CEMENT

ANNUAL REPORT 2011

LAFARGE

bringing materials to *life* ™

Contents

The Group

Founded in 1833, headquartered in Paris, Lafarge is a global leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses. The Lafarge operates in around 64 countries with 68,000 employees, with the world's leading building materials research facility. Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity. The Lafarge continues in its development and differentiation strategy centered on clear priorities, with a clear focus on sustainable growth. For the second year in a row, Lafarge ranked amongst the top-10 of 500 companies evaluated by the "Carbon Disclosure Project" in recognition of their strategy and actions against global warming. Lafarge and WWF have also launched the environmental campaign "Climate Savers – Let the clean economy begin". This unique program, in which leading companies are committed to reduce their CO_2 emissions, is an opportunity to show growth and greenhouse gas reductions can go together.

Lafarge is driven by the needs of its customers, shareholders, communities and architects. The group creates high value-added solutions which encourage creativity whilst leaving a lighter trace on the world. The Group also believes that ongoing advances in building materials must integrate respect for people, their different needs and their environment. The strong conviction is reflected in a strategy which combine industrial know-how with performance, value creation, respect for employees and local cultures, environment protection and conservation of natural resources and energy.

The Company

Lafarge Pakistan Cement, ISO 9001:2008 certified and the only Multinational Cement Manufacturer in Pakistan, which began its commercial operations in 2006 and has an annual production capacity of 2.4 million tons.

The state of the art Cement plant is located at Kalar Kahar, District Chakwal in the province of Punjab, an area rich in limestone reserves. The quality of limestone in this area is considered to be the best in region. The plant location is close to M2 Motorway which gives a unique edge in reaching all corners of Pakistan and regional exports.

Lafarge Pakistan is committed to provide its customers with most reliable and comprehensive product PAKCEM, which is the leader on all quality scales. 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) also far exceeding requirements of Pakistan Standard (PS 232). The compressive Strength of this cement is 10,000 PSI which best suits commercial & home construction, industrial, agricultural, renovation and other specialty applications.

In addition to Ordinary Portland Cement (OPC) the plant also produces Sulphate Resistant Cement (SRC) with packaging option of 50kg bags in 1.5 tons, 2 tons jumbo bags and bulk carriers. The advanced plant laboratory ensures consistent high quality of cement which is also our core business strategy.

The company complies with National and International Environmental Standards including the World Bank Environmental Standards. We have also embedded Sustainable development into our daily business and also contribute for the least emissions of CO_2 helping to address climate change.

Lafarge Pakistan won the Lafarge Group Award for Best Fuel Mix Improvement along with an award for Best Project Management for its achievements during 2011.

We recognize that construction industry is shifting towards more cost effective methods this inspires us to be more innovating in our business. The 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 environment protection.

Lafarge Pakistan has always provided and maintained the best working environment to its employees, with keen interest in their Health & Safety. It always maintains a close liaison with all its employees, with top priority given to their professional growth, development and periodic training programs at all levels. We are geared up towards satisfying the need of our customers and implementing best practices across our global network of plants and facilities.

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

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

Chief Financial Officer
Mr. Bilal Hamid Javaid

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

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

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

Share Registrar
Noble Computer Services (Pvt.) Ltd.
First 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 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of the shareholders of Lafarge Pakistan Cement Limited will be held on Friday, April 27, 2012, at 11:00 a.m. at Marriott Hotel, Islamabad to transact the following business:

1. To confirm the minutes of the 18th Annual General Meeting held on April 28, 2011.
2. To receive and adopt the audited accounts of the Company for the year ended December 31, 2011 along with Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year ending December 31, 2012 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.

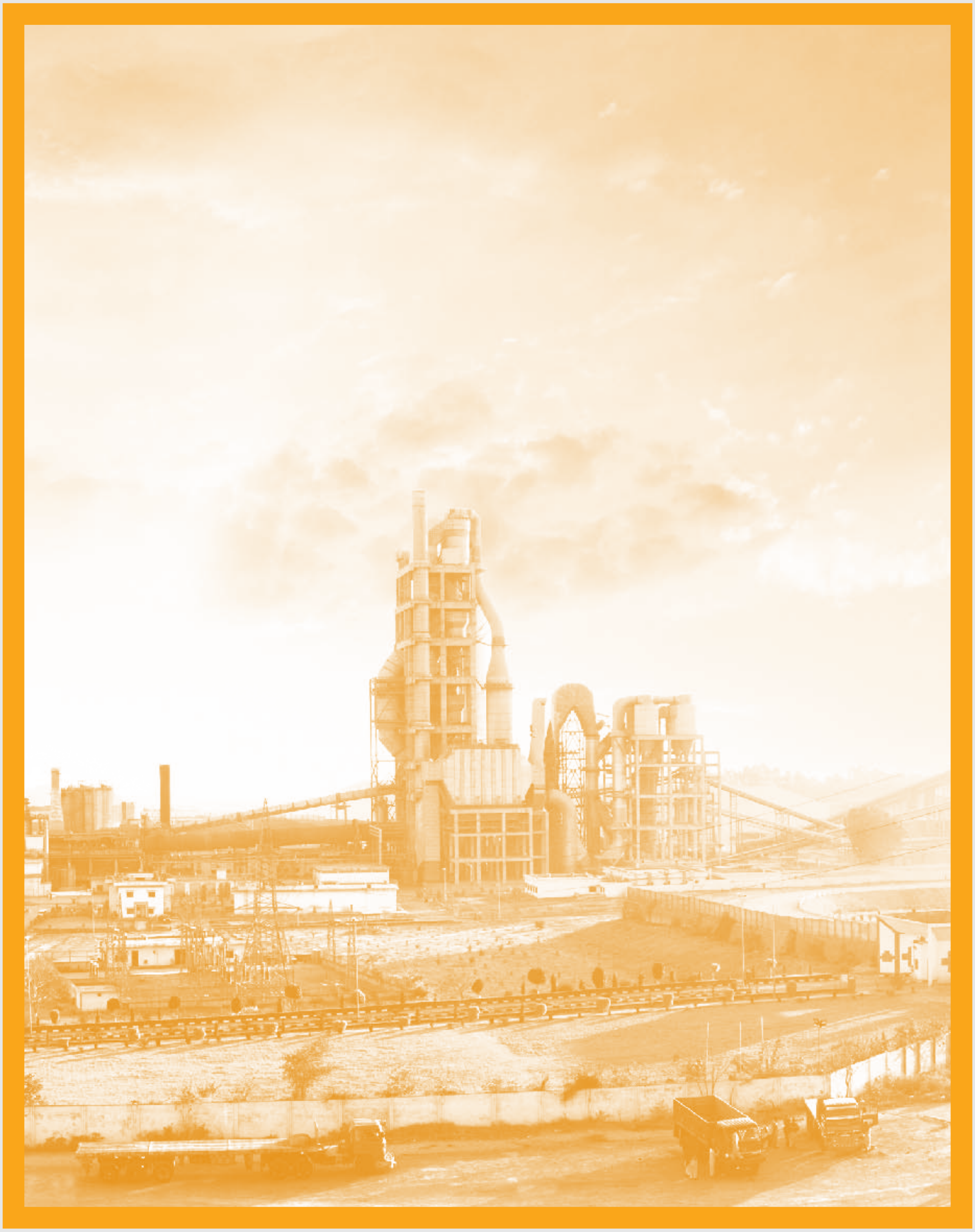
By Order of the Board

Islamabad:
April 6, 2012

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

Notes:

1. The share transfer books of the Company will remain closed from 21-04-2012 to 27-04-2012 (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.



Directors' Report

Your Directors are pleased to place before you the Annual Report of the Company for the year ended 31st December, 2011 together with the audited accounts and Auditors' report thereon.

The year 2011 proved to be another challenging year for Pakistan's economy. Against the target of 4.5 percent GDP growth, the country could post a GDP growth of 2.4 percent; this was even weaker than the 3.9 percent achieved in 2010. Law and order situation, unstable northern borders and loss of strength of Pak Rupee against US Dollar, all contributed to this. Construction activities were hampered by the diversion of Public Sector Development Fund by the Government toward other non development activities, lack of external financing and energy shortages. The exogenous shock from rising oil prices and fiscal deficit were other key factors constraining growth.

Industry Overview

2011 remained sluggish for the Cement Industry, which witnessed a marginal growth in local sales, while registering negative growth in exports and capacity utilization.

Industry's local dispatches were at 22.8 million tons as compared to the last year 22.6 million tons showing merely 0.9% growth which is negligible keeping in view the size of the industry.

Following last year's negative trend, industry exports further declined from 9.7 million tons to 9.2 million tons in 2011, mainly attributed to non-tariff barriers in exporting to India, Afghanistan's internal & border situation and increased production capacities in the Middle East and Africa.

Operating Highlights

Despite the depressed economic situation, the Company's revenue ascended by 13% from Rs. 6,881 million in 2010 to Rs. 7,804 in 2011. Gross Profit also witnessed an increase of 93% from Rs. 856 million in 2010 to 1,656 million in 2011.

The operating profit of the Company improved from Rs. 62 million in 2010 to Rs. 973 million in 2011, however, a rise in finance costs curbed the Company to show a positive bottom line.

Production Review

In line with the industry the Company's sale volumes were also negatively affected. The capacity utilization of the Company stood at 70% in 2011 as against 79% during 2010, mainly attributed by the low sales volumes in local as well as in export markets.

Future Outlook

The Company is optimistic about the future inspite of serious challenges, especially with regards to power availability and capacity utilization. However, cost cutting steps including optimizing of fuel mix, government support in budget 2012-13, 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 with 68,000 employees in 64 countries.

Corporate Social Responsibility

Corporate Social Responsibility has always been an integral part of Lafarge's sustainable development initiatives and it continues to endeavor to be the preferred employer for its employees and the preferred partner for its communities in which it live and conduct business.

Following the Ultimate Parent Company Lafarge Pakistan Cement strive to make a lasting impact on our communities to bring long-term benefits to the surrounding areas of its operations.

Strengthening Relationships With Communities

In 2011, various projects and activities were organized together with the communities to build rapport, foster greater ties and enhance their quality of life. Some of the project and activities held were:

- Monthly arrangement of transport for pensioners from nearby villages
- Insecticide Fumigation for nearby village
- Emergency Ambulance Service
- Hepatitis-B Vaccination for nearby villagers
- Free Medical Camps
- The Company provided financial support amounting to Rs. 686,000/-* for the replacement of defective water supply pump with the new one for the people of nearby village, Warala.

Food Relief Donations

The Company donated Rs. 100,000/-* for 'Sasta Desterkhan' scheme of Government of Punjab for provision of cooked food to the poor.

* The total amount Rs. 365 thousand of donation & CSR reflected in Administration Expenses and balance amount is included in Cost of Sales (other factory overheads).

Environment

The Company took responsibility for the construction of Hotiana Hiking track near Kallar Kahar lake. The total cost involved is approximately Rupees One million. The work had been started on the project but due to land dispute between government and local residents was stopped temporarily.

Occupational Safety And Health

At Lafarge, we believe that safety leadership starts from the top. Lafarge Leadership workshop on Safety and Visible Felt Leadership programme were conducted in 2011 for the management and staff to ensure that they become an active part of building a safety culture.

Fire Fighting, First Aid and People Road Transport Safety trainings were also arranged for the employees during the year.

National Exchequer

The Company contributed Rs. 1,775,307,125/- to the National Exchequer in the form of duties and taxes.

Statement on Corporate & Financial Reporting Framework

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, 2011 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, 2011 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;

Six Years Key Operating and Financial Data

(Rs. '000)

Particulars	2006	2007	2008	2009	2010	2011
Issued, Subscribed and Paid up Capital	6,768,379	11,345,149	13,126,445	13,126,445	13,126,445	13,126,445
Capital reserve	214,839	195,821	190,477	198,966	198,966	202,743
Long term loan-secured	7,015,937	5,702,369	4,388,800	3,075,232	1,761,663	5,361,851
Current Liabilities	3,687,719	3,122,289	5,268,865	6,865,083	8,927,252	3,560,745
Property Plant & Equipment	16,995,907	17,962,219	17,247,914	16,687,998	16,291,971	15,792,184
Long term advance	103,295	92,966	82,636	77,869	61,977	54,265
Long term deposits	41,706	42,430	43,787	40,578	39,867	40,871
Deferred Tax Asset	265,471	542,158	749,347	749,347	749,347	803,011
Current Assets	763,949	2,852,908	3,856,416	2,145,492	2,358,841	2,525,674
Net Sales	88,586	4,191,594	7,439,375	8,129,961	6,880,767	7,804,378
Gross Profit/(Loss)	(139,457)	(304,958)	979,234	983,703	855,910	1,655,652
Financial Charges	7,599	795,985	1,481,674	1,082,955	980,678	1,064,480
Profit/(Loss) after Taxation	(38,224)	(521,097)	(1,242,504)	(1,278,965)	(948,495)	(118,421)
Profit/(Loss) Per Share (Rs.)	(0.052)	(0.59)	(1.01)	(0.97)	(0.72)	(0.09)

- Audited financial statements for the year ended 31st December, 2011 show a loss (after tax deduction) of Rs. 118 million. The loss per share during the year was Rs. 0.09 as against loss of Rs. 0.72 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. 21 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. 15.9 million was made during the year. The amount invested by the fund was Rs. 65 million as on 31st December, 2011;

- During the year ended 31st December, 2011, 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	4
Mr. Bilal Hamid Javaid	5
Mrs. Amal Tantawi	3
Mr. Ashraf Abouelkheir	0
Mr. Shahid Anwar (Nominee NIT)	5

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

- The pattern of shareholding as on 31st December, 2011 and its disclosures as required in the Code of Corporate Governance is annexed with the report;

- No Directors, CEO, CFO, Company Secretary, Company Auditors, their spouses and minor children have not undertaken any transaction in Company's shares during the year except as reported below;

Name of Directors	Opening Balance 01-01-2011	Addition	Deletion	Holding As on 31-12-2011
Maj. Gen. (R) Rehmat Khan	500	2,175	500	2,175
Mr. Bilal Hamid Javaid	6,750	500	-	7,250

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, 2012.

M/s HLB Ijaz Tabussum & Co. Chartered Accountants, Islamabad were appointed as Cost Auditors for the year ended 31st December, 2011.

Acknowledgments

The Directors would like to extend their sincere gratitude to the Company's shareholders, financial institutions, government functionaries and customers for their continued support and trust. The Directors would also like to extend their appreciation to all the management and staff for their hard work and perseverance in responding to the challenges of a difficult year.

For and on behalf of the Board

Islamabad:
March 28, 2012

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

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 SA 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. The Company has started orientation course for its resident directors, during the year one Director completed two parts of the Corporate Governance Leadership Skills programme offered by Pakistan Institute of Corporate Governance.

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, 2011 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.

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 requirement 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 28, 2012

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 2011 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 2011.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Audit Engagement Partner's Name: Sajjad Hussain Gill
Date: 28 March 2012
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 2011 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 except for the changes as stated in note 4.3 to the financial statements with which we concur;

   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 2011 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: 28 March 2012
Place: Islamabad

Statement of Financial Position

As at 31 December 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets			
Tangible assets			
Property, plant and equipment	5	15,792,184,267	16,291,971,459
Intangible assets	6	1,164,649	2,345,118
		15,793,348,916	16,294,316,577
Long-term advances	7	54,265,386	61,977,000
Long-term deposits	8	40,870,852	39,866,542
Deferred taxation	9	803,010,927	749,347,229
		16,691,496,081	17,145,507,348
CURRENT ASSETS			
Stores and spares	10	931,306,746	1,268,297,857
Stock-in-trade	11	1,064,740,922	624,932,927
Trade debts	12	33,988,084	417,119
Advances	13	36,887,468	38,050,028
Short-term prepayments	14	52,263,130	30,828,677
Interest accrued		737,223	860,097
Other receivables	15	66,314,011	35,103,771
Taxation - net		316,194,405	353,082,246
Cash and bank balances	16	23,241,828	7,268,152
		2,525,673,817	2,358,840,874
TOTAL ASSETS		19,217,169,898	19,504,348,222
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
2,250,000,000 (2010: 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	(4,425,655,969)	(4,311,012,410)
		8,700,788,911	8,815,432,470
NON-CURRENT LIABILITIES			
Long-term financing	19	5,361,851,128	1,761,663,367
Long-term payables	20	1,593,784,948	-
CURRENT LIABILITIES			
Trade and other payables	21	1,299,127,635	2,851,041,739
Accrued mark-up	22	212,239,040	260,526,761
Short-term borrowings	23	735,809,722	4,502,115,371
Current portion of long-term financing	19	1,313,568,514	1,313,568,514
		3,560,744,911	8,927,252,385
CONTINGENCIES AND COMMITMENTS	24	-	-
TOTAL EQUITY AND LIABILITIES		19,217,169,898	19,504,348,222

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 Javed
Director

Statement of Comprehensive Income
For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
NET SALES	25	7,804,378,438	6,880,766,785
Cost of sales	26	(6,148,726,404)	(6,024,857,146)
GROSS PROFIT		1,655,652,034	855,909,639
Distribution costs	27	(246,475,806)	(491,859,027)
Administrative expenses	28	(487,678,005)	(408,652,307)
Other operating expenses	29	(3,881,256)	(6,109,517)
Other operating income	30	55,626,606	112,402,527
		(682,408,461)	(794,218,324)
OPERATING PROFIT		973,243,573	61,691,315
Finance costs	31	(1,064,479,595)	(980,678,084)
LOSS BEFORE TAXATION		(91,236,022)	(918,986,769)
Taxation	32	(27,184,995)	(29,508,468)
NET LOSS FOR THE YEAR		(118,421,017)	(948,495,237)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(118,421,017)	(948,495,237)
LOSS PER SHARE	33	(0.09)	(0.72)

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 Javed
Director

Statement of Cash Flows

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	1,376,913,450	430,332,719
Finance costs paid		(1,037,974,139)	(977,330,893)
Staff retirement benefits paid		(15,309,285)	(12,675,207)
Income tax paid		(43,960,853)	(164,072,700)
Net cash generated from / (used in) operating activities		279,669,173	(723,746,081)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(135,415,592)	(236,650,481)
Additions to intangible assets		-	(548,500)
Interest received on financial assets		27,937,690	1,728,472
Proceeds of disposal of property, plant and equipment		3,192,989	7,202,550
Long-term advance received		7,711,614	15,891,592
Long-term deposits made		(1,004,310)	711,741
Net cash used in investing activities		(97,577,609)	(211,664,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (decrease) in long-term financing		3,600,187,761	(1,313,568,514)
(Decrease) / increase in short-term borrowings		(3,766,305,649)	2,184,986,442
Net cash (used) / generated from financing activities		(166,117,888)	871,417,928
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		15,973,676	(63,992,779)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		7,268,152	71,260,931
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	23,241,828	7,268,152

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 Javed
Director

Statement of Changes in Equity

For the year ended 31 December 2011

	Issued, subscribed and paid up capital	Reserves			Total equity
		Capital Reserve		Revenue Reserve	
		Share premium	Other	Accumulated losses	
	Rupees				
Balance as at 01 January 2010	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 as at 31 December 2010	13,126,444,880	190,476,700	8,488,872	(4,509,977,982)	8,815,432,470
Total comprehensive loss for the year	-	-	-	(118,421,017)	(118,421,017)
Employee share ownership plan	-	-	3,777,458	-	3,777,458
Balance as at 31 December 2011	13,126,444,880	190,476,700	12,266,330	(4,628,398,999)	8,700,788,911

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 Javed
Director

Notes to the Financial Statements

For the year ended 31 December 2011

1. THE COMPANY AND ITS OPERATIONS

Lafarge Pakistan Cement Limited ("the Company") was incorporated in Pakistan on 23 May 1993 as a private limited company and subsequently converted into a public limited company on 18 October 1994 under the Companies Ordinance, 1984. The shares of the Company are quoted on all three stock exchanges in Pakistan. The principal activity of the Company is 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 of the entity is Lafarge SA, 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 (IASB) 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 SIGNIFICANT ACCOUNTING POLICIES

4.1 Significant accounting judgments and estimates

The preparation of these 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 accounting policies.

The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

4.1.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

4.1.2 Stock and trade

The Company reviews the net realizable values of stock in trade to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Notes to the Financial Statements

For the year ended 31 December 2011

4.1.3 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

4.1.4 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

There have been no critical judgments made by the Company's management in applying the accounting policies that would have a significant effect on the amounts recognized in these financial statements.

4.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company.

4.3 Changes in accounting policies and disclosures resulting from adoption of standards, amendments and interpretations during the year

The Company has adopted the following new and amended IFRS and International Financial Reporting Interpretation Committee (IFRIC) interpretations which became effective during the year:

IAS 24 - Related Party Disclosures (Revised)

IAS 32 - Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

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

Notes to the Financial Statements

For the year ended 31 December 2011

IFRS 3 – Business Combinations
- Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS
- Measurement of non-controlling interests (NCI)
- Un-replaced and voluntarily replaced share-based payment awards

IFRS 7 – Financial Instruments: Disclosures
- Clarification of disclosures

IAS 1 – Presentation of Financial Statements
- Clarification of statement of changes in equity

IAS 27 – Consolidated and Separate Financial Statements
- Transition requirements for amendments made as a result of IAS 27 Consolidated and Separate Financial Statements

IAS 34 – Interim Financial Reporting
- Significant events and transactions

IFRIC 13 – Customer Loyalty Programmes
- Fair value of award credits

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

4.4 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:

Standard or Interpretation			Effective date (accounting periods beginning on or after)
IFRS 7	–	Financial Instruments : Disclosures – (Amendments)	
		- Amendments enhancing disclosures about transfers of financial assets	01 July 2011
		- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	01 January 2013
IAS 1	–	Presentation of Financial Statements – Presentation of items of comprehensive income	01 July 2012
IAS 12	–	Income Taxes (Amendment) - Recovery of Underlying Assets	01 January 2012
IAS 19	–	Employee Benefits –(Amendment)	01 January 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, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Financial Statements

For the year ended 31 December 2011

Standard			IASB Effective date (annual periods beginning on or after)
IFRS 9	–	Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10	–	Consolidated Financial Statements	01 January 2013
IFRS 11	–	Joint Arrangements	01 January 2013
IFRS 12	–	Disclosure of Interests in Other Entities	01 January 2013
IFRS 13	–	Fair Value Measurement	01 January 2013

4.5 Fixed assets

4.5.1 Property, plant and equipment

i) Operating fixed assets

Operating fixed assets except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost.

Depreciation is charged to the statement of comprehensive income by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. The useful lives of items of property, plant and equipment is stated in note 5.1 to these financial statements. Depreciation on additions is charged from the month of acquisition, however no depreciation is charged in the month of deletion.

Useful lives are determined by the management based on the expected usage of an asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effects of adjustments to residual values, useful lives and methods are recognized prospectively as a change in accounting estimates.

The carrying values of items of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

An item of property, plant and equipment is derecognized 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 included in the statement of comprehensive income in the year the asset is derecognized.

Maintenance and normal repairs are charged to Statement of Comprehensive Income as and when incurred. Major renewals and improvements are capitalized. Assets having cost of less than a predetermined materially amount are charged off when purchased.

Notes to the Financial Statements

For the year ended 31 December 2011

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 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

These are stated at cost less accumulated amortization and impairment, if any.

Amortization is provided on straight line method. A full month's amortization is charged in the month of addition, and no amortization is charged in the month of disposal.

Rate of amortisation, which is disclosed in note 6, is designed to write-off the cost over the estimated useful life of the intangible asset

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of net selling price and value in use.

4.6 Advances and deposits

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

4.7 Stores and spares

These are valued at cost less any provision for slow moving and obsolete stores and spares. Cost is determined on moving average basis. Value of items are reviewed at each balance sheet date to record provision for any slow moving items, where necessary, except for stores and spares in transit , which are stated at invoice plus other charges incurred thereon accumulated to the balance sheet date.

4.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value, except for the items in transit, which are valued at invoice values plus other charges paid thereon up to the balance sheet date. Cost is determined using the weighted average method.

Net realizable value is determined on the basis of the estimated selling price of the product in the ordinary course of business less costs that would necessarily be incurred for its sale.

4.9 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of all outstanding amounts at the year end. Provision is made for balances considered bad and irrecoverable.

Notes to the Financial Statements

For the year ended 31 December 2011

4.10 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights that comprise the financial assets, and in case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expires. All the financial assets and financial liabilities are initially recognized at fair value plus transaction costs, other than financial assets and liabilities carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the profit and loss account for the year. These are subsequently measured at fair value, amortized cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position 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.

4.12 Long-term and short-term borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest/mark-up to the extent of the amount remaining unpaid.

4.13 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.

4.14 Staff retirement benefits

Defined contribution plan

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary.

4.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation 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 of the amount of the obligation.

4.16 Taxation

i) Current

The Company falls under the final tax regime under sections 154 and 169 of the Income Tax Ordinance, 2001, to the extent of sales of imported finished goods. Provision for tax on other income and revenue from sale of locally manufactured goods is based on taxable income at current rates, after considering the rebates and tax credits available, if any. The tax charge as calculated above is compared with turnover tax under section 113 of the Income Tax Ordinance, 2001, and whichever is higher is provided in the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2011

ii) Deferred

Deferred tax is recognized using the liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, 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 all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

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

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, usually on dispatch of goods to customer. Revenue on export sales other than Afghanistan is recognized at the time of receipt of bill of lading and other documents such as Form-E.

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

4.18 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.

4.19 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 balance sheet date. Gains and losses on translation are taken to the profit and loss account currently. 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.

Notes to the Financial Statements

For the year ended 31 December 2011

4.20 Impairment

i) 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) Non-Financial assets

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 profit and loss account, 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 risks 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).

4.21 Share based compensation

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.

4.22 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2011 Rupees	2010 Rupees
Operating fixed assets	5.1	15,699,214,770	16,154,045,684
Capital work-in-progress	5.3	92,969,497	137,925,775
		15,792,184,267	16,291,971,459

Notes to the Financial Statements
For the year ended 31 December 2011

5.1 Operating fixed assets

	Note	COST					ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
		As at 01 January	Additions	(Disposals / Write-off*)	As at 31 December	Useful life	As at 01 January	For the year	(On disposals / Write-off*)	As at 31 December	As at 31 December
		Rupees				years	Rupees				
2011											
Freehold land		81,892,837	-	-	81,892,837		-	-	-	-	81,892,837
Buildings on freehold land	5.1.1	4,419,595,605	31,837,494	-	4,451,433,099	25 to 30	498,010,109	148,128,574	-	646,138,683	3,805,294,416
Plant and machinery	5.1.1	13,065,241,018	141,349,039	(10,827,876)*	13,195,762,181	30	2,008,216,839	423,692,071	(1,446,023)*	2,430,462,887	10,765,299,294
Furniture and fittings		21,154,291	-	-	21,154,291	5 to 10	8,659,489	1,996,409	-	10,655,898	10,498,393
Vehicles		63,653,617	-	(13,976,128)	49,677,489	4 to 5	52,723,386	3,515,672	(13,549,078)	42,689,980	6,987,509
Office equipment		11,631,899	-	-	11,631,899	5 to 10	5,976,273	2,184,520	-	8,160,793	3,471,106
Computers and low voltage equipment		382,134,233	2,022,355	-	384,156,588	5	151,966,304	14,266,182	-	166,232,486	217,924,102
Laboratory equipment		704,986,840	5,162,982	-	710,149,822	30	160,186,548	20,583,140	-	180,769,688	529,380,134
Workshop equipment		350,956,558	-	-	350,956,558	30	61,462,266	11,027,313	-	72,489,579	278,466,979
		19,101,246,898	180,371,870	(24,804,004)	19,256,814,764		2,947,201,214	625,393,881	(14,995,101)	3,557,599,994	15,699,214,770

	Note	COST					ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
		As at 01 January	Additions	(Disposals / Write-off*)	As at 31 December	Useful life	As at 01 January	For the year	(On disposals / Write-off*)	As at 31 December	As at 31 December
		Rupees				years	Rupees				
2010											
Freehold land		81,892,837	-	-	81,892,837		-	-	-	-	81,892,837
Buildings on freehold land		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
Furniture and fittings		21,154,291	-	-	21,154,291	5 to 10	6,662,956	1,996,533	-	8,659,489	12,494,802
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
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
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
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

* This represents assets amounting to Rs. 9,578,673 having a written-down value of Rs. 8,301,510 written-off and strategic parts amounting to Rs. 1,249,203 having a written-down value of Rs. 1,080,343 transferred to stores and spares during the year.

5.1.1 Additions during the year include the following fixed assets transferred from capital work in progress:

	Note	2011 Rupees	2010 Rupees
Building on freehold land		30,445,196	6,927,263
Plant and machinery		130,642,053	-
	5.3.1	161,087,249	6,927,263

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
5.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	26	621,550,496	616,627,077
Distribution cost	27	802,097	1,482,192
Administrative expenses	28	3,041,288	4,492,616
		625,393,881	622,601,885

5.2 The details of fixed assets disposed-off during the year are as follows:

	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	Rupees					
Vehicles						
Suzuki Cultus VXR	643,997	550,080	93,917	254,916	Company Policy	Muhammad Zeeshan
Suzuki Cultus VXR	643,000	549,229	93,771	254,521	Company Policy	Faheem Iqbal
Honda Civic VTI	1,419,484	1,360,338	59,146	414,014	Company Policy	Syeda Ambreen Hussain
Aggregate of individual items having book value less than 50,000	11,269,647	11,089,431	180,216	2,269,537	Company Policy	Miscellaneous
	13,976,128	13,549,078	427,050	3,192,988		

	Note	2011 Rupees	2010 Rupees
5.3 Capital work-in-progres			
Plant and machinery		43,536,779	109,386,573
Civil and development works		49,183,315	15,351,990
Work at height project		-	6,856,361
Fire hydrants		-	6,081,448
Advances to suppliers and contractors		249,403	249,403
	5.3.1	92,969,497	137,925,775
5.3.1 Movement in capital work-in-progress during the year is as follows:			
Opening balance		137,925,775	82,708,204
Additions during the year		116,130,971	62,144,834
Transfers to operating fixed assets	5.1.1	(161,087,249)	(6,927,263)
		92,969,497	137,925,775

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
6. INTANGIBLE ASSETS			
Licensed computer software			
Cost			
Opening balance		8,827,547	8,279,047
Additions during the year		-	548,500
		8,827,547	8,827,547
Accumulated amortization			
Opening balance		6,482,429	5,320,244
Amortization for the year	28	1,180,469	1,162,185
		7,662,898	6,482,429
Written down value		1,164,649	2,345,118
Amortization rate		20%	20%
7. LONG-TERM ADVANCES			
Considered good - unsecured			
Sui Northern Gas Pipelines Limited	7.1	61,977,000	72,306,500
Employee share ownership plan	7.2	9,268,972	4,532,478
		71,245,972	76,838,978
Current maturity shown under current assets			
Sui Northern Gas Pipelines Limited	13	(10,329,500)	(10,329,500)
Employee share ownership plan	13	(6,651,086)	(4,532,478)
		(16,980,586)	(14,861,978)
		54,265,386	61,977,000

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 30 June 2005, for the construction of a gas pipeline. The advance is recoverable over 10 years commencing 28 March 2007 in equal annual installments of Rs. 10.330 million each carries mark-up at the rate of 1.5% (2010: 1.5%) per annum.

	Note	2011 Rupees	2010 Rupees
7.2 Advance against employee share ownership plan			
Chief executive officer and executives	7.2.2	5,296,732	1,691,797
Other employees		3,972,240	2,840,681
	7.2.1	9,268,972	4,532,478

7.2.1 This represents an advance given to employees for acquiring shares of Lafarge SA, France, the Ultimate Parent Company, under the employee share ownership plan (LEA 2011). The same is recoverable over a period of two years and is interest free. The advance has not been discounted to its present value as the financial impact of this is considered immaterial by the management.

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
7.2.2 Advances given to chief executive officer and executives			
Balance at the beginning of the year		1,691,797	6,360,193
Advances made during the year		8,075,625	-
Repayments during the year		(4,470,690)	(4,668,396)
		5,296,732	1,691,797
8. LONG-TERM DEPOSITS			
Security deposits - considered good			
Islamabad Electric Supply Company Limited	8.1	37,789,030	37,789,030
Others		3,081,822	2,077,512
		40,870,852	39,866,542

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

	Note	2011 Rupees	2010 Rupees
9. DEFERRED TAXATION			
Debits arising in respect of:			
Brought forward tax losses		3,983,054,057	3,525,829,902
Credit arising on account of:			
Accelerated tax depreciation		(3,180,043,130)	(2,776,482,673)
	9.1	803,010,927	749,347,229

9.1 In accordance with accounting policy, the company has not recognized deferred tax asset on deductible temporary differences amounting to Rs. 1,908 (2010: Rs.2,152) million at the year end.

	Note	2011 Rupees	2010 Rupees
10. STORES AND SPARES			
In hand			
Spare parts		642,108,009	612,745,650
Fuel		171,554,255	201,971,107
		813,662,264	814,716,757
In transit			
Spare parts and fuel		122,035,573	456,581,100
		935,697,837	1,271,297,857
Provision for obsolete spare parts	10.1	(4,391,091)	(3,000,000)
		931,306,746	1,268,297,857

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
10.1 Provision for obsolete spare parts			
Balance at the beginning of the year		3,000,000	-
Provision for the year		1,391,091	3,000,000
Written-off during the year		-	-
		4,391,091	3,000,000
11. STOCK-IN-TRADE			
Raw material		12,627,207	30,065,544
Packing material			
In hand		106,264,670	116,202,332
In transit		3,756,440	-
		110,021,110	116,202,332
Work-in-process		850,437,305	365,927,440
Finished goods			
In hand		82,233,877	96,717,621
In transit		9,421,423	16,019,990
		91,655,300	112,737,611
		1,064,740,922	624,932,927
12. TRADE DEBTS			
Considered good - unsecured		33,988,084	417,119
Considered doubtful		4,465,430	-
Provision against doubtful debts	12.1	(4,465,430)	-
		-	-
		33,988,084	417,119
12.1 Provision against receivable considered doubtful			
Balance at the beginning of the year		-	-
Provision for the year	28	4,465,430	-
Written-off during the year		-	-
		4,465,430	-
13. ADVANCES			
Considered good - unsecured			
Employees		3,021,519	4,840,193
Suppliers and contractors		16,885,363	18,347,857
		19,906,882	23,188,050
Current portion of long-term advances			
Sui Northern Gas Pipe Line Limited	7	10,329,500	10,329,500
Advance against employee share ownership plan	7	6,651,086	4,532,478
		16,980,586	14,861,978
		36,887,468	38,050,028

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
14. SHORT-TERM PREPAYMENTS			
Insurance		37,602,411	18,024,487
Rent		12,995,558	12,775,957
Others		1,665,161	28,233
		52,263,130	30,828,677
15. OTHER RECEIVABLES			
Considered good			
Due from related parties			
Al-Safwa		9,508,578	9,056,203
Lafarge Building Material Holding		10,911,767	-
Cairo Technical Center		3,495,583	-
Lafarge Middle East		4,129,883	-
Lafarge Nigeria		6,063,340	-
Other related parties		2,617,717	233,428
		36,726,868	9,289,631
Export rebate		17,994,749	18,329,248
Receivable from contractor		7,092,183	7,352,392
Others		4,500,211	132,500
		66,314,011	35,103,771
16. CASH AND BANK BALANCES			
In hand		2,153,517	2,859,863
At banks in:			
Current accounts		8,388,311	4,408,289
Deposit accounts	16.1	12,700,000	-
		21,088,311	4,408,289
		23,241,828	7,268,152

16.1 These carry mark-up at rate of 7% (2010: Nil) per annum

17. ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2011 Number of shares	2010 Number of shares		2011 Rupees	2010 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 year. Lafarge SA, France, is the Ultimate Parent Company by virtue of its indirect holdings in PCH and CHL, through Lafarge Building Materials Holding, Egypt.

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
18. RESERVES			
Capital reserves			
Share premium	18.1	190,476,700	190,476,700
Other	18.2	12,266,330	8,488,872
		202,743,030	198,965,572
Revenue reserve			
Unappropriated losses		(4,628,398,999)	(4,509,977,982)
		(4,425,655,969)	(4,311,012,410)

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 year ended 30 June 1995 and 1996.

18.2 This reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. During the year Lafarge SA, France announced an employee share ownership plan for the benefit of all its employees including those of its subsidiary company. Under the plan, employees can acquire shares ranking for dividend from 01 January 2011 at a 20% discount to the average quoted market price for the 20 trading days preceding the date on which the subscription price was set (12 May 2011) i.e. the discounted price at EUR 36.98 per share. Further, the shares acquired under the above scheme have a lock-in period of 5 years i.e. are non-tradable for that period. The subscription period was from 01 June 2011 through to 21 June 2011 and a total of 5,711 shares were subscribed by the employees of Lafarge Pakistan Cement Limited. The Company contributed 60% towards the cost of the first 15 shares purchased by each employee under the plan. A total expense of Rs. 15.400 million was recognized in this respect in the statement of comprehensive income for the year ended 31 December 2011 out of which Rs. 3.777 million relates to the discount given by Lafarge SA, France, with the corresponding effect taken to equity.

	Note	2011 Rupees	2010 Rupees
19. LONG-TERM FINANCING			
Secured			
From banking companies	19.1,19.2 & 19.3	5,699,628,405	3,075,231,881
Unsecured			
From a related party	19.4	975,791,237	-
		6,675,419,642	3,075,231,881
Current portion shown under current liabilities		(1,313,568,514)	(1,313,568,514)
		5,361,851,128	1,761,663,367

Notes to the Financial Statements

For the year ended 31 December 2011

19.1 Included herein is a long-term loan arranged by the Company for capital expenditure purposes, amounting to Rs. 865 million, (2010: 1,730 million) from a syndicate of commercial banks including MCB Bank Limited (as agent and the 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 that commenced on 10 March 2008. The rate of mark-up on the said facility is the base rate plus 175 basic 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 10 March and 10 September every year.

The loan is secured against (i) a first mortgage charge of Rs. 10,400 million ranking pari passu among 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 and (iii) a Rs. 4,388 million Corporate Guarantee issued by Lafarge SA (the Ultimate Parent Company).

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

19.2 Included herein is a long term loan arranged by the Company for capital expenditure purposes, amounting to Rs. 896 million (2010: 1,344 million) from a syndicate of commercial banks that include Citibank NA (as 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 that commenced on 10 March 2008. The rate of mark-up of the said facility is the base rate plus 100 basic 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 10 March and 10 September every year.

The loan is secured against (i) a first mortgage charge of Rs. 10,400 million ranking pari passu among 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) Eksport Kredit Fonden Guarantee issued in favour of the facility agent and (iv) Rs. 4,388 million Corporate Guarantee issued by Lafarge SA (the Ultimate Parent Company).

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

19.3 Included herein is a long-term loan arranged by the Company for paying off short-term payables to local banks amounting to Rs. 4 billion from a syndicate of commercial banks that include MCB Bank Limited (as the agent), Allied Bank Limited (as security agent), Habib Bank Limited and Standard Chartered Bank (Pakistan) Limited. The loan is presented net of Rs. 62 million, being the upfront financial charges for obtaining the facility. The term of the loan is six years with a two year grace period, repayable in 8 equal bi-annual installments that will commence on 15 June 2014. The draw down was availed on 15 December 2011. The rate of mark-up of the said facility is the base rate plus 225 basic 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 15 June and 15 December every year. The effective interest rate on the loan is 7.32% semi-annually.

The loan is secured against (i) a first mortgage charge of Rs. 5.333 billion ranking pari passu among syndicate members on the properties of the Company (ii) a first charge by way of hypothecation on the Company's assets of Rs.5.333 billion (iii) autonomous corporate guarantee in favour the Security Trustee from Lafarge Building Material Holding, Egypt and (iv) Letter of awareness by Lafarge SA (the Ultimate Parent Company).

The Company is allowed to prepay loan installments subject to a 60 day notice. Profit distributions to the shareholders are restricted at 30% of net profits and subject to the lenders' concurrence.

Notes to the Financial Statements

For the year ended 31 December 2011

19.4 This amount represents a loan received from Pakistan Cement Holding, the Parent Company, amounting to USD 10.8 million (2010: USD 5.2 million) which has been classified as a long-term loan in the current year. Mark-up is payable on maturity at the rate of LIBOR+1%. The loan is repayable in full on 02 September 2013.

	Note	2011 Rupees	2010 Rupees
20. LONG-TERM PAYABLES			
Total amount due	20.1	1,620,161,796	-
Less: Imputed interest	30	(26,376,848)	-
Present value of amount due		1,593,784,948	-

20.1 This represents the fee for technical services and royalty, payable to related parties, under a Royalty Agreement and Technical Services Agreement. The State Bank of Pakistan vide its letter dated 28 February 2011 approved the repatriation of outstanding balance of both the technical assistance fee and royalty to the related parties. During the year, owing to the change in the terms relating to these payables, these have been reclassified as long-term pursuant to an agreement dated 30 December 2011 between the Company and Lafarge Building Material Holding, Egypt whereby, the amount is payable to Lafarge Building Material Holding, Egypt by June 2013. The amount has been discounted to its present value using 1.1003% one year USD LIBOR, the currency risk rate in which the amount will be settled.

	Note	2011 Rupees	2010 Rupees
21. TRADE AND OTHER PAYABLES			
Trade			
Creditors		260,605,118	197,109,928
Accrued liabilities		696,876,441	755,944,852
Advances from customers		70,117,975	105,879,762
		1,027,599,534	1,058,934,542
Other Payables			
Payable to provident fund		931,144	693,300
Royalty and technical assistance fee	21.1	140,827,336	1,646,292,809
Security deposits from transporters		13,200,000	13,200,000
Advance for Scrap Sales		5,062,164	2,484,397
Retention money		10,545,905	9,575,970
Excise duty		46,561,312	66,268,278
Tax deducted at source		4,088,583	38,211,331
Sales tax – net		32,347,059	6,981,554
Marking fee payable		13,722,598	8,071,094
Others		4,242,000	328,464
		271,528,101	1,792,107,197
		1,299,127,635	2,851,041,739
21.1 Royalty and technical assistance fee			
Technical services and royalty		-	1,576,037,329
Industrial franchise fee	21.1.1	140,827,336	70,255,480
		140,827,336	1,646,292,809

Notes to the Financial Statements

For the year ended 31 December 2011

21.1.1 This represents the royalty fee payable under an Industrial Franchise Agreement (IFA) to Lafarge SA, France. The fee is charged to the Company at the rate of 3% on net sales.

	Note	2011 Rupees	2010 Rupees
22. ACCRUED MARK-UP			
On long-term financing		103,515,540	136,259,979
On short-term borrowings		108,723,500	124,266,782
		212,239,040	260,526,761
23. SHORT-TERM BORROWINGS			
From banking companies - secured			
Running finance	23.1	8,996,722	2,647,059,068
Short-term loan		-	128,939,223
Export re-finance facilities	23.2	726,813,000	1,280,865,000
		735,809,722	4,056,863,291
Related party - unsecured			
Short-term loan	23.3	-	445,252,080
		735,809,722	4,502,115,371

23.1 The Company has arranged short-term running finance facilities from various commercial banks aggregating to Rs. 4,300 million (2010: Rs. 4,300 million). Mark-up is payable on a quarterly basis in arrears, at the rate of 3 months KIBOR + 1.50% per annum. These are secured against guarantees issued by Lafarge Building Materials Holding, Egypt - a related party, a letter of comfort from Lafarge SA, France - the Ultimate Parent Company, and a ranking hypothecation charge over the assets of the Company excluding land, building, cash and cash equivalents.

23.2 This represents the outstanding balance of export re-finance facilities arranged by the Company from various banks. These are the sub-limits of facilities disclosed in note 23.1. Mark-up is payable at the rate of 11%. These are secured against guarantees issued by Lafarge Building Materials Holding, Egypt - a related party, letter of comfort from Lafarge SA, France - the Ultimate Parent Company, and ranking hypothecation charge over assets of the Company excluding land, building, cash and cash equivalents.

23.3 The loan payable to Pakistan Cement Holding, the Parent Company, has been reclassified to long-term payable in the current year, owing to an amendment in the loan agreement. The loan is now payable lump sum on 2nd September 2013, (Refer note 19.4).

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies:

a) The Company has issued post dated cheques, aggregating to Rs. 10.188 million (2010: Rs. 20.155 million) in favour of the Collector of Customs against the import duty of polypropylene sacks.

b) The Company has arranged a bank guarantee of Rs. 146 million (2010: 146 million) in favour of Sui Northern Gas Pipelines Limited in lieu of security deposits against supply of natural gas to its cement manufacturing plant in Chakwal.

Notes to the Financial Statements

For the year ended 31 December 2011

c) The Revenue Officer, District Chakwal, raised a demand of Rs. 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 15 April 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 19 June 2009 and the case has been remanded to the High Court for rehearing. No provision has been made in the 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; the CCP alleges that the company was involved in cartelization activities with other cement manufacturers and has accordingly 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) 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) During the year, the Deputy Commissioner Inland Revenue (DCIR) vide a demand notice, dated 25 October 2011, raised an aggregate sales tax demand of Rs. 690 million against the Company, in pursuance of an audit conducted for the period January 2007 to December 2007, under section 25 of the Sales Tax Act 1990 and section 46 of Federal Excise Act, 2005. The Company has filed an appeal before the CIR (A) against the aforesaid order which is pending for adjudication. The Company has also obtained a stay of the demand raised from the Appellate Tribunal.

	2011 Rupees	2010 Rupees
24.2 Commitments:		
a) Outstanding letters of credit	69,801,883	5,742,537
b) Commitments against capital work-in-progress	85,128,417	-
c) Rentals under operating lease agreements in respect of land	91,858,220	92,974,860
25. NET SALES		
Gross sales		
Local	7,518,265,698	6,213,725,608
Exports	2,398,819,191	2,875,324,321
	9,917,084,889	9,089,049,929
Less:		
Sales tax and excise duty	(1,775,307,125)	(1,799,437,198)
Discounts and commission to dealers	(337,399,326)	(408,845,946)
	(2,112,706,451)	(2,208,283,144)
	7,804,378,438	6,880,766,785

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
26. COST OF SALES			
Raw materials consumed:			
Opening stock		30,065,544	27,012,719
Purchases		449,905,816	445,600,011
Closing stock	11	(12,627,207)	(30,065,544)
		467,344,153	442,547,186
Packing material consumed		623,826,446	645,166,838
Stores and spares consumed		201,326,393	275,053,795
Fuel and power		4,098,317,288	3,461,276,420
Salaries, wages and other benefits	26.1	245,082,210	189,290,454
Rent, rates and taxes		7,727,170	9,342,843
Travelling and conveyance		63,782,205	48,474,037
Inplant transportation		62,168,299	32,866,351
Insurance		61,752,043	64,544,430
Communication		3,819,246	5,082,407
Utilities		10,135,369	10,382,788
Consumables		6,124,310	10,215,811
Office canteen		25,889,838	19,714,972
Depreciation	5.1.2	621,550,496	616,627,077
Repairs and maintenance		67,819,358	67,866,105
Technical assistance fee		4,409,782	35,332,121
Legal and professional charges		9,094,123	5,688,066
Fees and subscriptions		3,080,518	-
Other factory overheads		28,904,711	27,471,514
		6,612,153,958	5,966,943,215
Work-in-process			
Opening stock		365,927,440	442,073,146
Closing stock		(850,437,305)	(365,927,440)
		(484,509,865)	76,145,706
Cost of goods manufactured		6,127,644,093	6,043,088,921
Finished goods			
Opening stock		112,737,611	94,505,836
Closing stock	26.2	(91,655,300)	(112,737,611)
		21,082,311	(18,231,775)
		6,148,726,404	6,024,857,146

26.1 Included herein is a sum of Rs. 8,646,057 (2010: Rs. 7,010,640) on account of staff retirement benefits and Rs. 2,412,205 (2010: Nil) on account of cost borne by the Ultimate Parent Company under the employee share ownership plan.

26.2 This includes finished goods in transit of Rs. 9,421,423 (2010: Rs. 16,019,990).

Notes to the Financial Statements

For the year ended 31 December 2011

27. DISTRIBUTION COST

	Note	2011 Rupees	2010 Rupees
Salaries and other benefits	27.1	59,809,422	49,925,609
Travelling and conveyance		21,662,406	17,699,950
Vehicle running expenses		524,730	340,233
Freight and handling charges		122,433,267	379,400,433
Repairs and maintenance		3,357,541	3,396,819
Rent, rates and taxes		16,055,113	20,295,591
Legal and professional charges		2,337,841	1,052,649
Utilities		2,104,352	1,942,082
Advertisement expenses		7,644,856	6,842,566
Office canteen		3,537,128	3,631,701
Printing and stationery		880,918	681,798
Telephone and postage		2,935,520	3,172,080
Fees and subscriptions		838,535	804,998
Depreciation	5.1.2	802,097	1,482,192
Security charges		1,417,322	939,648
Insurance		134,758	250,678
		246,475,806	491,859,027

27.1 Included herein is a sum of Rs. 2,285,016 (2010: Rs. 2,028,337) on account of staff retirement benefits and Rs. 598,892 (2010: Nil) on account of cost borne by the Ultimate Parent Company under the employee share ownership plan.

28. ADMINISTRATIVE EXPENSES

	Note	2011 Rupees	2010 Rupees
Salaries and benefits	28.1	117,391,863	101,587,447
Travelling and conveyance		25,174,754	23,359,960
Vehicle running expenses		8,847,164	5,537,928
Repairs and maintenance		3,835,037	5,610,207
Rent, rates and taxes		15,678,485	14,087,907
Accommodation and living		-	94,006
Legal and professional charges		18,782,627	11,978,013
Auditors' remuneration	28.2	2,047,090	1,841,000
Utilities		5,865,826	4,488,509
Advertisement expenses		873,815	2,331,017
Corporate Social Responsibility		305,098	-
Industrial franchise fee		256,489,719	215,389,761
Office canteen		3,894,635	3,454,437
Printing and stationery		2,328,165	1,636,734
Telephone and postage		4,043,840	3,963,499
Donations	28.3	60,000	653,495
Fees and subscriptions		991,712	2,836,750
Depreciation	5.1.2	3,041,288	4,492,616
Amortization of intangibles	6	1,180,469	1,162,185
Security charges		1,383,401	1,094,027
Software expenses		2,067,412	2,319,436
Provision against debt considered doubtful	12.1	4,465,430	-
Assets written-off during the year	5.1	8,301,510	-
Insurance		628,665	733,373
		487,678,005	408,652,307

Notes to the Financial Statements

For the year ended 31 December 2011

28.1 Included herein is a sum of Rs. 4,616,056 (2010: Rs. 4,047,041) on account of staff retirement benefits and Rs. 766,360 (2010: Nil) on account of cost borne by the Ultimate Parent Company under the employee share ownership plan.

	2011 Rupees	2010 Rupees
28.2 Auditors' remuneration		
Statutory audit	1,137,000	1,147,000
Half yearly review	480,000	500,000
Other certifications	150,000	140,000
Out of pocket expenses	280,090	54,000
	2,047,090	1,841,000

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

	Note	2011 Rupees	2010 Rupees
29. OTHER OPERATING EXPENSES			
Loss on disposals			
Sales tax on scrap sales		3,559,791	6,109,517
Others		321,465	-
		3,881,256	6,109,517
30. OTHER OPERATING INCOME			
From financial assets			
Mark-up on long-term advance	7	1,392,231	1,201,620
Imputed interest on long-term payable	20	26,376,848	-
Return on deposit accounts	16	45,737	394,886
Exchange gain		-	59,328,820
		27,814,816	60,925,326
From assets other than financial assets			
Scrap sales		14,246,258	19,409,235
Gain on disposal of fixed assets		2,765,938	4,055,062
Liabilities written back		10,799,594	28,012,904
		27,811,970	51,477,201
		55,626,606	112,402,527
31. FINANCE COSTS			
Mark-up/interest on:			
long term financing			
From banking companies		370,247,474	511,031,740
From related party		13,765,513	-
		384,012,987	511,031,740
Short-term running finances		565,365,821	420,838,362
Short-term loan		-	3,981,949
		565,365,821	424,820,311
Exchange loss - net		74,793,176	-
Letter of guarantee commission		12,086,688	24,777,994
Bank charges		28,220,923	20,048,039
		1,064,479,595	980,678,084

Notes to the Financial Statements

For the year ended 31 December 2011

	Note	2011 Rupees	2010 Rupees
32. TAXATION			
Current	32.1	(80,848,693)	(29,508,468)
Deferred		53,663,698	-
		(27,184,995)	(29,508,468)

32.1 This represents tax paid by the Company as final tax under Sections 154 and 169, to the extent of direct export sales and minimum tax under section 113 of the Income Tax Ordinance, 2001.

32.2 The income tax authorities have finalized tax assessments of the Company up to and including the assessment year 2009-2010 (year ended 30 June 2010). Tax returns for 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 filing of returns.

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.

	Note	2011 Rupees	2010 Rupees
33. LOSS PER SHARE			
Net loss for the year		(118,421,017)	(948,495,237)
		Number	**Number**
Weighted average number of ordinary shares		1,312,644,488	1,312,644,488
		Rupees	**Rupees**
Loss per share		(0.09)	(0.72)
34. CASH GENERATED FROM OPERATIONS			
Loss before taxation		(91,236,022)	(918,986,769)
Adjustments for non-cash items			
Depreciation		625,393,881	622,601,885
Amortization of intangibles		1,180,469	1,162,185
Provision for doubtful debts		4,465,430	-
Provision against obsolete stores and spares		1,391,091	-
Assets written-off during the year		8,301,510	-
Finance costs		989,686,419	980,678,084
Employees' share option plan		3,777,458	-
Exchange loss / (gain)		74,793,176	(59,328,820)
Staff retirement benefits		15,547,129	13,086,018
Income on financial assets		(27,814,816)	(1,596,506)
Gain on disposal of fixed assets		(2,765,938)	(4,055,062)
		1,693,955,809	1,552,547,784
Operating profit before working capital changes		1,602,719,787	633,561,015
Working capital changes	34.1	(225,806,337)	(203,228,296)
		1,376,913,450	430,332,719

Notes to the Financial Statements

For the year ended 31 December 2011

	2011 Rupees	2010 Rupees
34.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	336,680,362	(331,196,420)
Stock-in-trade	(439,807,995)	99,427,940
Trade debts	(38,036,395)	76,197,269
Advances	1,162,560	(512,184)
Short term prepayments	(21,434,453)	23,823,421
Other receivables	(31,210,240)	(10,649,713)
	(192,646,161)	(142,909,687)
Increase / (decrease) in current liabilities		
Trade and other payables	(33,160,176)	(60,318,609)
	(225,806,337)	(203,228,296)

35. 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:

	2011	2010	2011	2010	2011	2010
	Chief Executive		Director		Executives	
	Rupees					
Managerial remuneration	18,815,664	19,393,370	10,735,338	9,881,778	180,853,248	122,582,872
Provident fund	829,319	697,788	475,224	432,000	8,312,446	5,512,451
	19,644,983	20,091,158	11,210,562	10,313,778	189,165,694	128,095,323
Number of persons	1	1	1	1	90	51

35.1 During the year, meeting fee amounting to Rs. 25,000 (2010: Rs. 10,000) was paid to a non-executive director.

36. TRANSACTIONS WITH RELATED PARTIES

The Company is a subsidiary of Pakistan Cement Holding and the Ultimate Parent Company of the Company is Lafarge SA, France. Therefore, all the subsidiaries and associated undertakings of Lafarge SA, France are the related parties of the Company. Other related parties include directors, key management personnel, entities under common directorship and the employees' provident fund. Remuneration to directors and chief executive is disclosed in note 35 to these financial statements.

Ultimate Parent Company
Lafarge SA, France

Parent company
Pakistan Cement Holding

Other related parties with whom the Company had transactions

Notes to the Financial Statements

For the year ended 31 December 2011

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
Lafarge Industries - South Africa
Lafarge Nigeria (WAPCO)
SEMEN ANDALAS en IDR

Employee benefit plans

General Provident Fund Trust

Period end balances

Balances with the related parties are disclosed in respective notes to the financial statements

Transactions with the related parties during the year

Disclosure of transactions between the Company and related parties other than those which have been disclosed elsewhere in these financial statements:

	2011 Rupees	2010 Rupees
Ultimate Parent Company		
- Services received	12,086,688	5,216,660
- Services provided	11,988,192	6,002,634
- IFA expense	256,489,719	215,389,761
- Payment received during the year	12,143,891	5,832,634
- Payment made during the year	209,072,818	409,459,055
Parent Company		
- Loan received during the year	-	445,252,080
- Mark-up on loan	13,662,052	2,125,224
- Mark-up paid during the period	11,204,799	-
Associates		
- Technical assistance fee and other expenses	4,409,782	35,332,121
- Demurrage charges	-	20,726,405
- Services provided	13,664,326	5,362,354
- Payments received against services	1,745,679	397,435
- Payments made against services	-	4,346,771
- Sales	-	108,437,613
- Receipts against sales	-	173,359,409
Contributions to the General Provident Fund Trust	13,018,618	13,086,018

Notes to the Financial Statements

For the year ended 31 December 2011

All transactions involving related parties arising in the normal course of business are conducted at arm's length consideration on the same terms and conditions as third party transactions 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. The company has various financial assets such as loans, deposits, trade and other receivables and cash and bank balances, which are directly related to its operations. 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. The Company's senior management 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:

37.1 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market exposure within acceptable parameters, while optimizing the return on risk.

37.1.1 INTEREST / MARK-UP RATE RISK MANAGEMENT

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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 with floating interest rates. At 31 December 2011, the Company's entire borrowings are at floating rate of interest

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

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:

Notes to the Financial Statements

For the year ended 31 December 2011

	2011 Rupees	2010 Rupees
Financial assets		
Fixed rate assets		
Long-term advance	71,245,972	72,306,500
Deposit account	12,700,000	-
	83,945,972	72,306,500
Financial liabilities		
Floating rate liabilities		
Long-term financing	6,613,384,859	3,075,231,881
Short-term borrowings	735,809,722	4,502,115,371
	7,349,194,581	7,577,347,252

Sensitivity analysis

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

			2011	2010
Change in interest rate	±	Percentage	1%	1%
Effect on loss for the year	±	Rupees	73,491,946	75,773,473
Effect on accumulated losses	±	Rupees	73,491,946	75,773,473

37.1.2 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 imports relating to plant and machinery equipment and payable to related parties.

Notes to the Financial Statements

For the year ended 31 December 2011

Exposure to foreign currency risk

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

	US Dollar	Euro	Egyptian pound	Emirates Dirham	Great Britain Pound	Algerian Dinar
31 December 2011						
Trade and other payables	2,173,702	695,485	-	-	-	-
Long-term payables	5,238,191	601,474	60,869,874	823,323	142,703	4,719,527
Long-term Finance	10,849,973	-	-	-	-	-
Advances to suppliers	(1,693)	(31,846)	-	-	(9,483)	-
Short-term borrowings	54,351	-	-	-	-	-
Other receivables	(6,705)	-	-	-	-	-
Net exposure	18,307,819	1,265,113	60,869,874	823,323	133,220	4,719,527
			Rupees			
Exchange rates						
Average rate	86.30	120.12	14.49	23.50	138.42	1.18
Reporting date rate	89.93	116.37	14.96	24.49	139.31	1.09
31 December 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)	-
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

Sensitivity analysis

If the functional currency, at 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 loss for the year would have been:

			2011	2010
Change in exchange rate	±	Percentage	5%	5%
Effect on loss for the year	±	Rupees	151,605,267	119,695,984
Effect on accumulated losses	±	Rupees	151,605,267	119,695,984

37.1.3 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.

Notes to the Financial Statements

For the year ended 31 December 2011

37.2 CREDIT RISK

Credit risk is the risk that a counter party 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 long-term advance, long-term deposits, trade debts, 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 major part 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 major concentration of credit risk.

Exposure to credit risk

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

	2011 Rupees	2010 Rupees
Long-term advance	54,265,386	61,977,000
Long-term deposits	40,870,852	39,866,542
Trade debts	14,899,070	417,119
Advances	36,887,468	38,050,028
Other receivables	85,403,026	59,235,265
Bank balances	21,088,311	4,408,289
	253,414,113	203,954,243

The credit quality of financial assets that are neither past not impaired can be assessed by reference to external credit ratings or to historical information about counter party default rates as follows;

Parties with no defaults in the past one year:

	2011 Rupees	2010 Rupees
Long-term advance	54,265,386	61,977,000
Long-term deposits	40,870,852	39,866,542
Trade debts	14,899,070	417,119
Advances	36,887,468	38,050,028
Other receivables	85,403,026	35,103,771
	232,325,802	175,414,460

Credit ratings and exposure of cash and bank balances with each of the counter parties is as follows:

Notes to the Financial Statements

For the year ended 31 December 2011

Savings and Current Account

Name of Bank	Long-term Rating	Short-term Rating	Rating Agency	Rupees
United Bank Limited	AA+	A-1+	JCR-VIS	-
Faysal Bank Limited	AA	A-1+	JCR-VIS	130,498
Citibank N.A	A+	A-1	Standards&Poor's	955,380
MCB Bank Limited	AA+	A-1+	PACRA	23,131
NIB Bank Limited	AA-	A-1+	PACRA	12,848,323
Habib Bank Limited	AA+	A-1+	JCR-VIS	80,006
Allied Bank Limited	AA	A-1+	PACRA	6,989,576
Standard Chartered Bank	AAA	A-1+	PACRA	61,396

37.3 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 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 reporting date.

Carrying	Less than	One to	
	amount	one year	five years
		Rupees	
31 December 2011			
Long-term financing	6,613,384,859	1,313,568,514	5,299,816,345
Long-term payables	1,593,784,948	-	1,593,784,948
Trade and other payables	1,299,127,635	1,309,316,296	-
Accrued mark-up	212,239,040	212,239,040	-
Short-term borrowings	735,809,722	735,809,722	-
	10,454,346,204	3,570,933,572	6,893,601,293
31 December 2010			
Long-term financing	3,075,231,881	1,313,568,514	1,761,663,363
Trade and other payables	2,875,173,233	2,875,173,233	-
Accrued mark-up	260,526,761	260,526,761	-
Short-term borrowings	4,502,115,371	4,502,115,371	-
	10,713,047,246	8,951,383,879	1,761,663,363

37.4 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 31 December 2011, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

Notes to the Financial Statements

For the year ended 31 December 2011

37.5 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.

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. Net debt is calculated as total borrowings less cash and bank balances. Capital includes equity attributable to the equity holders and capital and revenue reserves.

	Note	2011 Rupees	2010 Rupees
Long-term financing	19	5,361,851,128	1,761,663,367
Long-term payables	20	1,593,784,948	-
Short-term borrowings	23	735,809,722	4,502,115,371
Current portion of long-term financing	19	1,313,568,514	1,313,568,514
Total debt		9,005,014,312	7,577,347,252
Cash and bank balances	16	(23,241,828)	(7,268,152)
Net debt		8,981,772,484	7,570,079,100
Issued, subscribed and paid-up capital	17	13,126,444,880	13,126,444,880
Reserves	18	(4,425,655,969)	(4,311,012,410)
Total capital		8,700,788,911	8,815,432,470
Total capital and net debt		17,682,561,395	16,385,511,570
Gearing ratio		50.79%	46.20%

38. PLANT CAPACITY

		Metric Tons	Metric Tons
Installed capacity		2,400,000	2,400,000
Actual production		1,689,556	1,911,580

39. NUMBER OF EMPLOYEES

	2011	2010
Number of employees	315	303

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 28, 2012 by the Board of Directors of the Company.

41. GENERAL

Figures have been rounded off to the nearest Rupee.

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

Bilal Hamid Javed
Director

Pattern of Shareholding

As at December 31, 2011

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
183	1	100	7,976
1,030	101	500	443,563
1,341	501	1,000	1,283,712
3,086	1,001	5,000	9,177,865
1,156	5,001	10,000	9,336,795
438	10,001	15,000	5,720,045
346	15,001	20,000	6,430,175
186	20,001	25,000	4,349,221
157	25,001	30,000	4,522,434
80	30,001	35,000	2,684,476
73	35,001	40,000	2,791,150
34	40,001	45,000	1,476,936
97	45,001	50,000	4,802,370
28	50,001	55,000	1,479,282
29	55,001	60,000	1,711,259
20	60,001	65,000	1,254,177
27	65,001	70,000	1,854,520
23	70,001	75,000	1,687,051
18	75,001	80,000	1,418,492
10	80,001	85,000	836,400
16	85,001	90,000	1,409,642
7	90,001	95,000	650,752
62	95,001	100,000	6,180,862
13	100,001	105,000	1,326,470
10	105,001	110,000	1,089,729
7	110,001	115,000	786,269
10	115,001	120,000	1,185,851
9	120,001	125,000	1,108,913
4	125,001	130,000	511,573
2	130,001	135,000	260,546
10	135,001	140,000	1,384,033
8	140,001	145,000	1,143,977
8	145,001	150,000	1,191,995
5	150,001	155,000	764,303
7	155,001	160,000	1,117,900
3	160,001	165,000	490,000
3	165,001	170,000	503,800
6	170,001	175,000	1,033,384
3	175,001	180,000	533,994
1	180,001	185,000	181,250
4	185,001	190,000	752,000
2	190,001	195,000	385,800
12	195,001	200,000	2,395,715
2	200,001	205,000	405,500
1	205,001	210,000	209,000
3	210,001	215,000	640,598
4	215,001	220,000	873,756

Pattern of Shareholding

As at December 31, 2011

NUMBER OF SHAREHOLDERS	SHAREHOLDING		NUMBER OF SHARES HELD
	FROM	TO	
1	220,001	225,000	220,795
7	225,001	230,000	1,587,256
1	235,001	240,000	235,500
3	240,001	245,000	730,510
5	245,001	250,000	1,246,450
3	265,001	270,000	807,000
1	270,001	275,000	273,000
1	275,001	280,000	279,000
1	280,001	285,000	281,081
4	285,001	290,000	1,157,250
1	290,001	295,000	293,500
3	295,001	300,000	899,086
1	300,001	305,000	303,038
1	310,001	315,000	312,193
1	315,001	320,000	317,356
3	330,001	335,000	998,283
1	340,001	345,000	342,500
2	345,001	350,000	700,000
3	350,001	355,000	1,056,175
2	360,001	365,000	725,339
1	365,001	370,000	365,250
1	370,001	375,000	373,305
1	375,001	380,000	377,000
1	380,001	385,000	385,000
2	390,001	395,000	784,787
5	395,001	400,000	1,998,000
1	410,001	415,000	413,000
1	435,001	440,000	438,046
1	440,001	445,000	442,000
1	450,001	455,000	455,000
1	455,001	460,000	460,000
1	470,001	475,000	475,000
1	475,001	480,000	477,346
4	495,001	500,000	1,999,499
1	500,001	505,000	501,500
1	515,001	520,000	520,000
1	535,001	540,000	535,306
1	545,001	550,000	550,000
1	560,001	565,000	561,500
3	595,001	600,000	1,800,000
1	605,001	610,000	607,475
3	630,001	635,000	1,901,431
1	655,001	660,000	659,447
1	685,001	690,000	690,000
1	695,001	700,000	700,000
1	700,001	705,000	700,937

Pattern of Shareholding

As at December 31, 2011

NUMBER OF SHAREHOLDERS	SHAREHOLDING		NUMBER OF SHARES HELD
	FROM	TO	
1	745,001	750,000	748,000
1	770,001	775,000	775,000
1	775,001	780,000	777,639
1	895,001	900,000	900,000
1	925,001	930,000	930,000
1	935,001	940,000	940,000
4	995,001	1,000,000	3,998,000
1	1,010,001	1,015,000	1,010,311
1	1,085,001	1,090,000	1,086,069
1	1,125,001	1,130,000	1,125,924
1	1,190,001	1,195,000	1,192,499
1	1,220,001	1,225,000	1,224,362
1	1,230,001	1,235,000	1,233,477
1	1,345,001	1,350,000	1,346,450
1	1,350,001	1,355,000	1,350,050
1	1,495,001	1,500,000	1,500,000
1	1,975,001	1,980,000	1,978,785
4	1,995,001	2,000,000	7,994,100
1	2,035,001	2,040,000	2,037,149
1	2,255,001	2,260,000	2,259,600
1	2,495,001	2,500,000	2,500,000
1	2,520,001	2,525,000	2,521,000
1	2,590,001	2,595,000	2,594,936
1	2,940,001	2,945,000	2,943,711
1	3,065,001	3,070,000	3,068,925
1	3,235,001	3,240,000	3,237,300
1	3,670,001	3,675,000	3,670,100
1	3,985,001	3,990,000	3,986,400
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	6,005,001	6,010,000	6,010,000
1	8,515,001	8,520,000	8,519,095
1	9,610,001	9,615,000	9,610,924
1	10,570,001	10,575,000	10,572,476
1	12,665,001	12,670,000	12,668,000
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	27,995,001	28,000,000	28,000,000
1	284,420,001	284,425,000	284,424,423
1	676,690,001	676,695,000	676,692,465
8718			1,312,644,488

Pattern of Shareholding

As at December 31, 2011

CATEGORIES OF SHAREHOLDERS	SHARES HELD	%
Directors, Chief Executive, their Spouse and Minor Children	14,500	0.00
Associated Companies Undertakings & Related Parties	961,116,888	73.22
NIT/ICP	22,000,215	1.68
Banks, Development Finance Institutions and Non Banking Financial Institution	14,609,388	1.11
Insurance Companies	20,111,480	1.53
Modarabas and Mutual Funds	336,100	0.03
Shareholders holding 10% (*detail given below)		
General Public		
a. Local	246,126,939	18.75
b. Foreign	1,721,750	0.13
Others		
i. Foreign Companies	33,150,575	2.53
ii. Joint Stock Companies	10,860,417	0.82
iii. Citibank N.A. as custodian of Global Depository Receipts	1,350,050	0.10
iv. Trustee-Ghani Glass Employee Provident Fund	1,010,311	0.08
v. Trustee-Pak Gums & Chemical Ltd. Executive Staff Pension Fund	10,875	0.00
vi. Trustees Resource Development Foundation	5,000	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
TOTAL	1,312,644,488	100.00

Detail of Pattern of Shareholding

as per Requirements of Code of Corporate Governance

		SHARES
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		21,464,909
ii. National Investment Trust Limited		535,306
Directors, Chief Executive, their Spouse and Minor Children		
i. Mr. Ahmad Said Heshmat Hassan	725	
ii. Maj. Gen. (R) Rehmat Khan	2,175	
iii. Mrs. Amal Tantawi	725	
iv. Mr. Ashraf Abouelkheir	725	
v. Mr. Amr Ali Reda	2,900	
vi. Mr. Bilal Hamid Javaid	7,250	
		14,500
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		15,056,988
Shareholders holding 10% and above Voting Interests		
* i. Pakistan Cement Holding Limited		676,692,465
* ii. Camden Holding PTE Limited		284,424,423

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