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For the period ended
September 30, 2012

Corporate Information

Board of Directors

Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Mohammad Aftab Alam
Syed Anwer Ali
Mr. Faisal Imran Hussain Malik
Mr. Saleem Shahzada
Mr. Cevdet Dal
Mr. Shazib Masud
Mr. Javed Haider (NBP)
Mr. Rafique Dawood (FDIB)
Syed Mazher Iqbal (MD & CEO)

Audit Committee

Mr. Rafique Dawood (FDIB) - Chairman
Mr. Saleem Shahzada
Mr. Mohammad Aftab Alam
Mr. Javed Haider (NBP)
Mr. Shafiuddin Ghani Khan

Human Resource Committee

Mr. Shafiuddin Ghani Khan
Mr. Mohammad Aftab Alam
Syed Mazher Iqbal (MD & CEO)

Chief Financial Officer

Mr. Waqar Naeem

Company Secretary

Syed Anwar Ali

Chief Internal Auditor

Mr. Jamal-ud-Din

Executive Director Operation

Sh. Javed Elahi

Statutory Auditors

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

Cost Auditors

Javed Iqbal & Company

Legal Advisor

Hassan & Hassan

Bankers

Askari Commercial Bank Limited
Bank Al Habib Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited

Registered / Head Office

135 Ferozepur Road
Lahore, Pakistan.
Telephone: (042) 37503570-72
Fax: (042) 37503573-74
Email: pioneer@pioneercement.com

Website: www.pioneercement.com

Sales Offices

10-Officers Colony, Basan Road,
Opp. Jinnah High School,
Multan, Pakistan
Telephone (061)6510404
Fax: (061) 6510405

Office No 3, 2nd floor, Sitara Tower,
Bilal chowk, New Civil Lines
Faisalabad, Pakistan.
Telephone: (041) 2630030, 2640406-7
Fax: (041) 2630923

Marketing and Shares Office

135 Ferozepur Road
Lahore, Pakistan.
Telephone: (042) 37503570-72
Fax: (042) 37503573-74
Email: pclahore@pioneercement.com
shares@pioneercement.com

Factory

Chenki, District Khushab,
Punjab, Pakistan.
Telephone: (0454) 720832-3
Fax: (0454) 720832
Email: factory@pioneercement.com



Directors' Report to the Shareholders

for the Quarter ended September 30, 2012

The directors of your Company are pleased to present the first quarter report for the financial year 2012-13 for the period ended September 30, 2012.

The Cement Sector:

The cement sector witnessed some price stability during the first quarter ended September 2012 which provided a breather to the cement manufacturers. The overall cement dispatches at sector level were increased by 2.8%, constituting an increase of 5.3% in domestic dispatch and a decline of 2.7% in exports, when compared to corresponding period last year. The sector is still starving for a higher domestic demand as the local sales during the quarter were still 48.6% of total installed production capacity compared to 46.1% in corresponding quarter last year.

Business Performance:

During period under review, the Company produced 200,778 tons clinker compared to 247,162 tons produced in same period last year, a decline of 18.8%. This translated into capacity utilization of 40.3% compared to 49.6% in same period last year. The low capacity utilization during the quarter was due to buildup of adequate stock level of clinker in previous quarter for planned shutdown to carry out maintenance work at the start of the current fiscal year. The cement production was marginally higher during the period under review at 279,920 tons against 276,029 tons produced in corresponding quarter last year.

The volumetric sales during the quarter of 275,498 tons were a slight improvement over 274,727 tons dispatched in corresponding quarter previous year. The domestic dispatches were 223,704 tons whereas exports were 51,794 tons compared to 224,147 tons and 50,580 tons respectively in corresponding period last year.

Financial Performance:

The summary of key financial results for the period ended September 30, 2012 is as follows:

	Jul - Sep 2012	Jul - Sep 2011	Variance	
	Rupees in million			%
Net Sales	1,618.76	1,348.01	270.75	20.09
Cost of Sales	1,210.38	1,106.33	104.05	9.40
Gross Profit	408.38	241.68	166.70	68.98
Operating Expenses	48.19	24.54	23.65	96.37
Operating Profit	360.19	217.14	143.05	65.88
Finance and Other Costs	95.37	178.40	(83.03)	(46.54)
Pretax Profit	264.82	38.74	226.08	583.58
Earnings per Share (Rupees)	1.07	0.06	1.01	1683.33

The net sales revenue increased by 20.1% over corresponding period last year on account of stable net selling prices and improved sales in high retention areas. The cost of sale had also increased by about 9.4% on account of increased power tariff and general inflation.

Directors' Report to the Shareholders

for the Quarter ended September 30, 2012

Your Company was able to achieve a Gross Profit margin of 25.2% compared to 17.9% in same period last year. The distribution cost of Rs.18.0 million is an increase of 71.3% over Rs.10.5 million incurred in similar period last year. The increase is mainly attributable to freight charges which increased by Rs.6.2 million on exports to India. In corresponding period last year there were no exports to India. The admin expense increased from Rs.13.2 million to Rs.14.4 million an increase of 9.4% mainly due to increase in office rent on shifting to Lahore in February 2012 and annual increments to staff.

Other operating expenses of Rs.19.6 million mainly represent WPPF cost which is in line with the increase in profit before tax over same period last year. The operating profit for the period stood at Rs.360.2 million compared to Rs.217.1 million in same period last year which is 65.9% higher. Finance cost of Rs.55.8 million is a reduction of 40.7% over same period last year due to better management of funds with improved liquidity, repayments of financial obligations and reduction in discount rate during the quarter under review. Similarly exchange loss on foreign currency loans declined to Rs.39.6 million from Rs.84.2 million in similar period last year.

Your Company earned a pretax profit for the quarter amounting Rs.264.8 million, compared to Rs.38.7 million earned in corresponding period. The after tax profit for the quarter under review of Rs.242.3 million is a quantum leap over the modest profit of Rs.13.9 million made in same period last year.

The earnings per share for period were Rs.1.07 per share compared to Rs.0.06 per share in corresponding period.

Acknowledgement:

The Board is thankful to all the stakeholders including shareholders, bankers, suppliers, distributors, employees and regulators for their continued support, trust and cooperation.



Syed Mazher Iqbal
Chief Executive Officer

November 07, 2012
Lahore

Condensed Interim Balance Sheet

As at September 30, 2012

	Note	September 30 2012 Un-audited	June 30 2012 Audited
----- (Rs. in '000') -----			
ASSETS			
Non - Current Assets			
Property, plant and equipment	4	8,089,300	8,130,414
Intangible assets		714	769
		8,090,014	8,131,183
Long term deposits		38,292	38,292
		8,128,306	8,169,475
Current Assets			
Stores, spares and loose tools	5	1,227,221	1,050,927
Stock-in-trade	6	321,545	425,858
Trade debts - unsecured, considered good		21,029	28,236
Loans and advances		31,318	54,434
Deposits and short term prepayments		12,913	10,585
Other receivables		23,175	25,679
Taxation - net		82,130	76,418
Cash and bank balances	7	329,637	268,909
		2,048,968	1,941,046
TOTAL ASSETS		10,177,274	10,110,521
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid-up capital		2,271,489	2,271,489
Reserves		1,120,185	864,975
		3,391,674	3,136,464
Surplus on revaluation of fixed assets - net of deferred tax		1,768,646	1,781,541
Non - Current Liabilities			
Long term loans - secured	8	98,661	115,728
Liabilities against assets subject to finance lease	9	36,994	43,971
Deferred liabilities		551,030	536,039
Long term deposits		3,415	3,400
		690,099	699,138
Current Liabilities			
Trade and other payables		737,492	816,168
Accrued interest / markup		518,779	489,632
Short term murabaha - secured		-	43,853
Short term borrowings - secured	10	171,327	223,707
Current portion of long term liabilities	11	2,882,485	2,903,658
Sales tax - net		16,771	16,360
		4,326,854	4,493,378
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		10,177,274	10,110,521

The accounting policies and explanatory notes form an integral part of these financial statements.

For the period ended
September 30, 2012

Syed Mazher Iqbal
Chief Executive Officer

Shafuddin Ghani Khan
Chairman / Director

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PIONEER CEMENT LIMITED


Condensed Interim Profit and Loss Account

for the Quarter ended September 30, 2012 (Un-audited)

	Note	September 30 2012 Un-audited	September 30 2011 Un-audited
		----- (Rs. in '000') -----	
Gross turnover		1,967,824	1,680,525
Excise duty		89,482	112,074
Sales tax		236,242	208,071
Rebate and commission		23,346	12,374
		349,070	332,519
Net turnover		1,618,754	1,348,006
Cost of sales	13	1,210,374	1,106,326
Gross profit		408,380	241,680
Distribution Cost		18,027	10,526
Administrative expenses		14,395	13,162
Other operating income		(3,853)	(1,190)
Other operating expenses		19,626	2,043
		48,195	24,541
Operating profit		360,185	217,139
Finance cost		55,804	94,167
Exchange loss		39,564	84,230
		95,368	178,397
Profit before taxation		264,817	38,742
Taxation - net		22,502	24,803
Profit after taxation		242,315	13,939
		----- (Rupees) -----	
Basic and diluted earnings per share	14	1.07	0.06

The accounting policies and explanatory notes form an integral part of these financial statements.

PIONEER CEMENT LIMITED



Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

Condensed Interim Statement of Comprehensive Income
for the Quarter ended September 30, 2012 (Un-audited)

	September 30 2012 Un-audited	September 30 2011 Un-audited
	----- (Rs. in '000') -----	
Profit for the period	242,315	13,939
Other comprehensive income	-	-
Total comprehensive income for the period	242,315	13,939

The accounting policies and explanatory notes form an integral part of these financial statements.


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

For the period ended
September 30, 2012

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PIONEER CEMENT LIMITED

Condensed Interim Cash Flow Statement

for the Quarter ended September 30, 2012 (Un-audited)

	Note	September 30 2012 Un-audited	September 30 2011 Un-audited
		----- (Rs. in '000') -----	
Cash Flow from Operating Activities	15	311,490	17,776
Income tax paid		(15,214)	(16,273)
Compensated absences paid		(3,256)	(1,005)
Dividend paid		(2)	-
		(18,472)	(17,278)
Decrease in long term loans		-	14
Decrease in long term deposits - net		15	16
		15	30
Net cash inflow from operating activities		293,033	528
Cash Flow from Investing Activities			
Capital expenditure		(26,866)	(3,455)
Proceeds from sale of fixed assets	15	15	19
Net cash out flow from investing activities		(26,851)	(3,436)
Cash Flow from Financing Activities			
(Repayment)/disbursement of murabaha finance		(43,853)	70,719
Repayment of long term loans		(66,422)	(53,319)
Repayments against leasing liabilities		(7,857)	(11,909)
Decrease in short term finances		(52,380)	(5,526)
Finance cost paid		(34,942)	(60,812)
Net cash out flow from financing activities		(205,454)	(60,847)
Net increase / (decrease) in cash and bank balances		60,728	(63,755)
Cash & bank balances at the beginning of the period		268,909	150,172
Cash & bank balances at the end of the period		329,637	86,417

The accounting policies and explanatory notes form an integral part of these financial statements.

PIONEER CEMENT LIMITED



Syed Mazher Iqbal
Chief Executive Officer




Shafiquddin Ghani Khan
Chairman / Director

Condensed Interim Statement of Changes in Equity for the Quarter ended September 30, 2012 (Un-audited)

	Issued, subscribed and paid - up capital	Capital reserve	Revenue reserve		
		share premium	Accumulated profit / (loss)	Total reserves	Total equity
	----- (Rupees in '000')-----				
Balance as at July 01, 2011	2,271,489	197,517	(2,381)	195,136	2,466,625
Profit for the year	-	-	601,517	601,517	601,517
Other comprehensive income	-	-	-	-	-
Total comprehensive income -net of tax	-	-	601,517	601,517	601,517
Surplus on revaluation of fixed assets realized through incremental depreciation charged on related assets for the period-net of tax	-	-	68,322	68,322	68,322
Balance as at June 30, 2012	2,271,489	197,517	667,458	864,975	3,136,464
Profit for the period	-	-	242,315	242,315	242,315
Other comprehensive income	-	-	-	-	-
Total comprehensive income -net of tax	-	-	242,315	242,315	242,315
Surplus on revaluation of fixed assets realized through incremental depreciation charged on related assets for the period-net of tax	-	-	12,895	12,895	12,895
Balance as at September 30, 2012	2,271,489	197,517	922,668	1,120,185	3,391,674

The accounting policies and explanatory notes form an integral part of these financial statements.


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

For the period ended
September 30, 2012

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PIONEER CEMENT LIMITED

Notes to the Condensed Interim Financial Statements

for the Quarter ended September 30, 2012 (Un-audited)

1 Legal Status and Nature of Business

1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on all stock exchanges in Pakistan. The registered office of the Company is situated at 135 Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab. The principal activity of the Company is manufacturing and sale of cement.

1.2 The Company commenced its operation with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons per day. During the year ended June 30, 2006, another production line of 4,300 tons per day clinker capacity was completed which started commercial operations from April 2006.

2 Basis of Preparation

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. These financial statements should be read in conjunction with the published financial statements of the Company for the year ended June 30, 2012.

3 Accounting Policies

The accounting policies adopted in the preparation of these condensed interim financial statement are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2012.

	Note	September 30 2012 Un-audited	June 30 2012 Audited
		----- (Rs. in '000') -----	
4 Property, Plant and Equipment			
Operating fixed assets	4.1	8,080,077	8,121,214
Capital work in progress	4.2	9,223	9,200
		<u>8,089,300</u>	<u>8,130,414</u>
4.1 Operating fixed assets			
Opening book value		8,121,214	8,597,289
Additions /Revaluation surplus/(deficit)		26,843	(108,956)
Deletion during the period (at book value)		(15)	(439)
Depreciation charged during the period		(67,062)	(365,175)
Amortized during the year		(902)	(1,505)
		<u>(67,980)</u>	<u>(367,119)</u>
		<u>8,080,077</u>	<u>8,121,214</u>

Notes to the Condensed Interim Financial Statements
for the Quarter ended September 30, 2012 (Un-audited)

	September 30 2012 Un-audited	June 30 2012 Audited
	----- (Rs. in '000') -----	
4.2 Capital Work in Progress		
Opening balance	9,200	15,685
Additions		
Plant and machinery	23	10,618
	9,223	26,303
Less: transferred to operating fixed assets	-	(17,103)
	9,223	9,200
5 Stores, Spares and Loose Tools		
Stores	662,518	502,201
Spare parts	355,257	375,255
Loose tools	6,176	6,214
	1,023,951	883,670
In transit		
Spares	59,429	12,262
Coal	193,058	204,389
	252,487	216,651
Less: Provision for slow moving stores, spare parts and loose tools	(49,217)	(49,394)
	1,227,221	1,050,927
6 Stock-in-Trade		
Raw material	30,203	8,538
Packing material	40,917	35,281
Work in process	178,017	333,691
Finished goods	72,408	48,348
	321,545	425,858

For the period ended
September 30, 2012

Notes to the Condensed Interim Financial Statements

for the Quarter ended September 30, 2012 (Un-audited)

7 Cash and Bank Balances

It includes cheques in hand amounting to Rs. 138.101million (June 30, 2012 Rs.149.347 million).

	September 30 2012 Un-audited	June 30 2012 Audited
	----- (Rs. in '000') -----	
8 Long Term Loans - secured		
Foreign Currency Loans:		
From banking companies and other financial institutions		
Asian Development Bank (ADB)	1,046,165	1,016,94
Asian Finance and Investment Corporation	307,568	305,944
	1,353,733	1,322,891
Local Currency Loans:		
From banking companies and other financial institutions		
Bankers Equity Limited - LMM	28,636	38,182
National Bank of Pakistan	143,100	159,001
National Bank of Pakistan	312,500	312,500
National Bank of Pakistan (former NDFC)	160,551	174,737
Industrial Development Bank of Pakistan	15,823	15,823
The Bank of Punjab	172,622	190,500
	833,232	890,743
	2,186,965	2,213,634
Less: Current portion	(2,088,304)	(2,097,906)
	98,661	115,728

8.1 There has been no change in the terms and conditions of these loans as reported in annual financial statements of the Company for the year ended June 30, 2012.

Notes to the Condensed Interim Financial Statements
for the Quarter ended September 30, 2012 (Un-audited)

	Note	September 30 2012 Un-audited	June 30 2012 Audited
----- (Rs. in '000') -----			
9	Liabilities against Assets subject to Finance Lease		
	Opening balance	76,035	142,780
	Less: Payment made	(7,857)	(66,745)
		68,178	76,035
	Less: Current portion of the liability	(31,184)	(32,064)
		36,994	43,971
10	Short Term Borrowings		
	National Bank of Pakistan - Cash Finance Account	8.1 140,388	20,776
	United Bank Limited - RF Account	8.1 30,939	101,332
	JS Bank Ltd - Finance against Imported Merchandise (FIM)	8.1 -	101,599
		171,327	223,707
10.1	There has been no change in the terms and conditions of these loans as reported in the annual financial statements of the Company for the year ended June 30, 2012.		
11	Current Portion of Long-term Liabilities		
	Long term loans	2,088,304	2,097,906
	Long term financing	26,736	35,648
	Liabilities against assets subject to finance lease	31,184	32,064
	Deferred liabilities	736,261	738,040
		2,882,485	2,903,658
12	Contingencies and Commitments		
12.1	There has been no significant change in the contingencies as given in the financial statements for the year ended June 30, 2012.		
12.2	Commitments in respect of outstanding letters of credit inclusive of capital commitments amounting to Rs.25.594 million (June 30,2012 Rs.18.399) and in respect of bank guarantee issued in favor of Faisalabad Electric Supply Corporation amounting to Rs.26.702 (June 2012: Rs.26.702 million)		

Notes to the Condensed Interim Financial Statements
for the Quarter ended September 30, 2012 (Un-audited)

	September 30	
	2012	2011
	Un-audited	
	----- (Rs. in '000') -----	
13 Cost of sales		
Raw material consumed	68,173	64,989
Packing material consumed	97,781	102,060
Fuel and power	712,859	748,331
Stores and spares consumed	43,444	45,482
Salaries, wages and benefits	60,766	50,926
Travelling and conveyance	5,291	6,047
Insurance	1,830	2,169
Repairs and maintenance	21,872	6,961
Depreciation	64,268	78,805
Other manufacturing expenses	2,476	2,668
	1,010,587	1,043,449
	1,078,760	1,108,438
Work in process		
Opening balance	333,691	76,138
Closing balance	(178,017)	(60,557)
	155,674	15,581
Cost of goods manufactured	1,234,434	1,124,019
Finished goods		
Opening balance	48,348	47,197
Closing balance	(72,408)	(64,890)
	(24,060)	(17,693)
	1,210,374	1,106,326
14 Earning per Share - Basic and Diluted		
Profit after taxation (Rupees in '000)	242,315	13,939
Weighted average number of ordinary Shares in issue (in '000')	227,149	227,149
Earning per share -Basic and diluted - (Rs)	1.07	0.06

Notes to the Condensed Interim Financial Statements
for the Quarter ended September 30, 2012 (Un-audited)

	September 30	
	2012	2011
	Un-audited	
	----- (Rs. in '000') -----	
15 Cash Generated from Operations		
Profit before taxation	264,817	38,742
Adjustment for non-cash charges and other items:		
Depreciation	67,062	80,002
Amortization	958	55
Provision for gratuity and compensated absences	3,268	1,593
Finance cost	55,804	94,167
Workers profit participation fund	14,222	2,039
Other provisions	5,404	-
Exchange loss	39,564	84,230
	186,282	262,086
Cash flow before working capital changes	451,099	300,828
Working Capital changes:		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(176,294)	(72,852)
Stock-in-trade	104,313	(16,047)
Trade debts	7,207	(10,098)
Loans, advances, trade deposits and short term prepayments	20,788	(24,905)
Other receivables	2,504	1,240
	(41,482)	(122,662)
(Decrease) / increase in current liabilities		
Trade and other payables	(98,538)	(137,202)
Sales tax payable	411	(23,188)
	(98,127)	(160,390)
Cash generated from operations	311,490	17,776

Notes to the Condensed Interim Financial Statements

for the Quarter ended September 30, 2012 (Un-audited)

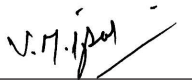
	September 30 2012	2011
	Un-audited	
	----- (Rs. in '000') -----	
16 Transactions with Related Parties		
Entities having directors in common with the Company		
Repayment of long term loans	30,086	28,611
Repayment against lease financing	2,000	-
Finance cost paid	12,938	24,090
Staff retirement contribution plan		
Contribution to staff provident fund	1,398	1,287

17 Date of Authorization for Issue

These financial statements were authorized for issue on November 07, 2012 by the Board of Directors of the Company.

18 General

- The figures of the corresponding period have been rearranged wherever necessary. However, there were no material classifications to report.
- Figures have been rounded off to the nearest thousand rupees unless otherwise stated.


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director