LAFARGE PAKISTAN CEMENT Ltd.
(Formerly Pakistan Cement Company Ltd.)

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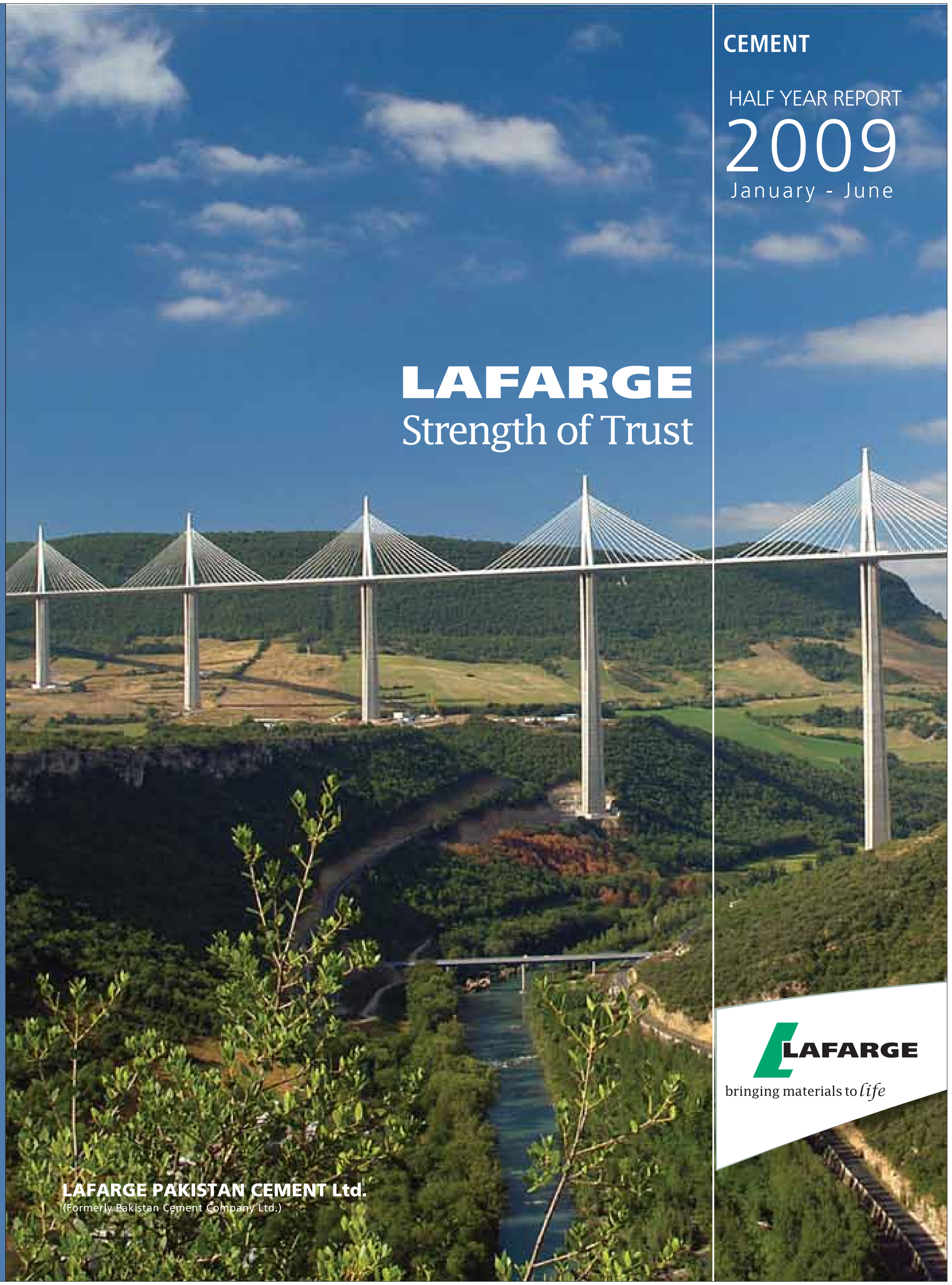
F-8 Markaz, Islamabad
UAN: +92-51-111 111 722
Fax: +92-51-281 7300
URL: www.lafargepakistan.com.pk
E-mail: company.secretary@pk.lafarge.com

LAFARGE
bringing materials to *life*

CEMENT

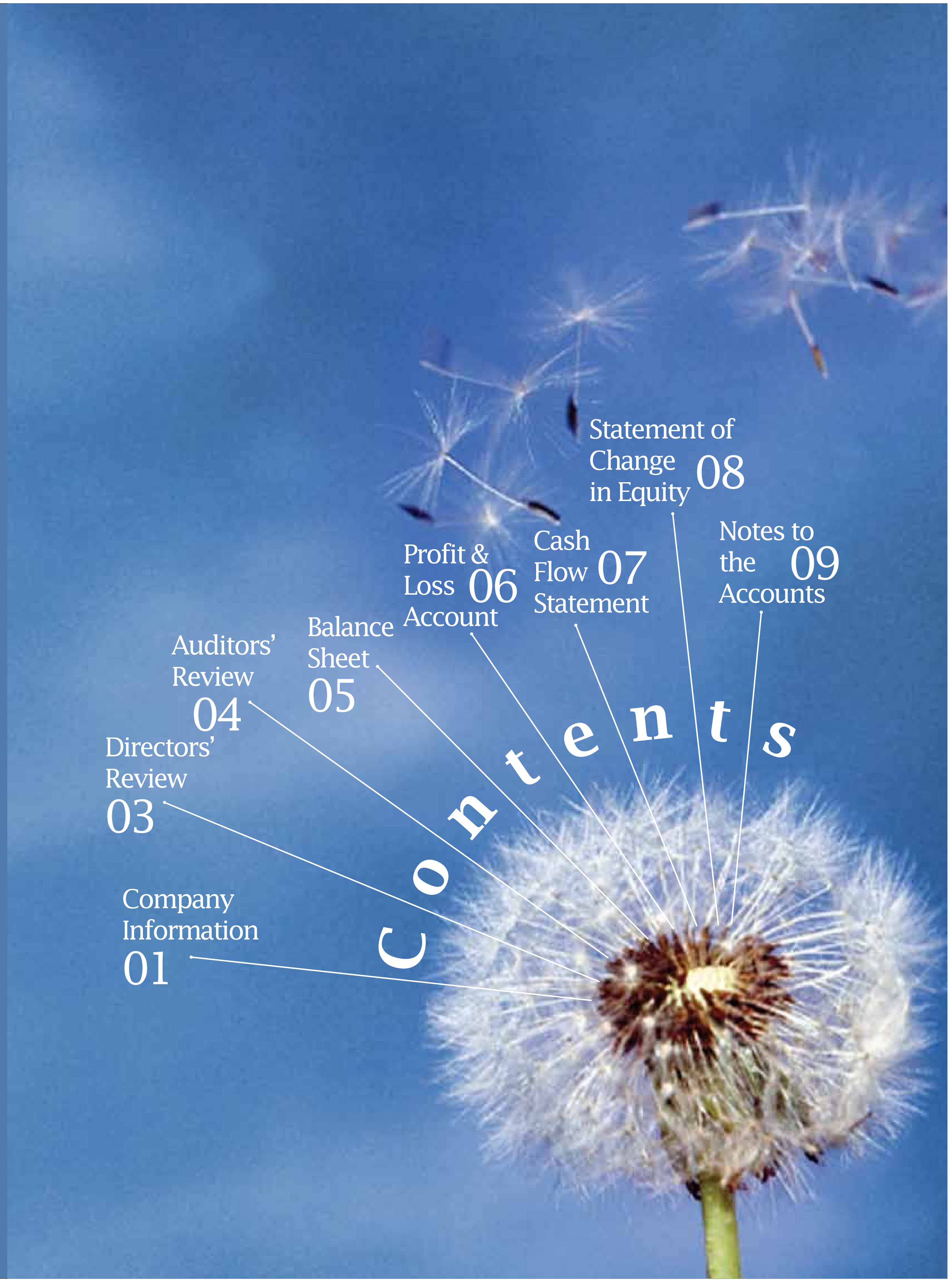
HALF YEAR REPORT
2009
January - June



LAFARGE
Strength of Trust

LAFARGE PAKISTAN CEMENT Ltd.
(Formerly Pakistan Cement Company Ltd.)

LAFARGE
bringing materials to *life*



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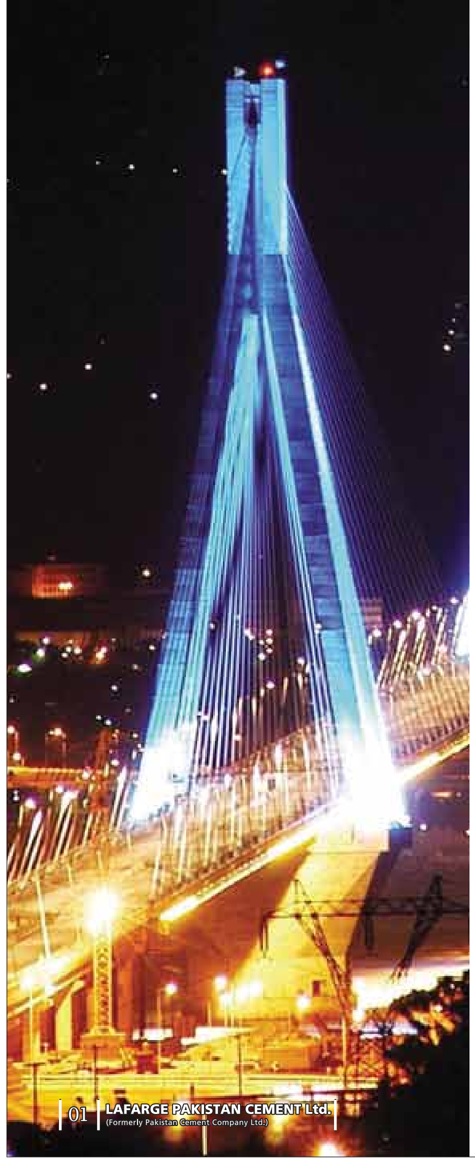


Board of Directors

Mr. Ahmad Said Heshmat Hassan	Chairman
Maj. Gen. (Retd) Rehmat Khan	CEO
Mr. Jean Desazars	Director
Mr. Ashraf Abouelkheir	Director
Mrs. Amal Tantawi	Director
Mr. Ahmed Shebl Tolba Daabes	Director
Mr. Amr Ali Reda	Director
Mr. Samy Ahmed Abdelkader	Director
Mr. Bilal Hamid Javaid	Director
Khawaja Mohammad Naveed	Director
Mr. Shahid Anwar	(Nominee NIT)

Audit Committee

Mr. Jean Desazars	Chairman
Mr. Amr Ali Reda	
Mrs. Amal Tantawi	
Mr. Ashraf Abouelkheir	
Mr. Samy Ahmed Abdelkader	

Chief Financial Officer

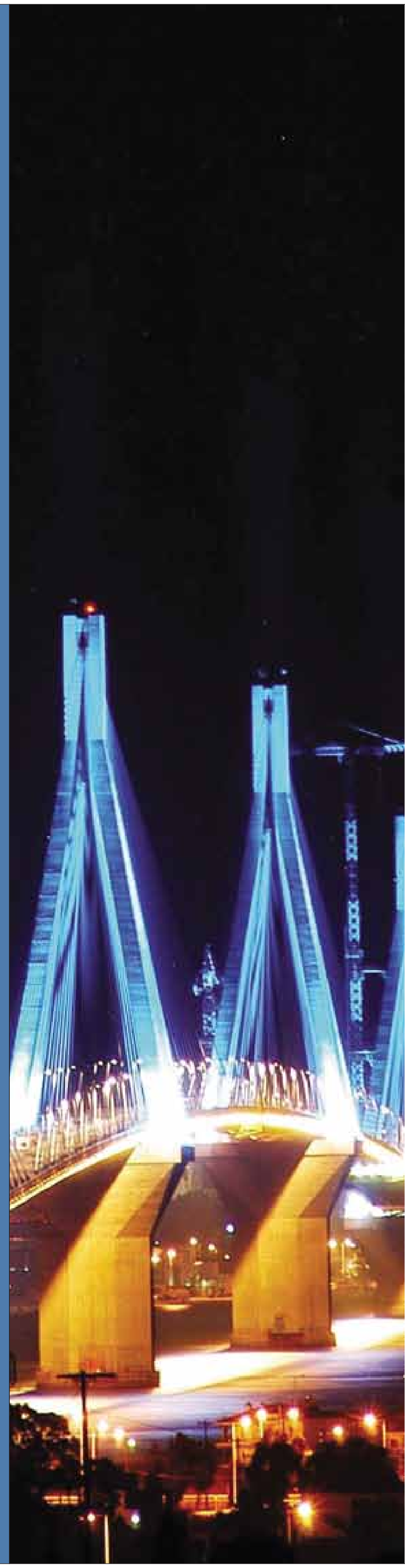
Mr. Bilal Hamid Javaid

Company Secretary

Mr. Muhammad Anwar Sheikh M. Com., FCMA

Auditors

M/s Ford Rhodes Sidat Hyder & Co.,
Chartered Accountants, Islamabad.



Bankers

MCB Bank Limited	Citibank N.A.
Habib Bank Limited	Allied Bank Limited
United Bank Limited	NIB Bank Limited
Royal Bank of Scotland	Askari Bank Limited
Standard Chartered Bank Limited	Soneri Bank Limited
Habib Metropolitan Bank Limited	

Legal Advisors

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

Share Registrar

Noble Computer Services (Pvt.) Ltd.
Mezzanine Floor, House of Habib Building (Siddiqsons Tower),
3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal,
Karachi-75350.
Tel. # : PABX (92-21) 4325482-87 (6 Lines)
Fax # : (92-21) 4325442

Registered Office

18-B, Kaghan Road, F-8 Markaz, Islamabad.
UAN: +92-51-111 111 722, Fax: +92-51-2817300

Plant Site

Choie Mallot Road, Tehsil Kalar Kahar,
Distt. Chakwal-Pakistan.

DIRECTORS' REVIEW

The directors of Lafarge Pakistan Cement Limited have pleasure in submitting their report and the unaudited accounts with limited scope review by the auditors for the half year ended June 30, 2009.

Cement Industry in Pakistan is passing through difficult times. Due to security situation of the country the economy is badly affected which in turn has stunted the growth in construction sector. Consequently in the first half of 2009 there has been decline in the local sales by 12.24% as compared to last year. Cement industry pursued exports aggressively and therefore there was reasonable growth in the exports as the industry exported 6.25 million tonnes of cement & clinker as against 4.72 million tonnes for the corresponding period of last year. Due to exports the overall industry dispatches grew by 0.66% as compared to last year by dispatching 16.46 million tonnes of cement.

The net turnover of the company stood at Rs. 4,457.36 million with an increase of 37.20%. Gross Profit during the period was Rs. 463.40 million as against Gross Loss of Rs. 40.45 million during last year. The company posted operating profit of Rs. 147.15 million as against loss of Rs. 241.75 million during last year. But after accounting for financial costs and taxation, the net loss after tax during the period was Rs. 490.52 million as against loss of Rs. 836.38 million for the same period last year.

Even though demand of cement in the country remained suppressed, the results are better due to combined efforts of employees of the company. Cost control measures are being adopted. Financial Costs have been reduced from Rs. 801.82 million to Rs. 626.65 million i.e. by 22%. Repayment of short term borrowing and long term loan has been made by Rs. 1003.26 million and Rs. 656.78 million respectively during the period. Inventory level has been reduced from Rs. 2,453.84 million to Rs. 1,099.59 million and trade debts have been reduced from Rs. 33.93 million to Rs. 21.43 million.

Going forward, our domestic dispatches and prices will continue to remain under pressure as our economy is still not showing the sign of major improvement owing to high

inflation, increase in the fuel cost and almost stagnation in public sector development projects.

The Government, however, is trying its best to give boost to construction sector by indicating that some mega projects like Dams & Motorways will be started soon. Therefore your management is conscious of the opportunities and challenges that lie ahead and will be making all out efforts to ensure better results in the ensuing years.

The Directors wish to place on record their appreciation for the continued support of its shareholders, members of staff, customers, suppliers, our bankers and government agencies.

For and on behalf of the Board

Islamabad:
August 26, 2009

Maj. Gen. (R) Rehmat Khan
Chief Executive

AUDITORS' REVIEW

Introduction

We have reviewed the accompanying condensed interim balance sheet of Lafarge Pakistan Cement Limited (the Company) as at 30 June 2009, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six-month period then ended and explanatory notes (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Ford Rhodes Sidat Hyder

August 26, 2009
Islamabad

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2009 (UN-AUDITED)

	Note	(Un-audited) 30 June 2009 Rupees	(Audited) 31 December 2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	**16,958,214,858**	17,247,914,421
Intangibles	6	**3,530,754**	4,102,705
		16,961,745,612	17,252,017,126
Long-term advance		**72,306,500**	82,636,000
Long-term deposits		**43,355,312**	43,787,015
Deferred taxation	7	**749,347,229**	749,347,229
CURRENT ASSETS			
Stores, spares and supplies	8	**1,099,586,683**	2,453,835,221
Stock-in-trade		**729,587,551**	946,934,376
Trade debts		**21,425,918**	33,926,585
Advances	9	**181,833,008**	149,227,888
Prepayments		**17,701,614**	66,650,552
Interest accrued		**658,730**	1,724,652
Other receivables		**118,726,789**	148,643,834
Cash and bank balances		**11,825,368**	55,472,574
		2,181,345,661	3,856,415,682
TOTAL ASSETS		**20,008,100,314**	21,984,203,052
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
2,250,000,000 (2008: 2,250,000,000) Ordinary shares of Rs. 10 each		**22,500,000,000**	22,500,000,000
Issued, subscribed and paid up	10	**13,126,444,880**	13,126,444,880
Reserves			
Capital reserve		**190,476,700**	190,476,700
Accumulated losses		**(2,773,041,930)**	(2,282,517,978)
		(2,582,565,230)	(2,092,041,278)
		10,543,879,650	11,034,403,602
NON - CURRENT LIABILITIES			
Long-term financing	11	**3,732,016,130**	4,388,800,386
Liabilities against assets subject to finance lease		**-**	21,314,118
Other long-term liabilities	12	**1,576,092,725**	1,270,820,113
CURRENT LIABILITIES			
Trade and other payables		**1,141,233,785**	1,146,612,874
Accrued mark-up		**286,496,962**	378,636,116
Short-term running finances		**1,414,812,550**	2,418,073,356
Current maturities of:			
long-term financing		**1,313,568,512**	1,313,568,332
liabilities against assets subject to finance lease		**-**	11,974,155
		4,156,111,809	5,268,864,833
CONTINGENCIES AND COMMITMENTS	13	**-**	-
TOTAL EQUITY AND LIABILITIES		**20,008,100,314**	21,984,203,052

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

Bilal Hamid Javaid
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2009 (UN-AUDITED)

	Half year ended		Quarter Ended	
	30 June 2009 Rupees	30 June 2008 Rupees	**30 June 2009 Rupees**	30 June 2008 Rupees
SALES - Net	**4,457,363,183**	3,248,914,616	**2,317,360,702**	1,791,289,905
Cost of sales	**(3,993,965,018)**	(3,289,360,099)	**(2,077,670,405)**	(1,844,918,336)
GROSS PROFIT/(LOSS)	**463,398,165**	(40,445,483)	**239,690,297**	(53,628,431)
Selling, general and administrative expenses	**(324,331,078)**	(204,211,214)	**(173,204,546)**	(106,396,541)
Other operating expenses	**-**	(1,677,181)	**-**	(1,677,181)
Other operating income	**8,083,007**	4,584,641	**6,340,181**	2,988,429
PROFIT/(LOSS) FROM OPERATIONS	**147,150,094**	(241,749,237)	**72,825,932**	(158,713,724)
Finance costs	**(626,648,877)**	(801,821,314)	**(295,894,545)**	(494,739,919)
LOSS BEFORE TAXATION	**(479,498,783)**	(1,043,570,551)	**(223,068,613)**	(653,453,643)
Taxation				
Current	**(11,025,169)**	-	**(6,201,015)**	-
Deferred	**-**	207,189,271	**-**	88,516,232
NET LOSS FOR THE PERIOD	**(490,523,952)**	(836,381,280)	**(229,269,628)**	(564,937,411)
Loss per share - Basic and diluted (Rupees)	**(0.37)**	(0.74)	**(0.17)**	(0.50)

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

Bilal Hamid Javaid
Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UN-AUDITED)

	30 June 2009 Rupees	30 June 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(479,498,783)**	(1,043,570,551)
Adjustments for non cash items:		
Depreciation of property, plant and equipment	**330,659,256**	457,053,236
Amortization of intangible assets	**571,951**	1,665,968
Finance costs	**626,648,877**	801,821,314
Income on financial assets	**(1,147,826)**	(3,488,755)
Loss on disposal of property, plant and equipment	**-**	1,677,181
	956,732,258	1,258,728,944
Operating profit before working capital changes	**477,233,475**	215,158,393
Changes in working capital:		
Increase in advances	**(32,605,120)**	(125,921,609)
Decrease/ (increase) in stores, spares and supplies	**1,354,248,538**	(841,450,252)
Decrease in stock in trade	**217,346,825**	225,174,947
Decrease/ (increase) in short-term prepayments	**48,948,938**	(46,254,970)
Decrease/ (increase) in other receivables	**29,917,045**	(18,483,532)
Decrease/ (increase) in Trade debts	**12,500,668**	(221,652,898)
(Decrease) / increase in trade and other payables	**(5,379,090)**	849,753,299
	1,624,977,804	(178,835,015)
Cash generated from operations	**2,102,211,279**	36,323,378
Income taxes paid	**(11,025,169)**	(32,800,799)
Net cash generated from operating activities	**2,091,186,110**	3,522,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(40,959,693)**	(128,743,248)
Decrease in long-term advances	**10,329,500**	10,329,500
Interest received on financial assets	**2,213,747**	4,005,100
Decrease/(increase) in long-term deposits	**431,703**	(1,113,078)
Net cash used in investing activities	**(27,984,743)**	(115,521,726)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	**(1,003,260,806)**	-
Proceeds from short-term borrowings	**-**	631,408,681
Repayment of long-term loan	**(656,784,076)**	(656,784,254)
Increase in other long term liabilities	**305,272,612**	201,588,229
Lease rentals paid	**(33,288,272)**	(6,253,750)
Finance costs paid	**(718,788,031)**	(527,710,046)
Net cash used in financing activities	**(2,106,848,573)**	(357,751,140)
Net decrease in cash and cash equivalents	**(43,647,206)**	(469,750,287)
Cash and cash equivalents at the beginning of the period	**55,472,574**	678,424,680
Cash and cash equivalents at the end of the period	**11,825,368**	208,674,393

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

Bilal Hamid Javaid
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UN-AUDITED)

	Share capital	Capital reserve - Share premium	Accumulated losses	Total Equity
	Rupees	Rupees	Rupees	Rupees
Balance as at 1 January 2008	11,345,149,360	195,820,588	(1,040,014,420)	10,500,955,528
Conversion of Shareholder's loan into equity	1,781,295,520	-	-	1,781,295,520
Net loss for the period	-	-	(836,381,280)	(836,381,280)
Balance as at 30 June 2008	**13,126,444,880**	**195,820,588**	**(1,876,395,700)**	**11,445,869,768**
Balance as at 01 January 2009	**13,126,444,880**	**190,476,700**	**(2,282,517,978)**	**11,034,403,602**
Net loss for the period	-	-	(490,523,952)	(490,523,952)
Balance as at 30 June 2009	**13,126,444,880**	**190,476,700**	**(2,773,041,930)**	**10,543,879,650**

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

Bilal Hamid Javaid
Director

1 THE COMPANY AND ITS OPERATIONS

Lafarge Pakistan Cement Limited {formerly Pakistan Cement Company Limited}("the Company") was incorporated in Pakistan on 23 May 1993 as a Private Limited Company and converted subsequently into a Public Limited Company on 18 October 1994 under the Companies Ordinance, 1984. The Company is listed on all the three Stock Exchanges of Pakistan. The principal activity of the Company is to manufacture and sell ordinary gray portland cement. The Company is a subsidiary of "Pakistan Cement Holding Limited" a company incorporated in the British Virgin Island, whereas the ultimate parent company of the entity is Lafarge S.A., France. The registered office of the Company is located at 18-B, Kaghan Road F-8 Markaz, Islamabad.

2 BASIS OF PREPARATION

These interim condensed financial statements are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2008.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2008.

During the period, following new / revised standards, amendments and interpretations to accounting standards became effective:

Standard or Interpretation

IAS 1 Presentation of Financial Statements (Revised)

IAS 23 Borrowings Costs (Revised)

IAS 32 Financial Instruments – Presentation – Amendments regarding Puttable Financial Instruments

IAS 39 Financial Instruments: Recognition and measurement – Amendments regarding Eligible Hedge items

IFRS 2 Share-based Payment – Vesting Conditions and Cancellations

IFRS 7 Financial Instruments: Disclosures

IFRS 8 Operating segments

IFRIC 13 Customer Loyalty Programs

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFAS 2 Ijarah

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Company as disclosed in the annual financial statement for the year ended 31 December 2008 other than as stated below:

IAS 1 "Presentation of Financial Statements"

The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owners changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all items of recognised income and expense, either in one single statement, or in two linked statements. However, as the Company does not have any comprehensive income, a separate statement of comprehensive income has not been presented in these interim condensed financial statements.

IFRS 7 "Financial Instruments: Disclosures"

This standard prescribes presentation and disclosure requirements in respect of financial instruments including qualitative and quantitative information about exposure to risks arising from financial instruments such as credit risk, liquidity risk and market risk. The Company will include such requirements in the financial statements for the year ending December 31, 2009.

4 CHANGE IN ACCOUNTING ESTIMATES

During the period, the management has changed the estimates of the useful lives of operating fixed assets and intangible assets. The management is of the view that revised estimates of useful lives better reflect the inflow of economic benefits associated with the said assets.

Operating fixed assets

	Previous Useful life (years)	**Revised Useful life (years)**
Building on freehold land	35	25 to 30
Plant and machinery	15 to 30	30
Office equipment	10	5 to 10
Computers and low voltage equipment	3	5
Vehicles	8	4 to 5
Laboratory equipment	10 to 20	30
Workshop equipment	7 to 20	30
Intangibles	3	5

The above change has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standards (IAS-8) "Accounting Policies, Changes in Accounting Estimate and Errors" whereby the effect of this change is recognized prospectively. Had the Company not made the above change in accounting estimates, depreciation on operating fixed assets and amortization on intangibles for the period would have increased by Rs. 139,963,534 and Rs. 807,888 respectively and net loss before tax would have increased by Rs. 140,771,422.

		Note	**(Unaudited) 30 June 2009 Rupees**	(Audited) 31 December 2008 Rupees
5	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating Fixed Assets - at written down value	5.1	**16,916,517,282**	17,228,626,797
	Capital Work in Progress - at cost	5.2	**41,697,576**	19,287,624
			16,958,214,858	17,247,914,421
5.1	Opening written down value		**17,228,626,797**	17,157,384,852
	Additions / transfers during the period / year	5.1.1	**67,515,452**	1,019,530,235
	Disposals / transfers during the period / year	5.1.2	**(48,965,711)**	(33,042,182)
	Depreciation for the period / year		**(330,659,256)**	(915,246,108)
			16,916,517,282	17,228,626,797

		(Unaudited) 30 June 2009 Rupees	(Audited) 31 December 2008 Rupees
5.1.1	**Additions/transfers during the period / year (including transfers from capital work-in-progress of Rs. 9.73 million) (31 December 2008: Rs. 995.082 million)**		
	Freehold land	-	463,127
	Building	-	919,366,129
	Plant and machinery	-	68,622,744
	Furniture & fixtures	**3,953,660**	-
	Office equipment	-	7,571,034
	Workshop equipment	-	5,214,366
	Labortary equipment	**6,906,334**	1,423,205
	Vehicles - owned	**56,655,458**	7,070,900
	Vehicles - leased	-	1,335,968
	Computers	-	8,462,762
		67,515,452	1,019,530,235

		(Unaudited) 30 June 2009 Rupees	(Audited) 31 December 2008 Rupees
5.1.2	**Disposals/transfers during the period / year**		
	Plant and machinery	**-**	(31,622,698)
	Vehicles - leased	**(48,965,711)**	(1,419,484)
		(48,965,711)	(33,042,182)
5.2	**CAPITAL WORK IN PROGRESS**		
	Opening balance	**19,287,624**	804,833,663
	Additions during the period / year	**32,140,900**	209,536,142
	Transfers during the period / year	**(9,730,948)**	(995,082,181)
		41,697,576	19,287,624
6	**INTANGIBLES**		
	Opening written down value	**4,102,705**	7,148,514
	Additions during the period / year	**-**	-
	Amortization	**(571,951)**	(3,045,809)
		3,530,754	4,102,705
7	**DEFERRED TAXATION**		
	This comprises of the following temporary differences:		
	Accelerated tax depreciation	**(3,772,322,827)**	(3,772,322,827)
	Liabilities against assets subject to finance lease	**13,942,788**	13,942,788
	Unabsorbed tax losses	**4,507,727,268**	4,507,727,268
		749,347,229	749,347,229

In accordance with its accounting policy, the Company, with effect from 01 July 2008, has suspended the recognition of further deferred tax asset as a result of which the Company has not recognized deferred tax asset on net deductible temporary differences amounting to Rs. 1,743 million as at 30 June 2009 (31 December 2008: Rs. 1,828 million).

8	**STORES, SPARES AND SUPPLIES**		
	Spare parts	**732,626,475**	647,490,241
	Fuel	**197,624,774**	913,753,238
	Spare parts and fuel - In transit	**169,335,434**	892,591,742
		1,099,586,683	2,453,835,221
9	**ADVANCES - Considered good**		
	Unsecured		
	Executives	**1,228,529**	506,795
	Employees	**5,563,845**	1,179,168
	Suppliers and contractors	**11,239,008**	38,985,509
	Current portion of long-term advance	**10,329,500**	10,329,500
		28,360,882	51,000,972
	Secured		
	Suppliers and contractors	**4,254,250**	610,000
	Tax deducted at source	**149,217,876**	97,616,916
		181,833,008	149,227,888

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2009 (UN-AUDITED)

10 SHARE CAPITAL

Number of shares 30 June 2009	Number of shares 31 December 2008		(Unaudited) 30 June 2009 Rupees	(Audited) 31 December 2008 Rupees
		Authorized capital		
		Ordinary shares of Rs. 10/- each		
2,250,000,000	2,250,000,000		**22,500,000,000**	22,500,000,000
		Issued, subscribed and paid-up		
		Ordinary shares of		
1,312,644,488	1,312,644,488	Rs.10/- each issued for cash:	**13,126,444,880**	13,126,444,880
1,312,644,488	1,312,644,488		**13,126,444,880**	13,126,444,880

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

		Note	(Unaudited) 30 June 2009 Rupees	(Audited) 31 December 2008 Rupees
11	**LONG-TERM FINANCING - Secured**			
	Opening balance		**5,702,368,898**	7,015,937,230
	Repayments made during the period / year		**(656,784,256)**	(1,313,568,512)
			5,045,584,642	5,702,368,718
	Less: current portion shown under current liabilities		**(1,313,568,512)**	(1,313,568,332)
			3,732,016,130	4,388,800,386
12	**OTHER LONG-TERM LIABILITIES**			
	Unsecured			
	Due to related parties			
	Technical services and royalty	12.1	**1,446,999,740**	1,297,820,113
	Imputed deferred interest		**(18,000,000)**	(27,000,000)
			1,428,999,740	1,270,820,113
	Industrial franchise fee	12.2	**147,092,985**	-
			1,576,092,725	1,270,820,113

12.1 During the last year, the Company filed an application with the State Bank of Pakistan (SBP) for the registration of its Royalty agreement with a related party. The said application has been rejected by the SBP on January 09, 2009 due to time bar. The Company is currently planning to take up this matter with the SBP along with the matter of getting the Technical Services Agreement with another related party approved by the SBP. Although the management expects that these agreements would be approved by the SBP in the near future to enable it to repatriate the outstanding balance of Technical services and royalty to the related parties, it is of the view that the payment of this sum is not likely to be made before 30 June 2010 and, hence, shown the same under long-term liabilities. The related party has also confirmed that the amount is due in the year 2010. The amount payable has been discounted to the present value of future cash flows at the rate of 1.75% per annum.

12.2 During the current period, the Company has entered into an Industrial Franchisee Agreement (IFA) with Lafarge S.A France (the ultimate Parent Company) under which the Company will pay industrial franchise fee @ 3% p.a. of net sales effective from 01 January 2009. This IFA has replaced the previous Royalty agreement with another related party (Refer note 12.1).

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

a) The Company has issued post dated cheques, aggregating to Rs. 72.034 million (December 31, 2008: Rs. 92.813 million) in favour of the Collector of Customs against the import duty of polypropylene sacks.

b) The Company has issued bank guarantee of Rs. 436.642 million in favour of Sui Northern Gas Pipelines Limited for supply of natural gas at plant.

c) The Revenue Officer, District Chakwal, raised a demand of Rs. 270.58 million being short fall 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 and the Company finally filed a revision petition with the Lahore High Court, Rawalpindi Bench which was dismissed by an order dated 15 April 2008.The Company has filed petition for leave to appeal against the said order in Supreme Court of Pakistan.The appeal has been allowed by the Supreme Court vide their order dated 19 June 2009.The case has been remanded to the High Court for rehearing on merits. 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 favour of the Company.

d) Income tax authorities have finalized tax assessments of the Company up to and including assessment year 2003-2004 (year ended 30 June 2003). Tax returns for tax years 2004 to 2007 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 date of filing of returns.

e) The Company's Income Tax return for tax year 2008 has been selected for tax audit under section 177 of the Income Tax Ordinance, 2001, which is in progress.

f) The Company has dispute with its contractor M/S Design & Engineering for construction of approach road to the plant. The contractor has a claim of PKR 597.605 million against the Company while Company has filed a counter claim of PKR 519.89 million against the contractor. The matter has been referred to the Joint Arbitrators under the Arbitration Act 1940 and arbitration proceedings are in process.

The Company holds performance guarantee and post dated cheque of Rs. 24.5 million, as security from M/s Design & Engineering Systems. Further, a sum of Rs. 5.046 million due to Design & Engineering Systems as retention money is also outstanding as at 30 June 2009. 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 favour of the Company.

g) The Company had issued bank guarantee of Rs. 40.64 million to Sales Tax authorities against tax refunds issued for the period August 2005 to March 2006. The refund verification is in progress. Although the guarantee has expired on 24 January 2009, it has not been released to date by the Sales Tax authorities.

		(Unaudited) 30 June 2009 Rupees 000'	(Audited) 30 December 2008 Rupees 000'
13.2	**Commitments**		
a)	Outstanding letters of credit	**524,444**	163,443
b)	Leased land comprising of quarry lease of 1,337 kanals and 58.8 kanals.	**94,653**	95,165

14 TRANSACTIONS WITH RELATED PARTIES

Pakistan Cement Holding Limited (PCH) holds 51.55% and Camden Holding PTE Limited (CHL) holds 21.67% shares of the Company at the end of the period. Lafarge S.A., France is the ultimate parent company ("the Ultimate Parent Company") of the Company by virtue of indirect holding in PCH and CHL, through Lafarge Building Materials Holding. Therefore, all related parties of PCH, CHL and Lafarge S.A., France are related parties of the Company. The related parties also comprise of directors, shareholders, key management personnel and entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties during the period are as follows:

	(Unaudited) 30 June 2009 Rupees	(Unaudited) 30 June 2008 Rupees
Related parties by virtue of group holding		
Transactions		
-Technical services accrued to a related party	**138,631,706**	128,703,243
-Royalty accrued to a related party	-	48,733,720
-Industrial franchise fee	**147,092,985**	-
-Shareholders' loan converted to equity (Principal Plus Interest)	**-**	1,781,295,519
-Sales	**341,238,393**	451,142,588
-Receipts against sales	**324,116,734**	294,109,618
Balances		
- Payable to ultimate parent company at period end	**59,439,397**	762,425
- Payable to related parties by virtue of group holding at period end	**1,516,605,827**	1,296,592,882
Other Related Parties		
-Remuneration including benefits and perquisites of Directors and other executives. Number of Persons 2009: 2 and 45 respectively (2008: 2 and 33 respectively)	**56,136,391**	48,358,800
-Employer contributions to provident fund	**5,669,494**	5,926,717
-Amount due from / (to) Employees Provident Fund	**(128,386)**	406,000

Related party transactions are carried out on commercial terms as approved by the Board of Directors.

15 COMPARATIVE FIGURES

Prior period's figures have been reclassified, wherever necessary, for better presentation.

16 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements have been authorized for issue by the Board of Directors of the Company on August 26, 2009.

17 GENERAL

- Figures presented in these interim condensed financial statements have been rounded off to the nearest Rupee, unless otherwise stated.
- The figures of the profit and loss account for the quarters ended 30 June 2009 and 30 June 2008 have not been subject to a limited scope review, as the scope of the review covered only the cummulative figures for the half years ended 30 June 2009 and 30 June 2008.

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

Bilal Hamid Javaid
Director