effective for accounting periods beginning on or after July 01, 2010. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

4.4 Standards or interpretations effective in 2010 but not relevant to the Company

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year. However, these are either not relevant or do not have any effect / material effect on the financial statements of the Company:

IFRS 2 - Share-based Payments: Amendments relating to Group Cash-settled Share-based Payment Transactions

IFRS 3 - Business Combinations (Revised)

IAS 27 - Consolidated and Separate Financial Statements (Amendment)

IAS 28 - Investments in Associates (Amendment)

IAS 31 - Interests in Joint Ventures (Amendment)

IAS 39 - Financial Instruments: Recognition and Measurement – Eligible hedged items (Amendments)

IFRIC 17 - Distributions of Non-cash Assets to Owners

In May 2008 and April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to remove the inconsistencies and clarify the wording. These improvements are listed below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Issued in May 2008

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

Issued in April 2009

IFRS 2 - Share-based Payments

IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations

IFRS 8 - Operating Segments

IAS 1 - Presentation of Financial Statements

IAS 7 - Statement of Cash flows

IAS 17 - Leases

IAS 36 - Impairment of Assets

IAS 38 - Intangible Assets

IAS 39 - Financial Instruments: Recognition and measurement

IFRIC 9 - Reassessment of Embedded Derivatives

IFRIC 16 - Hedges of a Net Investment in a Foreign Operation

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

4.5 Fixed assets

4.5.1 Property, plant and equipment

i) Operating fixed assets

These are stated at cost less accumulated depreciation.

Depreciation on all other assets is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. The rates used are stated in note 5.1 to the financial statements.

The carrying amounts of the Company's assets are reviewed at each year end to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to income in the year the asset is derecognised.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Maintenance and normal repairs are charged to income as and when incurred. Assets having cost of less than a predetermined material amount are charged off when purchased.

Gains and losses on disposal of operating fixed assets, if any, are charged to income.

ii) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their erection, installation and acquisition. The assets are transferred to the relevant category of operating fixed assets when they are available for use.

4.5.2 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such an asset can also be measured reliably. The assets so recognized are amortized over the period during which the related economic benefits are likely to accrue to the Company. Intangible assets are stated, once recognized, at cost less accumulated amortization and impairment losses, if any. Amortization is provided from the month when the asset becomes available for use, on a straight line basis so as to write off the cost of an asset over its estimated useful life at the rate mentioned in note 6 to the financial statements.

4.6 Impairment

i) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect of the estimated future cash flows of that asset.

ii) Impairment of non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of comprehensive income, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined 'through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the-risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

4.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed out in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

4.8 Advances and deposits

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each year end to determine whether there is an indication that a financial asset may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

4.9 Stores and spares

These are valued on a weighted average cost basis except for stores and spares in transit, which are stated at invoice price plus other charges incurred thereon up to the year end. Provision is made for slow moving and obsolete items, where considered necessary.

4.10 Stock-in-trade

Stock is valued at the lower of cost and net realizable value. Cost in relation to raw and packing materials is determined on a weighted average basis and in relation to work in process and finished goods represents average costs comprising direct material, labour and manufacturing overheads. Cost comprises invoice values and other costs incurred for bringing the stock to its present location and condition for its intended use. Net realizable value represents the estimated selling price less estimated costs of completion and costs necessary for such sale.

4.11 Trade debts and other receivables

Trade debts are recognized and carried at original invoice amount less provision for doubtful debts. When the recovery of an amount is considered unlikely by management, a provision is made for the same. Bad debts are written-off when identified.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks on current and deposit account and outstanding balance of running finance facilities availed by the Company.

4.13 Staff retirement benefits

Defined contribution plan

The Company operates an approved contributory provident fund scheme for eligible employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

4.14 Taxation

i) Current

Provision for current tax is based on taxable income at the rates applicable for the current tax year including final tax regime, after considering rebates and tax credits available, if any in accordance with the Income Tax Ordinance, 2001.

ii) Deferred

Deferred tax is recognized, proportionate to local sales using the liability method, on all major temporary differences at the year end between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets, arising from deductible temporary differences and carry-forward of unused tax losses, are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

The carrying amount of deferred tax assets is reviewed at each year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the year end.

4.15 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received till the year end, whether or not billed to the Company.

4.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made .

4.17 Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The following recognition criteria must be met before revenue is recognized:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Return on bank deposits and mark-up on long-term advance is recognized using the effective interest method.

4.18 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the year end. Gains and losses on translation are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.19 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to statement of comprehensive income currently.

4.20 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

4.21 Related party transactions

Related party transactions are stated at arm's length basis substantiated in the manner given in note 35 to the financial statements.

4.22 Share-based compensation plan

The economic cost of awarding shares of group companies to employees is reflected by recording a charge in the statement of comprehensive income, equivalent to the fair value of shares on the grant date over the vesting period, with a corresponding reserve created to reflect the equity component.

4.23 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2010 Rupees	2009 Rupees
Operating fixed assets	5.1	**16,154,045,684**	16,605,289,410
Capital work-in-progress	5.3	**137,925,775**	82,708,204
		16,291,971,459	16,687,997,614

5.1 Operating fixed assets

2010	Note	COST: As at January 01, 2010	COST: Additions	COST: (Disposals)	COST: As at December 31, 2010	Useful life	ACCUMULATED DEPRECIATION: As at January 01, 2010	ACCUMULATED DEPRECIATION: Charge for the year	ACCUMULATED DEPRECIATION: (On disposals)	ACCUMULATED DEPRECIATION: As at December 31, 2010	WRITTEN DOWN VALUE: As at December 31, 2010
		Rupees				Years	Rupees				
Freehold land		81,892,837	-	-	81,892,837		-	-	-	-	81,892,837
Building on freehold land	5.1.1	4,412,668,342	6,927,263	-	4,419,595,605	25 to 30	349,927,865	148,082,244	-	498,010,109	3,921,585,496
Plant and machinery		12,899,084,663	166,156,355	-	13,065,241,018	30	1,592,216,141	416,000,698	-	2,008,216,839	11,057,024,179
Office equipment		10,908,822	723,077	-	11,631,899	5 to 10	3,802,156	2,174,117	-	5,976,273	5,655,626
Furniture and fittings		21,154,291	-	-	21,154,291	5 to 10	6,662,956	1,996,533	-	8,659,489	12,494,802
Computers and low voltage equipment		381,435,281	698,952	-	382,134,233	5	137,292,831	14,673,473	-	151,966,304	230,167,929
Vehicles		75,416,870	-	(11,763,253)	63,653,617	4 to 5	53,231,759	8,107,392	(8,615,765)	52,723,386	10,930,231
Laboratory equipment		704,986,840	-	-	704,986,840	30	139,646,433	20,540,115	-	160,186,548	544,800,292
Workshop equipment		350,956,558	-	-	350,956,558	30	50,434,953	11,027,313	-	61,462,266	289,494,292
		18,938,504,504	174,505,647	(11,763,253)	19,101,246,898		2,333,215,094	622,601,885	(8,615,765)	2,947,201,214	16,154,045,684

2009	COST: As at January 01, 2009	COST: Additions	COST: (Disposals)/ Adjustments	COST: As at December 31, 2009	Useful life/ lease term	ACCUMULATED DEPRECIATION: As at January 01, 2009	ACCUMULATED DEPRECIATION: Charge for the year	ACCUMULATED DEPRECIATION: On (disposals)/ adjustments	ACCUMULATED DEPRECIATION: As at December 31, 2009	WRITTEN DOWN VALUE: As at December 31, 2009
	Rupees				Years	Rupees				
Freehold land	81,892,837	-	-	81,892,837		-	-	-	-	81,892,837
Building on freehold land	4,410,813,536	1,854,806	-	4,412,668,342	25 to 30	202,326,901	147,600,964	-	349,927,865	4,062,740,477
Plant and machinery	12,899,084,663	-	-	12,899,084,663	30	1,177,669,778	414,546,363	-	1,592,216,141	11,306,868,522
Office equipment	10,908,822	-	-	10,908,822	5 to 10	1,628,039	2,174,117	-	3,802,156	7,106,666
Furniture and fittings	16,739,123	4,415,168	-	21,154,291	5 to 10	4,760,795	1,902,161	-	6,662,956	14,491,335
Computers and low voltage equipment	375,114,166	6,321,115	-	381,435,281	5	100,876,167	36,416,664	-	137,292,831	244,142,450
Vehicles	38,207,075	7,689,747	(19,445,663) 48,965,711	75,416,870	4 to 5	13,475,936	33,948,517	(11,965,861) 17,773,167	53,231,759	22,185,111
Laboratory equipment	693,799,759	11,187,081	-	704,986,840	30	131,281,232	8,365,201	-	193,646,433	565,340,407
Workshop equipment	342,579,980	8,376,578	-	350,956,558	30	39,686,860	10,748,093	-	50,434,953	300,521,605
Leased										
Vehicles	48,965,711	-	(48,965,711)	-	4 to 5	17,773,167	-	(17,773,167)	-	-
	18,918,105,672	39,844,495	(19,445,663)	18,938,504,504		1,689,478,875	655,702,080	(11,965,861)	2,333,215,094	16,605,289,410

5.1.1 Additions during the year include the following transfers from capital work in progress

	2010 Rupees	2009 Rupees
Building on freehold land	6,927,263	1,854,806
Vehicles	-	3,982,278
Furniture and fittings	-	4,408,592
Computer and low voltage equipment	-	3,662,861
Laboratory equipment	-	5,232,263
Workshop equipment	-	8,376,578
	6,927,263	27,517,378

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

5.1.2 The depreciation charge for the year has been allocated as follows:

	Note	2010 Rupees	2009 Rupees
Cost of sales	25	616,627,077	642,098,207
Distribution cost	26	1,482,192	3,196,521
Administrative expenses	27	4,492,616	10,407,352
		622,601,885	655,702,080

5.2 The details of fixed assets disposed off during the year, with written down values exceeding Rs. 50,000, are as follows:

Vehicles	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	Rupees					
Toyota Prado	3,287,972	1,780,985	1,506,987	1,584,282	Company Policy	Gen. (R) Rehmat Khan (CEO) House No. 9, Street No. 4, Fazaia Colony, Islamabad Highway.
Honda Civic	1,406,256	878,910	527,346	1,290,000	Auctioned	Malik Sajjad House No. BB 478/A, Mohalla Imam Barra, Rawalpindi.
Toyota Corolla	1,346,664	897,776	448,888	1,100,000	Auctioned	M. Salman Zubairi House No. 14, Street No. 46, Sector F-7, Islamabad
Honda City	921,826	825,803	96,023	364,890	Company Policy	M. Anwar Sheikh (Ex-employee) House No. 295, Sector B-1, Block No 3, Township, Lahore
Suzuki Cultus VXR	610,695	470,757	139,938	429,752	Auctioned	Javed Akhtar Malik House No. D-2, New Colony, AC Wah, Wah Cantt
Fiat Tractor	488,000	59,749	428,251	576,190	Auctioned	Pir & Co. Flat No. 1, First Floor, Najam Market, F-8/4 Islamabad

5.3 Capital work-in-progress

	Note	2010 Rupees	2009 Rupees
Plant and machinery		109,386,573	70,974,236
Civil and development works		15,351,990	3,515,481
Construction material		-	3,565,087
Work at height project		6,856,361	4,212,482
Fire Hydrants		6,081,448	-
Advances to suppliers and contractors		249,403	440,918
		137,925,775	82,708,204

5.3.1 Movement in capital work-in-progress during the year is as follows:

	Note	2010	2009
Opening balance		82,708,204	19,287,624
Additions during the year		62,144,834	90,937,958
Transfers to operating fixed assets	5.1.1	(6,927,263)	(27,517,378)
		137,925,775	82,708,204

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010 Rupees	2009 Rupees
6. INTANGIBLE ASSETS			
Licensed computer software			
Cost			
Opening balance		**8,279,047**	8,279,047
Additions during the year		**548,500**	-
		8,817,547	8,279,047
Amortization to date			
Opening balance		**5,320,244**	4,176,342
Amortization for the year	27	**1,162,185**	1,143,902
		6,482,429	5,320,244
Written down value		**2,345,118**	2,958,803
Amortization rate		**20%**	20%
7. LONG-TERM ADVANCE			
Considered good – unsecured			
Sui Northern Gas Pipelines Limited	7.1	**72,306,500**	82,636,000
Equity-settled share-based payment plan	7.2	**-**	11,624,671
		72,306,500	94,260,671
Current maturity shown under current assets			
Sui Northern Gas Pipelines Limited	13	**(10,329,500)**	(10,329,500)
Equity-settled share-based payment plan		**-**	(6,062,579)
		(10,329,500)	(16,392,079)
		61,977,000	77,868,592

7.1 This represents the outstanding balance of an advance given by the Company to Sui Northern Gas Pipelines Limited (SNGPL), during the year ended June 30, 2005, for the construction of a gas pipeline. The advance is recoverable over 10 years, commencing March 28, 2007, in equal annual installments of Rs. 10.330 million each, and carries mark-up at the rate of 1.5% (2009: 1.5%) per annum.

7.2 This represents the advance given to employees, in the prior year, to acquire shares of the ultimate parent company, under an equity settled share based payment plan.

	Note	2010 Rupees	2009 Rupees
8. LONG-TERM DEPOSITS			
Considered good			
Security deposits			
Islamabad Electric Supply Company Limited	8.1	**37,789,030**	37,789,030
Others		**2,077,512**	2,789,253
		39,866,542	40,578,283

8.1 This represents the amount deposited for the supply of electricity, to the Company's manufacturing plant in Chakwal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Rupees	2009 Rupees
9. DEFERRED TAXATION		
Deferred tax credit arising on account of:		
Accelerated tax depreciation	**(2,776,482,673)**	(3,362,706,470)
Deferred tax debits arising in respect of:		
Brought forward tax losses	**3,525,829,902**	4,112,053,699
	749,347,229	749,347,229

9.1 In accordance with its accounting policy for recognizing deferred tax assets, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and /or carry forward of unused tax losses can be utilized, the Company has, with effect from July 01, 2008, suspended recognition of deferred tax assets. As a result net deductible temporary differences, on which the deferred tax asset has not been recognized in these financial statements, amounted to Rs. 2,152 (2009: Rs. 2,460) million at year end.

	2010 Rupees	2009 Rupees
10. STORES AND SPARES		
In hand		
Spare parts	**612,745,650**	734,155,544
Fuel	**201,971,107**	200,714,628
	814,716,757	934,870,172
Provision for obsolete spare parts	**(3,000,000)**	(3,000,000)
	811,716,757	931,870,172
In transit		
Spare parts and fuel	**456,581,100**	5,231,265
	1,268,297,857	937,101,437
11. STOCK-IN-TRADE		
Raw material		
In hand	**30,065,544**	27,012,719
Packing material		
In hand	**116,202,332**	160,769,166
Work-in-progress	**365,927,440**	442,073,146
Finished goods		
In hand	**96,717,621**	79,917,419
In transit	**16,019,990**	14,588,417
	112,737,611	94,505,836
	624,932,927	724,360,867

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010 Rupees	2009 Rupees
12. TRADE DEBTS - unsecured			
Considered good			
Related party			
Marine Cement Limited		-	66,807,482
Others		417,119	9,806,906
Considered doubtful:			
Others		-	4,714,538
Provision against debts considered doubtful	12.1	-	(4,714,538)
		417,119	76,614,388
12.1 Provision against debts considered doubtful:			
Opening balance		4,714,538	-
Provision for the year		-	4,714,538
Written-off during the year		(4,714,538)	-
		-	4,714,538
13. ADVANCES			
Considered good			
Secured against bank guarantee			
Suppliers		-	4,254,250
Unsecured			
Current maturity of long-term advance	7	10,329,500	10,329,500
Employees			
Advance in respect of equity-settled share-based payment plan	7.2	4,532,478	6,062,579
Others		4,840,193	7,492,456
Suppliers and contractors		18,347,857	9,399,059
		38,050,028	33,283,594
		38,050,028	37,537,844
14. SHORT-TERM PREPAYMENTS			
Insurance		18,024,487	40,213,168
Rent		12,775,957	14,101,258
Others		28,233	337,672
		30,828,677	54,652,098
15. OTHER RECEIVABLES			
Considered good			
Due from related parties			
Al-Safwa (Kingdom of Saudi Arabia)		9,056,203	4,166,833
Cementia Trading (Switzerland)		100,000	100,000
United Cement Company (Iraq)		47,500	141,842
Lafarge A & C (Iraq)		85,928	-
		9,289,631	4,408,675
Others			
Export rebate		18,329,248	18,329,248
Insurance claim		132,500	274,500
Other receivables		7,352,392	1,441,635
Considered doubtful			
Due from Sui Northern Gas Pipelines Limited (SNGPL)		-	16,625,608
Provision against receivable considered doubtful	15.1	-	(16,625,608)
		35,103,771	24,454,058

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010 Rupees	2009 Rupees
15.1 Provision against receivable considered doubtful			
Opening balance		**16,625,608**	-
Provision for the year		**-**	16,625,608
Written-off during the year		**(16,625,608)**	-
		-	16,625,608

16. CASH AND BANK BALANCES

	2010 Rupees	2009 Rupees
In hand		
local currency	**656,256**	1,016,491
foreign currency	**2,203,607**	1,443,725
	2,859,863	2,460,216
Cash at banks		
Current accounts	**4,408,289**	33,509,007
Deposit accounts	**-**	35,291,708
	4,408,289	68,800,715
	7,268,152	71,260,931

17. SSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of shares 2010	Number of shares 2009		2010 Rupees	2009 Rupees
1,312,644,488	1,312,644,488	Ordinary shares of Rs. 10/- each fully paid in cash	**13,126,444,880**	13,126,444,880

17.1 Pakistan Cement Holding Limited (PCH) held 51.55% and Camden Holding PTE Limited (CHL) held 21.67% ordinary shares of Rs. 10 each of the Company at the close of the current year. Lafarge S.A., France, is the ultimate parent company of the Company, by virtue of indirect holdings in PCH and CHL, through Lafarge Building Materials Holding, Egypt.

18. RESERVES

	Note	2010 Rupees	2009 Rupees
Capital reserves			
Share premium	18.1	**190,476,700**	190,476,700
Equity settled share based payment plan	18.2	**8,488,872**	8,488,872
		198,965,572	198,965,572
Revenue reserves			
Accumulated losses		**(4,509,977,982)**	(3,561,482,745)
		(4,311,012,410)	(3,362,517,173)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

18.1 This represents a premium of Rs. 0.50 per ordinary share of Rs. 10 each, on 429,677,383 ordinary shares issued during the years ended June 30, 1995 and 1996.

18.2 This relates to the equity effect of share-based payments made under the ultimate parent company's Employee Ownership Plan (LEA) in 2009.

	Note	2010 Rupees	2009 Rupees
19. LONG-TERM FINANCING			
Secured			
Local banks	**19.1, 19.2**	**3,075,231,881**	4,388,800,391
Current maturity shown under current liabilities		**(1,313,568,514)**	(1,313,568,514)
		1,761,663,367	3,075,231,877

19.1 Included herein is a long-term loan, arranged by the Company for capital expenditure purposes, amounting to Rs. 1,730 million (2009: 2,596 million) from a syndicate of commercial banks including MCB Bank Limited (as principal agent and security agent), Habib Bank Limited, Allied Bank Limited, United Bank Limited, NIB Bank Limited, Citibank NA (as inter-creditor agent), Standard Chartered Bank (Pakistan) Limited, Habib Metropolitan Bank Limited, Askari Bank Limited and Soneri Bank Limited. The term of the loan is seven years, with a two year grace period, repayable in 10 equal bi-annual installments, which commenced on March 10, 2008. The rate of mark-up on the said facility is the base rate plus 175 basis points per annum, with no floor and cap. The base rate is defined as the Spot 6 months KIBOR (ask side), to be reset on March 10 and September 10 every year.

The loan is secured against (i) a first mortgage charge of Rs.10,400 million ranking pari-passu, among the syndicate members, on the properties of the Company and (ii) a first charge by way of hypothecation, on the Company's assets of Rs.10,400 million and (iii) a Rs. 4,388 million Corporate Guarantee issued by the ultimate parent company.

19.2 Included herein is a long-term loan arranged by the Company for capital expenditure purposes amounting to Rs. 1,344 million (2009: 1,792 million) from a syndicate of commercial banks that include Citibank NA (as principal agent and inter-creditor agent), MCB Bank Limited (as security agent), Allied Bank Limited and Standard Chartered Bank (Pakistan) Limited. The term of the loan is eight years with a two year grace period, repayable in 12 equal bi-annual installments, which commenced on March 10, 2008. The rate of mark-up on the said facility, is the base rate plus 100 basis points per annum, with no floor and cap. The base rate is defined as the Spot 6 months KIBOR (ask side), to be reset on March 10 and September 10 every year.

The loan is secured against (i) a first mortgage charge of Rs.10,400 million ranking pari-passu among the syndicate members, on the properties of the Company (ii) a first charge, by way of hypothecation on the Company's assets of Rs.10,400 million (iii) a guarantee by Eksport Kredit Fonden issued in favour of the facility agent and (iv) a Rs. 4,388 million Corporate Guarantee issued by the ultimate parent company.

19.3 The Company is allowed to prepay loan installments subject to 90 days notice. Profit distributions to the shareholders, are restricted at 30% of net profits and are subject to the lenders' concurrence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010 Rupees	2009 Rupees
20. TRADE AND OTHER PAYABLES			
Trade creditors		**197,109,928**	206,295,192
Royalty and technical assistance fees	**20.1**	**1,646,292,809**	1,834,381,231
Accrued liabilities		**755,944,852**	485,619,487
Advances from customers		**105,879,762**	114,510,406
Payable to provident fund		**693,300**	282,489
Security deposits		**15,684,397**	13,478,782
Retention money		**9,575,970**	165,624,988
Excise duty		**66,268,278**	101,807,164
Tax deducted-at-source		**38,211,331**	1,366,171
Sales tax		**6,981,554**	30,259,131
Marking fee payable		**8,071,094**	13,920,846
Others		**328,464**	5,548,484
		2,851,041,739	2,973,094,371
20.1 Royalty and technical assistance fees			
	20.1.1	**1,576,037,329**	1,543,013,469
	20.1.2	**70,255,480**	291,367,762
		1,646,292,809	1,834,381,231

20.1.1 This represents the fees for technical services and royalty, payable to related parties, under a Royalty Agreement and Technical Services Agreement. Subsequent to the year end the State Bank of Pakistan vide its letter dated February 28, 2011 approved the repatriation of outstanding balance of both the technical assistance fee and royalty to its related parties.

20.1.2 This represents fee for royalty under an Industrial Franchise Agreement (IFA) payable to the ultimate parent company. The fee is charged at the rate of 3% of net annual sales of the Company.

	Note	2010 Rupees	2009 Rupees
21. ACCRUED MARK-UP			
Accrued mark-up on secured:			
Long-term financing		**136,259,979**	193,680,552
Short-term borrowings		**124,266,782**	67,610,271
		260,526,761	261,290,823
22. SHORT-TERM BORROWINGS			
Commercial banks-secured			
Running finance	**22.1**	**2,647,059,068**	242,128,929
Short-term loan	**22.2**	**128,939,223**	1,200,000,000
Export-refinance facilities	**22.3**	**1,280,865,000**	875,000,000
		4,056,863,291	2,317,128,929
Related party - unsecured			
Short-term loan	**22.4**	**445,252,080**	-
		4,502,115,371	2,317,128,929

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

22.1 The Company has arranged short-term running finance facilities from various commercial banks aggregating to Rs. 4,300 million (2009: Rs. 3,800 million). Mark-up is payable on a quarterly basis, in arrears, at the rate of 3 months KIBOR + 1.50% per annum. These facilities are secured against guarantees issued by Lafarge Building Materials Holding, Egypt - a related party, a letter of comfort from the ultimate parent company, and a ranking hypothecation charge over the assets of the Company, excluding land, building, cash and cash equivalents.

22.2 This represents the outstanding amount of a short-term loan, arranged from a commercial bank, amounting to USD 1.5 million (2009: Nil). Mark-up is payable on maturity at the rate of 14.60 % per annum. This loan is secured against a ranking hypothecation charge over the assets of the Company, excluding land, building and cash and cash equivalents.

22.3 This represents the outstanding balance of export-refinance facilities arranged by the Company from various banks and these are the sub-limits of facilities disclosed in note 22.1. Mark-up is payable on a quarterly basis at rates ranging between 9.5% and 10% plus 100 basis points per annum. These facilities are secured against guarantees issued by Lafarge Building Materials Holding, Egypt - a related party, a letter of comfort from the ultimate parent company, and a ranking hypothecation charge over the assets of the Company excluding land, building and cash and cash equivalents.

22.4 This represents the utilized portion of a short-term loan, received from the parent company, amounting to USD 25 million (2009: Nil) payable on demand. Mark-up is payable semi-annually at the rate of LIBOR+1% per annum.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies:

a) The Company has issued post-dated cheques, aggregating to Rs. 20.155 million (2009: Rs. 23.410 million), in favour of the Collector of Customs against the import duty payable on polypropylene sacks.

b) The Company has issued a bank guarantee of Rs. 146 million (2009: 436.642 million) in favour of Sui Northern Gas Pipelines Limited in lieu of security deposits against the supply of natural gas to its cement manufacturing plant in Chakwal.

c) The Revenue Officer, District Chakwal, raised a demand of Rs. 270.58 million (2009: 270.58 million) being the shortfall in stamp duty and penalty in respect of land mortgaged against foreign long-term financing. During the course of appellate procedures, the Chief Revenue Authority, Board of Revenue, Punjab reiterated the demand. The Company then filed a revision petition with the Lahore High Court, Rawalpindi Bench which was dismissed by an order dated April 15, 2008. The Company finally filed a petition for leave to appeal against the order in the Supreme Court of Pakistan. The appeal has been allowed by the Supreme Court vide their order dated June 19, 2009 and the case has been remanded to the High Court for re-hearing. No provision has been made in these financial statements, as the Company and its legal counsel are of the opinion that the matter is likely to be decided in favour of the Company.

d) The Competition Commission of Pakistan (CCP) has passed an order against all cement manufacturers, including the Company, whereby it is alleged that the Company was involved in cartelization with other cement manufacturers. Accordingly, the CCP imposed a fine of Rs. 405 million. In response the Company has filed an appeal before the Lahore High Court, and is in the process of filing another appeal in the Supreme Court of Pakistan against the decision of the CCP. No provision has been made in the financial statements as the Company, and its legal counsel, are of the opinion that the matter is expected to be decided in the favour of the Company.

e) During the year, the Income Tax Authorities served a show cause notice to the Company under section 221 of the Income Tax Ordinance, 2001 for the assessment year 2010, in which the Tax Authorities pointed out that the Company failed to pay minimum tax under section 113 amounting to Rs. 29.416 million. According to the opinion of the Company's tax advisor, the Company is not subject to minimum tax for the tax year 2010 and 2011. Accordingly the tax advisor has submitted a written response to the aforesaid show cause notice. The management expects a favorable outcome of the said matter.

f) Subsequent to the year end, the tax authorities raised a tax demand, of Rs. 268.74 million, against the Company, by amending the income tax assessment for the Tax Year 2005. The principle issue in the amendment, is the taxation of the amount representing the reversal of interest and penal charges, during the said year, on long term financing, although the Company had not claimed such expenses as tax deductible, in earlier assessments. The Company is contesting the amended assessment order before the Commissioner Inland Revenue (Appeals) and is confident of a favorable outcome.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010 Rupees	2009 Rupees
23.2 Commitments:			
a) Outstanding letters-of-credit		**5,742,537**	413,919,000
b) Rentals under operating lease agreements in respect of land		**92,974,860**	94,091,500
24. NET SALES			
Local		**6,213,725,608**	8,623,273,058
Exports		**2,875,324,321**	2,420,846,732
		9,089,049,929	11,044,119,790
Sales tax and excise duty		**(1,799,437,198)**	(2,536,499,020)
Discounts and commission to dealers		**(408,845,946)**	(377,660,179)
		(2,208,283,144)	(2,914,159,199)
		6,880,766,785	8,129,960,591
25. COST OF SALES			
Raw materials consumed:			
Opening stock		**27,012,719**	9,681,244
Purchases		**445,600,011**	495,857,197
Closing stock		**(30,065,544)**	(27,012,719)
		442,547,186	478,525,722
Packing material consumed		**645,166,838**	675,345,451
Stores and spares consumed		**275,053,795**	201,457,776
Fuel and power		**3,461,276,420**	4,250,344,354
Salaries, wages and benefits	25.1	**200,796,059**	262,496,325
Rent, rates and taxes		**9,342,843**	15,762,613
Traveling and conveyance		**36,968,432**	35,642,306
Transportation – plant site		**32,866,351**	32,647,281
Insurance		**64,544,430**	80,864,052
Communication		**5,082,407**	5,286,663
Utilities		**10,382,788**	13,373,936
Consumables		**10,215,811**	11,568,250
Office canteen		**19,714,972**	30,251,846
Depreciation	5.1.2	**616,627,077**	642,098,207
Repairs and maintenance		**67,866,105**	70,308,470
Technical assistance fee		**35,332,121**	130,864,120
Legal and professional charges		**5,688,066**	9,607,469
Other factory overheads		**27,471,514**	26,876,948
		5,966,943,215	6,973,321,789
Work-in-process			
Opening stock		**442,073,146**	536,026,015
Closing stock		**(365,927,440)**	(442,073,146)
		76,145,706	93,952,869
Cost of goods manufactured		**6,043,088,921**	7,067,274,658
Finished goods			
Opening stock		**94,505,836**	173,489,184
Closing stock	25.2	**(112,737,611)**	(94,505,836)
		(18,231,775)	78,983,348
		6,024,857,146	7,146,258,006

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

25.1 Included herein is a sum of Rs. 7,010,640 (2009: Rs. 6,866,919) on account of contributions to staff retirement benefits.

25.2 This includes finished goods in transit of Rs. 16,019,990 (2009: Rs. 14,588,417).

	Note	2010 Rupees	2009 Rupees
26. DISTRIBUTION COSTS			
Salaries and benefits	26.1	59,617,764	72,067,212
Traveling expenses		8,007,795	3,818,433
Vehicle running expenses		340,233	400,031
Freight and handling charges		379,400,433	348,668,685
Repairs and maintenance		3,396,819	3,568,229
Rent, rates and taxes		20,295,591	12,448,028
Accommodation and living		-	135,246
Legal and professional charges		1,052,649	1,053,081
Utilities		1,942,082	1,753,162
Advertisement expenses		6,842,566	1,886,477
Office canteen		3,631,701	4,279,147
Printing and stationery		681,798	1,011,153
Meetings and conferences		60,547	53,108
Telephone and postage		3,172,080	3,021,509
Newspapers and periodicals		32,781	46,260
Fees and subscriptions		804,998	1,220,088
Depreciation	5.1.2	1,482,192	3,196,521
Security charges		846,320	887,857
Insurance		250,678	262,703
		491,859,027	459,776,930

26.1 Included herein is a sum of Rs. 2,028,337 (2009: Rs. 1,781,811) on account of contributions to staff retirement benefits.

	Note	2010 Rupees	2009 Rupees
27. ADMINISTRATIVE EXPENSES			
Salaries and benefits	27.1	114,899,972	111,958,139
Traveling expenses		10,047,435	7,847,933
Vehicle running expenses		5,537,928	5,293,069
Repairs and maintenance		5,610,207	9,037,401
Rent, rates and taxes		14,087,907	14,885,915
Accommodation and living		94,006	48,056
Legal and professional charges		11,978,013	51,597,668
Auditors' remuneration	27.2	1,841,000	1,309,000
Utilities		4,488,509	4,493,469
Advertisement expenses		2,331,017	1,202,869
Technical assistance fee	27.3	-	41,604,751
Royalty		215,389,761	268,288,699
Office canteen		3,454,437	2,754,051
Printing and stationery		1,636,734	1,659,016
Meetings and conferences		332,481	497,140
Telephone and postage		3,963,499	3,424,115
Newspapers and periodicals		69,466	65,236
Donations	27.4	653,495	1,020,360
Fees and subscriptions		2,836,750	4,236,564
Depreciation	5.1.2	4,492,616	10,407,352
Amortization of intangibles	6	1,162,185	1,143,902
Security charges		692,080	1,303,426
Software expenses		2,319,436	2,034,054
Insurance		733,373	1,132,865
		408,652,307	547,245,050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

27.1 Included herein is a sum of Rs. 4,047,041 (2009: Rs. 3,327,068) on account of contributions to staff retirement benefits.

	2010 Rupees	2009 Rupees
27.2 Auditors' remuneration		
Statutory audit	1,147,000	903,400
Half yearly review	500,000	350,000
Other certifications	140,000	-
Out of pocket expenses	64,000	55,600
	1,841,000	1,309,000

27.3 During the year, the Company availed no technical assistance chargeable under this head from its related parties.

27.4 Donations have not been made to any party in whom any director of the Company, or his/her spouse, has any interest.

	2010 Rupees	2009 Rupees
28. OTHER OPERATING EXPENSES		
Provision for doubtful receivables	-	16,625,608
Exchange loss - net	-	147,855,257
Others	6,109,517	4,966,770
	6,109,517	169,447,365
29. OTHER OPERATING INCOME		
From financial assets		
Mark-up on unsecured long-term advance	1,201,620	1,268,280
Return on deposit accounts	394,886	1,022,899
	1,596,506	2,291,179
From assets other than financial assets		
Scrap sales	19,409,235	7,772,589
Gain on disposal of property, plant and equipment	4,055,062	3,092,485
Exchange gain – net	59,328,820	-
Refund of excess insurance premium	-	3,501,173
Liabilities written-back	28,012,904	4,561,217
	110,806,021	18,927,464
	112,402,527	21,218,643
30. FINANCE COSTS		
Mark-up/interest on:		
long-term financing	511,031,740	753,669,283
short-term running finance facilities	420,838,362	240,954,897
short-term loans	3,981,949	32,679,452
liabilities against assets subject to finance lease	-	739,983
	935,852,051	1,028,043,615
Adjustment of imputed interest on long-term liabilities	-	27,000,000
Letter-of-guarantee commission	24,777,994	2,517,968
Bank charges	20,048,039	25,393,010
	980,678,084	1,082,954,593
31. TAXATION		
Current	(29,508,468)	(24,461,787)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

31.1 This respresents tax paid by the Company under the final tax regime under Sections 154 and 169 of the Income Tax Ordinance, 2001, to the extent of direct export sales.

31.2 The income tax authorities have finalized tax assessments of the Company upto and including the assessment year 2009-2010 (year ended June 30, 2010). Tax returns for the tax years 2009 to 2010 were filed and stand assessed in terms of Section 120 of the Income Tax Ordinance, 2001. However, the taxation authorities are empowered to open the assessments at any time, within five years of the date of the filing of tax returns.

31.3 The relationship between income tax expense and accounting profit has not been presented in these financial statements as the Company has reported losses for tax purposes.

32. LOSS PER SHARE - BASIC

There is no dilutive effect on the basic earnings of the Company which is based on:

		2010 Rupees	2009 Rupees
Net loss for the year	Rupees	(948,495,237)	(1,278,964,767)
Weighted average number of ordinary shares outstanding during the year	Number	1,312,644,488	1,312,644,488
Basic loss per share	Rupee	(0.72)	(0.97)

33. CASH GENERATED FROM OPERATIONS

	Note	2010 Rupees	2009 Rupees
Loss before taxation		(918,986,769)	(1,254,502,980)
Adjustments for non-cash items			
Depreciation		622,601,885	655,702,080
Amortization of intangibles		1,162,185	1,143,902
Employee share expense		-	8,488,872
Provision for doubtful receivables		-	16,625,608
Provision against obsolete stores and spares		-	3,000,000
Finance costs		980,678,084	1,082,954,593
Exchange (gain) / loss		(59,328,820)	147,855,257
Staff retirement benefits		13,086,018	11,975,798
Income on financial assets		(1,596,506)	(2,291,179)
Gain on disposal of fixed assets		(4,055,062)	(3,092,485)
		1,552,547,784	1,922,362,446
Operating profit before working capital changes		633,561,015	667,859,466
Working capital changes	33.1	(203,228,296)	2,473,165,727
		430,332,719	3,141,025,193

33.1 Working capital changes

		2010 Rupees	2009 Rupees
(Increase) / decrease in current assets			
Stores and spares		(331,196,420)	1,513,733,784
Stock-in-trade		99,427,940	222,573,509
Trade debts		76,197,269	(42,687,803)
Advances		(512,184)	14,073,128
Short-term prepayments		23,823,421	11,998,454
Other receivables		(10,649,713)	32,875,050
Tax refunds due from the Government		-	74,282,918
		(142,909,687)	1,826,849,040
Increase / (decrease) in current liabilities			
Trade and other payables		(60,318,609)	646,316,687
		(203,228,296)	2,473,165,727

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for the year as remuneration and benefits to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial remuneration	**19,393,370**	11,573,003	**9,881,778**	9,669,743	**122,582,872**	73,477,286
Provident fund	**697,788**	529,844	**432,000**	360,000	**5,512,451**	3,313,458
	20,091,158	12,102,847	**10,313,778**	10,029,743	**128,095,323**	76,790,744
Number of persons	**1**	1	**1**	2	**51**	44

34.1 In addition to the above remuneration, the Chief Executive, Directors and certain Executives are also provided with Company maintained cars in accordance with the terms of employment.

34.2 During the year, meeting fee amounting to Rs. 10,000 (2009: Rs. 10,000) was paid to a Non-Executive Director.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of the ultimate parent company, the parent company, associated undertakings, employee provident fund and key management personnel. Amounts due from / (to) related parties are shown under trade debts and trade and other payables. Remuneration of key management personnel is disclosed in note 34.

Ultimate parent company
Lafarge S.A., France

Parent company
Pakistan Cement Holding

Other related parties with whom the Company had transactions

Associates
Lafarge Building Materials Holding
Emirates Cement Company
United Cement Company
Lafarge Cement Trading
Al - Safwa - Kingdom of Saudi Arabia
Cementia Trading - Switzerland
Lafarge Cement Egypt
Algerian Cement Company
Lafarge Middle East & Africa
Marine Cement Limited - Switzerland

Employee benefit plans
General Provident Fund Trust

Period end balances
Balances with the related parties are disclosed in the respective notes to the financial statements.

Transactions with the related parties during the year
Transactions between the Company and its related parties, other than those which have been disclosed in the respective notes to these financial statements, are:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Rupees	2009 Rupees
Ultimate parent company		
- Services received	**5,216,660**	169,454
- Services provided	**6,002,634**	5,876,108
- IFA expense	**215,389,761**	268,288,699
- Payment received during the year	**5,832,634**	5,791,108
- Payment made during the year	**409,459,055**	-
Parent company		
- Loan received during the year	**445,252,080**	-
- Mark-up on loan received during the year	**2,125,224**	-
Associates		
- Technical assistance fees and other expenses	**35,332,121**	172,468,871
- Demurrage charges	**20,726,405**	-
- Services provided	**5,362,354**	8,704,301
- Services received	**-**	1,808,092
- Payments received against services	**397,435**	39,250
- Payment made against services	**4,346,771**	-
- Sales	**108,437,613**	414,132,305
- Receipts against sales	**173,359,409**	347,324,827
Contributions to the General Provident Fund Trust	**13,086,018**	11,975,798

All transactions involving related parties and arising in the normal course of business, are conducted at an arm's length, on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's senior management oversees the management of these risks and provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

36.1 MARKET RISK

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk, such as equity risk.

Financial instruments affected by market risk include trade debtors, trade payables, cash and bank balances, short-term borrowings and long-term financing.

36.1.1 INTEREST / MARK-UP RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in market interest rates. The Company's exposure to the risk of change in market interest rate, relates primarily to the Company's long-term financing and short-term borrowings obtained on floating interest rates.

The Company's policy is to minimize its short-term borrowings at the lowest level by effectively utilising the positive cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Interest rate profile of financial instruments
At the balance sheet date, the interest rate profile of the Company's interest bearing financial assets and liabilities was:

	2010 **Rupees**	2009 Rupees
Financial assets		
Fixed rate assets		
Long-term advance	**72,306,500**	82,636,000
Current portion of long-term advance	**(10,329,500)**	(10,329,500)
	61,977,000	72,306,500
Floating rate assets		
Saving accounts	**-**	35,291,708
	61,977,000	107,598,208
Financial liabilities		
Floating rate liabilities		
Long-term financing	**3,075,231,881**	4,388,800,391
Short-term borrowings	**4,502,115,371**	2,317,128,929
	7,577,347,252	6,705,929,320

Sensitivity analysis

A change of 100 basis points (1%) in interest rates at the reporting date, would have changed the Company's loss for the year and its accumulated losses, by the amounts shown below, with all other variables held constant.

			2010	2009
Change in interest rate	±	**Percentage**	**1%**	1%
Effect on loss for the year	±	**Rupees**	**75,773,473**	66,706,376
Effect on accumulated losses	±	**Rupees**	**75,773,473**	66,706,376

36.1.2 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk due to transactions denominated in foreign currencies, primarily on account of amounts payable to its related parties.

The foreign currency exposure is partly covered as the majority of the Company's export sales are in foreign currency. The Company has assessed that hedging its foreign currency borrowings will be more expensive than assuming the risk itself.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk in major currencies is as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

	US Dollar	Euro	Egyptian pound	Emirates Dirham	Great Britain Pound	Algerian Dinar
2010						
Trade and other payables	10,185,226	1,184,062	60,782,829	810,138	142,702	4,719,527
Advances to suppliers	(7,025)	(36,828)	-	-	(7,285)	-
Trade debts	-	-	-	-	-	-
Short-term borrowings	5,224,743	-	-	-	-	-
Other receivables	(5,013)	-	-	-	-	-
Net exposure	**15,397,931**	**1,147,234**	**60,782,829**	**810,138**	**135,417**	**4,719,527**
Exchange rates						
Average rate	85.19	113.03	15.21	23.19	131.70	1.14
Reporting date rate	85.63	114.41	14.84	23.31	132.92	1.11
2009						
Trade and other payables	8,178,552	4,015,143	58,726,642	621,446	111,794	3,697,325
Advances to suppliers	-	(48,936)	-	-	-	-
Trade debts	(805,695)	-	-	-	-	-
Other receivables	(5,293)	-	-	-	-	-
Net exposure	**7,367,564**	**3,966,207**	**58,726,642**	**621,446**	**111,794**	**3,697,325**
Exchange rates						
Average rate	81.71	113.80	15.49	22.90	136.63	1.15
Reporting date rate	84.23	121.40	15.44	22.93	136.64	1.16

Sensitivity analysis

If the functional currency, at the reporting date, had fluctuated by 5% against the USD, GBP, Euro, EGP, Emirates Dirham and Algerian Dinar, with all other variables held constant, the impact on the loss for the year would have been:

			2010	2009
Change in exchange rate	±	**Percentage**	**5%**	5%
Effect on loss for the year	±	**Rupees**	**119,695,984**	102,011,891
Effect on accumulated losses	±	**Rupees**	**119,695,984**	102,011,891

36.1.3 EQUITY PRICE RISK

Equity price risk is the risk of loss arising from movements in prices of equity investments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares.

36.2 CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its long-term advance, long-term deposits, advances, other receivables and deposits with banks.

Credit risk represents accounting loss that would be recognized at the reporting date, if counter parties failed to perform as contracted. All financial assets except cash in hand, are subject to credit risk. Since the majority of advances to suppliers and contractors, are secured against performance bonds and sales are largely made against advances, the Company believes that it is not exposed to a major concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

Exposure to credit risk

The Company's maximum exposure to credit risk at the reporting date is as follows:

	2010 Rupees	2009 Rupees
Long-term advance	**61,977,000**	77,868,592
Long-term deposits	**39,866,542**	40,578,283
Advances	**38,050,028**	37,537,844
Other receivables	**35,103,771**	24,454,058
Bank balances	**4,408,289**	68,800,715
	179,405,630	325,853,880

The credit quality of cash and bank balances, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. Credit ratings and exposure of cash and bank balances with each of the counterparties is as follows:

	2010 Rupees	2009 Rupees
Held with banks having a short-term rating of A1+	**3,202,451**	67,894,143
Held with banks having a short-term rating of A-1	**1,205,838**	906,572
	4,408,289	68,800,715

36.3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains its flexibility in funding by maintaining availability under control committed credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities as at the reporting date:

	Carrying amount Rupees	Less than one year Rupees	One to five years Rupees
2010			
Long-term financing	**3,075,231,881**	**1,313,568,514**	**1,761,663,367**
Trade and other payables	**2,851,041,739**	**2,851,041,739**	**-**
Accrued mark-up	**260,526,761**	**260,526,761**	**-**
Short-term borrowings	**4,502,115,371**	**4,502,115,371**	**-**
	10,688,915,752	**8,927,252,385**	**1,761,663,367**

	Carrying amount Rupees	Less than one year Rupees	One to five years Rupees
2009			
Long-term financing	4,388,800,391	1,313,568,514	3,075,231,877
Trade and other payables	2,973,094,371	2,973,094,371	-
Accrued mark-up	261,290,823	261,290,823	-
Short-term borrowings	2,317,128,929	2,317,128,929	-
	9,940,314,514	6,865,082,637	3,075,231,877

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

36.4 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

At December 31, 2010 the carrying values of all financial assets and liabilities reflected in the financial statements, approximate their fair values.

36.5 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended December 31, 2010 and December 31, 2009.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and accrued mark-up less cash and bank balances. Capital includes equity attributable to the equity holders and capital and revenue reserves.

	Note	2010 Rupees	2009 Rupees
Long-term financing		3,075,231,881	4,388,800,391
Short-term borrowings		4,502,115,371	2,317,128,929
Accrued mark-up		260,526,761	261,290,823
Cash and bank balances		(7,268,152)	(71,260,931)
Net debt		7,830,605,861	6,895,959,212
Issued, subscribed and paid-up capital		13,126,444,880	13,126,444,880
Reserves		(4,311,012,410)	(3,362,517,173)
Total capital		8,815,432,470	9,763,927,707
Total capital and net debt		16,646,038,331	16,659,886,919
Gearing ratio		47.04%	41.39%

37. CASH AND CASH EQUIVALENTS

	Note	2010	2009
Cash and bank balances	16	7,268,152	71,260,931
Short-term borrowings	22	(4,502,115,371)	(2,317,128,929)
		(4,494,847,219)	(2,245,867,998)

38. PLANT CAPACITY

	2010 Metric Tons	2009 Metric Tons
Installed capacity	2,400,000	2,400,000
Actual production	1,911,580	2,224,333

Difference during the year is due to the demand and supply situation of the cement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
39. NUMBER OF EMPLOYEES	**303**	340

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 31st March 2011 by the Board of Directors of the Company.

41. CORRESPONDING FIGURES

From	To	Rupees
Related party payables	Trade and other payables	**1,834,381,231**
Finance costs	Other opearting expenses	
Exchange loss - net	Exchange loss -net	**147,855,257**

Maj. Gen. (R) Rehmat Khan
Chief Executive Officer

Bilal Hamid Javaid
Director

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2010

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
181	1	100	7,926
1,177	101	500	508,401
1,530	501	1,000	1,464,154
3,419	1,001	5,000	10,111,336
1,256	5,001	10,000	10,128,292
480	10,001	15,000	6,282,983
335	15,001	20,000	6,256,130
208	20,001	25,000	4,893,704
159	25,001	30,000	4,576,230
85	30,001	35,000	2,846,744
85	35,001	40,000	3,254,132
36	40,001	45,000	1,554,595
99	45,001	50,000	4,903,801
25	50,001	55,000	1,322,042
28	55,001	60,000	1,643,922
17	60,001	65,000	1,068,384
17	65,001	70,000	1,162,725
35	70,001	75,000	2,560,939
12	75,001	80,000	946,175
11	80,001	85,000	913,175
17	85,001	90,000	1,496,825
13	90,001	95,000	1,218,225
46	95,001	100,000	4,582,601
7	100,001	105,000	721,665
6	105,001	110,000	655,000
5	110,001	115,000	562,825
9	115,001	120,000	1,065,572
4	120,001	125,000	499,600
5	125,001	130,000	645,400
4	130,001	135,000	532,805
4	135,001	140,000	554,096
7	140,001	145,000	1,000,204
12	145,001	150,000	1,791,600
5	150,001	155,000	762,372
11	155,001	160,000	1,753,221
6	160,001	165,000	977,968
4	165,001	170,000	673,800
6	170,001	175,000	1,032,375
3	175,001	180,000	532,541
3	180,001	185,000	544,911
5	185,001	190,000	938,675
3	190,001	195,000	576,255
19	195,001	200,000	3,800,000
3	200,001	205,000	604,004
2	205,001	210,000	420,000
3	210,001	215,000	643,857
2	215,001	220,000	437,453

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2010

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
2	225,001	230,000	455,938
3	235,001	240,000	712,750
2	240,001	245,000	487,000
7	245,001	250,000	1,746,450
2	250,001	255,000	509,675
2	255,001	260,000	516,000
3	260,001	265,000	794,000
3	265,001	270,000	804,500
2	270,001	275,000	546,836
2	275,001	280,000	555,023
1	280,001	285,000	280,902
2	285,001	290,000	580,000
5	295,001	300,000	1,500,000
2	300,001	305,000	604,038
1	310,001	315,000	312,193
1	315,001	320,000	316,853
1	320,001	325,000	325,000
1	325,001	330,000	329,700
1	330,001	335,000	334,000
1	345,001	350,000	350,000
1	350,001	355,000	350,500
3	360,001	365,000	1,086,255
2	365,001	370,000	733,229
1	370,001	375,000	375,000
2	375,001	380,000	754,000
1	380,001	385,000	385,000
3	395,001	400,000	1,200,000
3	405,001	410,000	1,218,975
3	410,001	415,000	1,235,994
2	415,001	420,000	837,500
1	430,001	435,000	435,000
1	445,001	450,000	450,000
1	470,001	475,000	475,000
1	490,001	495,000	495,000
5	495,001	500,000	2,500,000
1	505,001	510,000	510,000
2	515,001	520,000	1,040,000
1	535,001	540,000	535,306
1	545,001	550,000	550,000
1	550,001	555,000	555,000
1	590,001	595,000	590,359
2	595,001	600,000	1,199,166
1	670,001	675,000	675,000
1	675,001	680,000	680,000
2	695,001	700,000	1,399,000
1	700,001	705,000	700,937
1	725,001	730,000	728,075

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2010

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
1	740,001	745,000	745,000
1	745,001	750,000	748,000
1	760,001	765,000	765,000
1	815,001	820,000	818,263
1	840,001	845,000	843,340
1	860,001	865,000	861,500
1	865,001	870,000	868,506
1	930,001	935,000	931,225
1	935,001	940,000	937,300
3	995,001	1,000,000	2,998,000
1	1,000,001	1,005,000	1,000,025
1	1,060,001	1,065,000	1,064,069
1	1,195,001	1,200,000	1,195,896
1	1,220,001	1,225,000	1,222,160
1	1,305,001	1,310,000	1,306,293
1	1,340,001	1,345,000	1,344,358
1	1,350,001	1,355,000	1,350,050
1	1,820,001	1,825,000	1,821,000
3	1,995,001	2,000,000	5,994,100
1	2,295,001	2,300,000	2,300,000
1	2,360,001	2,365,000	2,362,268
1	2,940,001	2,945,000	2,943,711
1	3,670,001	3,675,000	3,670,100
1	3,855,001	3,860,000	3,859,998
1	3,985,001	3,990,000	3,986,400
1	4,240,001	4,245,000	4,244,835
1	4,445,001	4,450,000	4,447,965
1	4,515,001	4,520,000	4,519,095
1	4,590,001	4,595,000	4,591,000
1	5,010,001	5,015,000	5,011,000
1	5,125,001	5,130,000	5,125,946
1	5,870,001	5,875,000	5,874,142
1	5,905,001	5,910,000	5,906,172
1	8,515,001	8,520,000	8,519,095
1	10,570,001	10,575,000	10,572,476
1	12,665,001	12,670,000	12,668,000
1	14,995,001	15,000,000	15,000,000
1	19,995,001	20,000,000	19,999,980
1	21,460,001	21,465,000	21,464,909
1	22,460,001	22,465,000	22,461,629
1	25,995,001	26,000,000	26,000,000
1	284,420,001	284,425,000	284,424,423
1	676,690,001	676,695,000	676,692,465
9,545			1,312,644,488

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2010

CATEGORIES OF SHAREHOLDERS		SHARES HELD	%
Directors, Chief Executive, their Spouse and Minor Children		12,325	0.00
Associated Companies Undertakings & Related Parties		961,116,888	73.22
NIT/ICP		27,906,387	2.13
Banks, Development Finance Institutions and Non Banking Financial Institution		13,519,188	1.03
Insurance Companies		20,301,480	1.54
Modarabas and Mutual Funds		845,453	0.06
Shareholders holding 10% (*detail given below)			
General Public			
a.	**Local**	239,684,961	18.26
b.	**Foreign**	890,250	0.07
Foreign Companies		33,150,575	2.53
Joint Stock Companies		12,236,949	0.93
Citibank N.A. as custodian of Global Depository Receipts		1,350,050	0.10
Others			
i.	CDC - Trustee AKD Index Tracker Fund	86,733	0.01
ii.	CDC - Trustee NIT-Equity Market Opportunity Fund	748,000	0.06
iii.	Trustee-Ghani Glass Employee Provident Fund	555,000	0.04
iv.	Trustee-Pak Gums & Chemical Ltd. Executive Staff Pension Fund	10,875	0.00
v.	Trustees Resource Development Foundation	5,000	0.00
vi.	Trustee Overseas Pakistanis Pension Trust	4,374	0.00
vii.	Trustee Karachi Parsi Anjuman Trust Fund	20,000	0.00
viii.	Trustees Ghani Glass Ltd. Employees Provident Fund	200,000	0.02
	T O T A L	1,312,644,488	100.00

Detail of Pattern of Shareholding as per Requirements of Code of Corporate Governance

Associated Companies Undertakings & Related Parties			
i.	Pakistan Cement Holding Limited		676,692,465
ii.	Camden Holding PTE Limited		284,424,423
NIT/ICP			
i.	National Bank Of Pakistan-Trustee Department NI(U)T Fund		21,464,909
ii.	National Investment Trust Limited		535,306
iii.	National Bank Of Pakistan		5,906,172
Directors, Chief Executive, their Spouse and Minor Children			
i.	Mr. Ahmad Said Heshmat Hassan	725	
ii.	Maj. Gen. (R) Rehmat Khan	500	
iii.	Mrs. Amal Tantawi	725	
iv.	Mr. Ashraf Abouelkheir	725	
v.	Mr. Amr Ali Reda	2,900	
vi.	Mr. Bilal Hamid Javaid	6,750	
			12,325
Executives			-
Public Sector Companies & Corporations			
i.	State Life Insurance Corporation		19,999,980
Banks, Development Finance Institutions and Non Banking Finance Institutions, Insurance Companies, Modarabas & Mutual Funds			14,666,141
Shareholders holding 10% and above Voting Interests			
* i.	Pakistan Cement Holding Limited		676,692,465
* ii.	Camden Holding PTE Limited		284,424,423