

CEMENT

3rd Quarter Report

2010

July - September

Cementing Strength



bringing materials to *life*

LAFARGE PAKISTAN CEMENT Ltd.



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World leader in building materials, **LAFARGE** extracts resources from the heart of the earth to make materials to bring to the heart of life. **LAFARGE** is the world leader in building materials, with top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum.

**With 78,000 employees in 78 countries,
LAFARGE posted sales of Euros 15.8
billion in 2009.**

The Group responds to the world's demand for housing and infrastructure. **LAFARGE** is driven by the needs of its customers, shareholders, local communities and architects. The Group creates high value-added solutions which encourage creativity whilst leaving a lighter trace on the world.

In 2010 and for the sixth year in a row, **LAFARGE** was listed in the 'Global 100 Most Sustainable Corporations in the World'. 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.



Company Information

Board of Directors

Mr. Ahmad Said Heshmat Hassan
Chairman
Maj. Gen. (R) Rehmat Khan
Chief Executive Officer
Mrs. Amal Tantawi
Mr. Amr Ali Reda
Mr. Ashraf Abouelkheir
Mr. Bilal Hamid Javaid
Mr. Shahid Anwar (Nominee NIT)

Audit Committee

Mr. Ahmad Said Heshmat Hassan
Chairman
Mrs. Amal Tantawi
Mr. Amr Ali Reda
Mr. Ashraf Abouelkheir

Company Secretary

Ms. Sarah Farooq

Chief Financial Officer

Mr. Bilal Hamid Javaid

Auditors

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



Company Information

Bankers

Allied Bank Limited
Askari Bank Limited
Citibank N.A.
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Royal Bank of Scotland
United 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) 34325482-87
Fax # : (92-21) 34325442

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,
Chakwal - Pakistan.

DIRECTORS' REVIEW



Your Directors are pleased to present the accounts of the Company for the third quarter ended on 30th September, 2010 in compliance with Section 245 of the Companies Ordinance, 1984.

The country has faced a major catastrophe during this quarter as there were unprecedented floods which affected overall economic activity and heavily the constructions sector in particular. Therefore local sales throughout the cement industry have shown a decline in this quarter as compared to the corresponding period last year. Domestic sales volumes declined by 16% and exports by 21%. Similarly, capacity utilization across the industry was calculated at the rate of 62% for this quarter¹.

LPCL's volumes were also reflective of the overall industry situation; there was a reduction of 37% in local sales compared to last year, however no significant change in export was recorded. Although overall capacity utilization of the Company was 70%, which is higher than the industry, the local volumes were below the

industry average as we focused on higher prices as opposed to volumes.

The Company's net sales declined from Rs. 6410 million in nine month last year to Rs. 5039 million this year as the industry continued to face the consequences of oversupply. Operating loss for this period was recorded at Rs. 298 million.

Political and security situation also contributed towards the difficulties of the cement industry but the Company has shown steady improvement on all fronts, over the course of 2010 in terms of cost cutting. Despite the negative fundamentals we are optimistic about the immediate future of the industry as in the aftermath of the floods reconstruction of housing and infrastructure has to be done which will inevitably enhance demand.

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

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Rehmat Khan', written in a cursive style.

Islamabad:
October 25, 2010

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

¹Source for Volumes & Capacity Utilization: APCMA

CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2010 (UN-AUDITED)

	Note	31 September 2010 Un-audited Rupees	31 December 2009 Audited Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	16,286,122,633	16,687,997,614
Intangibles	5	2,640,235	2,958,803
		16,288,762,868	16,690,956,417
Long-term advances		62,295,336	77,868,592
Long-term deposits		39,994,227	40,578,283
Deferred taxation		749,347,229	749,347,229
		17,140,399,660	17,558,750,521
CURRENT ASSETS			
Stores and spares		1,180,374,170	937,101,437
Stock-in-trade		617,737,813	724,360,867
Trade debts		3,989,932	76,614,388
Advances		61,083,384	37,537,844
Short-term prepayments		71,875,715	54,652,098
Interest accrued		588,948	992,063
Taxation - net		334,178,330	218,518,014
Other receivables		126,729,474	24,454,058
Cash and bank balances		22,808,592	71,260,931
		2,419,366,358	2,145,491,700
TOTAL ASSETS		19,559,766,018	19,704,242,221
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
2,250,000,000 (2009: 2,250,000,000) Ordinary shares of Rs. 10 each		22,500,000,000	22,500,000,000
Issued, subscribed and paid up		13,126,444,880	13,126,444,880
Reserves			
Capital reserve		198,965,572	198,965,572
Accumulated losses		(4,606,515,991)	(3,561,482,745)
		(4,407,550,419)	(3,362,517,173)
NON - CURRENT LIABILITY		8,718,894,461	9,763,927,707
Long-term financing	6	1,761,663,368	3,075,231,877
CURRENT LIABILITIES			
Trade and other payables		1,161,862,371	1,138,713,140
Payable to related parties	7	2,078,055,826	1,834,381,231
Accrued mark-up		126,010,562	261,290,823
Short-term borrowings		4,399,710,916	2,317,128,929
Current maturity of long term financing		1,313,568,514	1,313,568,514
		9,079,208,189	6,865,082,637
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		19,559,766,018	19,704,242,221

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



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



Bilal Hamid Javid
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	Nine months ended		Quarter ended	
	30 Sep 2010 Rupees	30 Sep 2009 Rupees	30 Sep 2010 Rupees	30 Sep 2009 Rupees
NET SALES	5,039,724,087	6,410,261,436	1,615,892,189	1,952,898,253
Cost of sales	(4,654,582,322)	(5,508,240,446)	(1,382,781,422)	(1,636,010,343)
GROSS PROFIT	385,141,765	902,020,990	233,110,767	316,887,910
Distribution costs	(378,863,496)	(287,677,723)	(115,822,884)	(129,878,956)
Administrative expenses	(322,324,899)	(412,627,807)	(114,167,073)	(124,360,581)
Other operating expenses	(41,273)	(20,792,117)	-	(20,792,117)
Other operating income	17,980,101	12,141,890	2,103,325	4,058,883
	(683,249,567)	(708,955,757)	(227,886,632)	(270,972,771)
OPERATING (LOSS) / PROFIT	(298,107,802)	193,065,233	5,224,135	45,915,139
Finance costs	(724,068,848)	(956,767,274)	(339,675,355)	(330,118,397)
LOSS BEFORE TAXATION	(1,022,176,650)	(763,702,041)	(334,451,220)	(284,203,258)
Taxation - Current	(22,856,596)	(18,311,581)	(7,509,440)	(7,286,412)
NET LOSS FOR THE PERIOD	(1,045,033,246)	(782,013,622)	(341,960,660)	(291,489,670)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,045,033,246)	(782,013,622)	(341,960,660)	(291,489,670)
LOSS PER SHARE - Basic and diluted	(0.80)	(0.60)	(0.26)	(0.22)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



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



Bilal Hamid Javaid
Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	30 Sep 2010 Rupees	30 Sep 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,022,176,650)	(763,702,041)
Adjustments for non cash items:		
Depreciation	467,442,944	493,655,907
Amortization of intangibles	867,068	857,927
Finance costs	733,108,748	854,722,715
Exchange (gain) /loss	(9,039,900)	122,836,676
Income on financial assets	(1,324,181)	(1,635,364)
(Gain) / loss on disposal / written off of fixed assets	(2,735,084)	1,612,620
	<u>1,188,319,595</u>	<u>1,472,050,481</u>
Operating profit before working capital changes	166,142,945	708,348,440
Changes in working capital:		
Increase in advances	(23,545,540)	(62,385,797)
(Increase) / decrease in stores and spares	(243,272,733)	1,381,564,539
Decrease in stock in trade	106,623,054	306,806,298
(Increase) in short term prepayments	(17,223,617)	(7,559,949)
(Increase) / decrease in other receivables	(102,275,416)	104,273,193
Decrease in trade debts	72,624,456	24,249,084
Increase in trade and other payables	266,823,829	473,107,066
	<u>59,754,033</u>	<u>2,220,054,434</u>
Cash generated from operations	225,896,978	2,928,402,874
Interest received on financial assets	1,727,295	2,677,839
Income tax paid	(138,516,912)	(18,311,581)
	<u>89,107,361</u>	<u>2,912,769,132</u>
Net cash (used in) / generated from operating activities	89,107,361	2,912,769,132
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(68,718,988)	(99,564,068)
Proceeds from disposal of property, plant and equipment	5,337,607	-
Long-term advance received	15,573,256	10,329,500
Long-term deposits received	584,056	517,586
Net cash used in investing activities	(47,224,069)	(88,716,982)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loan	(1,313,568,509)	(1,313,568,449)
Lease rentals paid	-	(33,288,272)
Finance costs paid	(859,349,109)	(1,270,435,173)
Net cash used in financing activities	(2,172,917,618)	(2,617,291,894)
Net (decrease) in cash and cash equivalents	(2,131,034,326)	206,760,256
Cash and cash equivalents at the beginning of the period	(2,245,867,998)	(2,362,600,782)
Cash and cash equivalents at the end of the period	<u>(4,376,902,324)</u>	<u>(2,155,840,526)</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



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



Bilal Hamid Javid
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	SHARE CAPITAL Issued, subscribed and paid up	CAPITAL RESERVE		ACCUMULATED LOSSES	TOTAL
	Rupees	Share Premium Rupees	Other Rupees	Rupees	Rupees
Balance at 1 January 2009	13,126,444,880	190,476,700	-	(2,282,517,978)	11,034,403,602
Total comprehensive loss for the period	-	-	-	(782,013,622)	(782,013,622)
Balance at 30 Sep 2009	13,126,444,880	190,476,700	-	(3,064,531,600)	10,252,389,980
Balance at 1 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 period	-	-	-	(1,045,033,246)	(1,045,033,246)
Balance at 30 Sep 2010	13,126,444,880	190,476,700	8,488,872	(4,606,515,991)	8,718,894,461

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



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



Bilal Hamid Javaid
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

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 listed on all the three Stock Exchanges of Pakistan. The principal activity of the Company is to manufacture 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 Company is Lafarge S.A., France. The registered office of the Company is located at 18-B, Kaghan Road, F-8 Markaz, Islamabad.

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements are unaudited 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 2009.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2009 except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the period:

IFRS 2 – Share-based Payments: Amendments relating to Group Cash-Settled Share-based Payment Transactions.

IFRS 3 – Business Combinations (Revised).

IAS 27 – Consolidated and Separate Financial Statements (Amendment).

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

IFRIC 17 - Distributions of Non-cash Assets to owners.

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

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)
IAS 32 - Financial Instruments: Presentation - Classification of Right Issues (Amendment)	01 February 2010
IAS 24 - Related Party Disclosures (Revised)	01 January 2011
IFRIC 14 - IAS 19 – The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction (Amendments)	01 January 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	01 July 2010

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	Note	(Un-audited) 30 September 2010 Rupees	(Audited) 31 December 2009 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at written down value	4.1	16,142,572,572	16,605,289,410
Capital work-in-progress at cost	4.2	143,550,061	82,708,204
		16,286,122,633	16,687,997,614
4.1 Opening written down value		16,605,289,410	17,228,626,797
Additions / transfers during the period / year	4.1.1	7,328,629	39,844,495
Disposals during the period / year	4.1.2	(2,602,523)	(7,479,802)
Depreciation for the period / year		(467,442,944)	(655,702,080)
		16,142,572,572	16,605,289,410
4.1.1 Additions / transfers during the period / year			
Building on freehold land		6,927,204	1,854,806
Furniture and fittings		-	4,415,168
Computers and low voltage equipment		401,425	6,321,115
Vehicles		-	7,689,747
Laboratory equipment		-	11,187,081
Workshop equipment		-	8,376,578
		7,328,629	39,844,495
Additions during the period include transfers from capital work-in-progress amounting to Rs. 6.611 million (31 December 2009: Rs. 27. 517 million).			
4.1.2 Disposals during the period / year			
Vehicles			
Cost		8,819,709	19,445,663
Accumulated Depreciation		(6,217,186)	(11,965,861)
		2,602,523	7,479,802
4.2 Capital work-in-progress			
Opening balance		82,708,204	19,287,624
Additions during the period / year		67,452,571	90,937,958
Transfers during the period / year		(6,610,714)	(27,517,378)
		143,550,061	82,708,204
5. INTANGIBLES			
Opening written down value		2,958,803	4,102,705
Additions during the period / year		548,500	-
Amortization for the period / year		(867,068)	(1,143,902)
		2,640,235	2,958,803

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	Note	(Un-audited) 30 September 2010 Rupees	(Audited) 31 December 2009 Rupees
6	LONG-TERM FINANCING - Secured		
	Opening balance	4,388,800,391	5,702,368,899
	Repayments made during the period	(1,313,568,509)	(1,313,568,508)
		<u>3,075,231,882</u>	<u>4,388,800,391</u>
	Current portion shown under current liabilities	(1,313,568,514)	(1,313,568,514)
		<u>1,761,663,368</u>	<u>3,075,231,877</u>
7	PAYABLE TO RELATED PARTIES		
	Technical services and royalty	1,653,335,158	1,543,013,469
	Industrial franchise fee	424,720,668	291,367,762
		<u>2,078,055,826</u>	<u>1,834,381,231</u>

7.1 In 2008, the Company filed an application with the State Bank of Pakistan (SBP) for the registration of its Royalty agreement with a related party. The application was rejected in 2009 by SBP due to a time bar. The Company is currently planning to contest the decision of SBP and is simultaneously seeking approval for a Technical Services Agreement (with another related party) from SBP. The Company expects that these agreements will be approved by the SBP in the near future, and will enable it to repatriate the outstanding balance of Technical Services Fee and Royalty Fee to the related parties.

7.2 During the prior year, the Company entered into an Industrial Franchise Agreement (IFA) with Lafarge S.A., France (the ultimate parent company) under which the Company will pay a franchise fee @ 3% p.a. of net sales effective from 01 January 2009. The amount is payable in Euros on a quarterly basis. This IFA has replaced the previous Royalty agreement with another related party (Refer Note 7.1).

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies:

- The Company has issued post dated cheques, aggregating to Rs. 14.034 million (2009: Rs. 23.410 million) in favour of the Collector of Customs against the import duty of polypropylene sacks.
- The Company has issued a bank guarantee of Rs. 146 million (2009: 436.642 million) in favour of Sui Northern Gas Pipelines Limited in lieu of security deposits against supply of natural gas at the plant.
- The Revenue Officer, District Chakwal, raised a demand of Rs. 270.58 million (2009: 270.58 million), being the amount of short fall in stamp duty paid and the related 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 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 these condensed interim 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

- d) The Competition Commission of Pakistan (CCP) has passed an order against all cement manufacturers including the Company; in which it alleges that the Company was involved in cartelization activities with other cement manufacturers and has imposed a fine of Rs. 405 million. The Company has filed an appeal before the Lahore High Court which is pending adjudication. No provision has been made in these condensed interim 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) In May 2010, the taxation officer issued notice for the amendment of an assessment under section 122 of the Income Tax Ordinance 2001, for the tax year 2009 on the basis of a desk audit. The notice has been responded to and no further action has been taken to date by the taxation officer. Further, the taxation officer has commenced a tax audit for the tax year 2008 under section 177 of the the Income tax ordinance 2001, which is in progress, therefore no provision has been made in these condensed interim financial statements in this regard.
- f) In May 2010, the Assistant Commissioner Inland Revenue (ACIR) had passed certain Orders - in - Original for the prior audit periods, in relation to inadmissible claims of input tax credit, non-payment of FED on fee for technical services, royalty and sales tax not collected on scrap sales. Resultant demand of Rs. 76.04 million in aggregate was raised against the Company along with default surcharge and penalty.

The Company had filed appeals with the Commissioner Inland Revenue (Appeals) against the aforesaid orders. Consequently demand of Rs. 54.17 has been deleted with the comments that it will be paid at the time of payment instead of on accrual basis. However an appeal before Appellate Tribunal is being filed with the contention that the Federal Excise Duty is not applicable under the provisions of the FE Act for the period up till June 2008.

Company has voluntarily paid Rs. 6.07 million GST on scrap sales. However remaining demand of Rs. 15.8 million on account of inadmissible input tax has been remanded back by Commissioner Inland Revenue (Appeals) to the assessing officer. A second appeal is being filed with Appellate Tribunal with the contention that Commissioner of Appeal has not given clear direction for nullifying the demand against inadmissible input tax.

The appeals are under process and decessions thereof, therefore, no provision has been made in these condensed interim financial statements in this regard.

	(Un-audited) 30 September 2010 Rupees	(Audited) 31 December 2009 Rupees
8.2 Commitments:		
a) Outstanding letters of credit	<u>286,304,424</u>	<u>413,919,500</u>
b) Leased land comprising of quarry lease of 1,337 kanals and 58.8 kanals.	<u>93,254,260</u>	<u>94,091,500</u>

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company, the parent company, associated undertakings, the employee retirement benefit plan and key management personnel. Details of transactions with related parties during the period, are as follows:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	(Un-audited) 30 September 2010 Rupees	(Un-audited) 30 September 2009 Rupees
The Ultimate Parent Company		
- Services received	15,816,219	-
- Royalty expense under Industrial Franchise Agreement (IFA)	182,681,589	211,538,627
Associates		
- Technical assistance fee and other expenses	30,215,259	179,089,614
- Services provided	10,441,204	1,049,034
- Sales	108,642,657	353,441,961
- Receipts against sales	173,359,409	347,522,932
Balances		
- Payable to ultimate parent company at period end	447,540,363	228,497,917
- Payable to related parties by virtue of group holdings at the period end	1,309,995,244	1,502,996,562
Other Related Parties		
- Remuneration including benefits and perquisites of Directors and other executives. Number of persons 2010: 2 and 52 respectively (2009 : 4 and 45)	154,995,295	83,368,226
- Contributions to Provident Fund Trust	9,814,592	8,808,729
- Amount due from / (to) Employees Provident Fund	-	(181,893)

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

10. COMPARATIVE FIGURES

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

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on October 25, 2010.

12. GENERAL

Figures presented in these condensed interim financial statements have been rounded off to the nearest Rupee.



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



Bilal Hamid Javaid
Director

LAFARGE PAKISTAN CEMENT Ltd.

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