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Corporate Information

Board of Directors

Mr. Shafiuddin Ghani Khan
(Chairman of the Board)
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam
Mr. Faisal Imran Hussain Malik
Syed Anwer Ali
Mr. Cevdet Dal
Shaikh Javed Elahi
Mr. Rafique Dawood
Mr. Zubair Ahmed
Syed Mazher Iqbal
(CEO / MD)

Audit Committee

Mr. Rafique Dawood
(Chairman Audit Committee)
Mr. Shafiuddin Ghani Khan
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam
Mr. Zubair Ahmed

Human Resource & Remuneration Committee

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

Company Secreta

Mr. Waqar Naeem

Registered Office

135- Ferozepur Road, Lahore
Tel: +92 (42) 37503570-2
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

Karachi Regional Office

4th Floor, KDLB Building, West Wharf, Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pdkhi@pioneercement.com

Factory

Chenki, District Khushab, Punjab
Telephone: +92 (454) 898101-3
Fax: +92 (454) 898104
Email: factory@pioneercement.com

Regional Sales Offices

Multan Sales Office

10-Officers Colony, Bosan Road,
Opp. Jinnah High School, Multan
Tel: +92 (61) 6510404
Fax: +92 (61) 6510405

Faisalabad Sales Office

Office No. 3, 2nd Floor, Sitara Tower
Bilal Chowk, New Civil Lines, Faisala
Tel: +92 (41) 2630030, 2640406-7
Fax: +92 (41) 2630923

Sargodha Sales Office

Office No. 6, 2nd Floor, Rehman Tra
University Road, Sargodha
Telephone: +92 (483) 725050
Fax: +92 (483) 722331

Share Registrar

Corplink (Pvt) Ltd
Wings Arcade, 1-K Commercial,
Model Town, Lahore
Telephone: +92 (42) 35839182, 3591
Fax: +92 (42) 35869037
Email: corplink786@yahoo.com,
shares@pioneercement.com

Bankers

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

Statutory Auditors

Ernst & Young Ford Rhodes Sidat H
Chartered Accountants

Cost Auditors

Ale Imran & Co.
Chartered Accountants

Legal Advisor

Hassan & Hassan

Directors' Report to the Shareholders

For the Quarter ended September 30, 2014

The directors of your Company are pleased to present the financial results for the first quarter ended September 30, 2014.

The Cement Sector:

During the period under review, domestic cement sector witnessed volumetric growth of 4.68% with total dispatches of 8.16 million tons compared to 7.80 million tons sold in corresponding period last year. This comprises 9.85% increase in local dispatches and a decline of 8.13% in exports. The exports are affected mainly due to low demand in Afghanistan and declining prices in international markets.

Business Performance:

During the first quarter under review, your Company produced 215,190 tons clinker compared to 286,518 tons produced in the corresponding period of last year. The capacity utilization stood at 43% which is 14% lower than corresponding period of last year. The lower capacity utilization was due to adequate stocks built in previous quarter in anticipation of power supply restrictions from grid during summer season.

The cement production for the period under review was 270,815 tons which is 2% higher than 264,960 tons produced in the corresponding period due to increased demand in domestic market.

Particulars	-----Jul-Sep-----		Variance	
	2014	2013		
	-----Tons-----		%	
Production				
Clinker	215,190	286,518	(71,328)	(25%)
Cement	270,815	264,960	5,855	2%
Sales				
Domestic	248,417	223,336	25,081	11%
Exports	22,590	35,640	(13,050)	(37%)
	271,007	258,976	12,031	5%

The total sales volume during the first quarter under review increased by 5% to achieve 271,007 tons as compared to 258,976 tons sold in corresponding period of last year. The domestic sales volume increased to 248,417 tons registering an increase of 11% over corresponding period while export sales volume dropped to 22,590 tons, a decline of 37%. The decrease in export volume was due to declining cement demand in Afghanistan.

Financial Performance:

The comparative summary of key financial results for the first quarter ended September 30, 2014 is given below:

Particulars	-----Jul-Sep-----		Variance	
	2014	2013		
	----- Rupees in million -----			%
Net sales	1,867.97	1,707.54	160.43	9%
Cost of sales	1,311.50	1,192.17	119.33	10%
Gross profit	556.47	515.37	41.10	8%
Net operating expenses	15.21	5.41	9.80	181%
Operating profit	541.26	509.96	31.30	6%
Net Finance cost & FX (gain)/ loss	(10.96)	161.34	(172.30)	(107%)
Profit before taxation	552.22	348.62	203.60	58%
Earnings per share (Rupees)	1.62	1.28	0.34	27%

Your Company was able to achieve net sales revenue of Rs. 1,867.97 million which is an increase of 9% over net sales revenue of Rs. 1,707.54 million in corresponding period of last year. The increase in sales revenue is attributable to 3% increase in net local selling prices and 11% increase in domestic sales volume over corresponding period. However, export sales volume declined due to low demand in neighboring countries. The cost of sales for the first quarter under review, increased by 10% over the corresponding period, on account of increase in sales volume and general inflation.

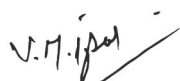
The gross profit for the period under review increased to Rs. 556.47 million from Rs. 515.37 million achieved last year. This increase is attributable to increase in domestic sales volume and increase in retention prices.

During the first quarter under review, your Company earned a net profit after tax of Rs. 369.05 million an increase of 27% over Rs. 291.50 million earned in corresponding period last year. This translates into earnings per share (EPS) of Rs. 1.62 compared to an EPS of Rs. 1.28 in corresponding period last year.

Your Company is in advance stage of settlement of foreign currency debt from Asian Development Bank and Asian Finance and Investment Corporation. Once completed this will be a significant development, as these loans were obtained way back in 90s and the Company was not able to settle them over last many years.

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

October 21, 2014
Lahore



Passion for
Excellence

Financial Information

For the Quarter ended September 30, 2014

as at September 30, 2014

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

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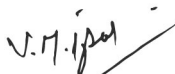

Mohammad Aftab Alam
Director

Condensed Interim Profit and Loss Account

for the Quarter ended September 30, 2014 (Un-audited)

	Note	September 30,	
		2014	2013
		Un-audited ----- Rupees in '000' -----	
Gross turnover		2,346,863	2,129,624
Excise duty		101,106	89,334
Sales tax		360,936	318,937
Rebate and Commission		16,854	13,814
		478,896	422,085
Net turnover		1,867,967	1,707,539
Cost of sales	14	1,311,501	1,192,174
Gross profit		556,466	515,365
Distribution cost		13,088	12,673
Administrative expenses		17,692	13,601
Other operating income		(56,496)	(39,243)
Other operating expenses		40,927	18,380
		15,211	5,411
		541,255	509,954
Finance cost		17,672	41,521
Exchange (gain) / loss		(28,635)	119,818
		(10,963)	161,339
Profit before taxation		552,218	348,615
Taxation - net		183,170	57,119
Profit after taxation		369,048	291,496
----- Rupees -----			
Basic and diluted earnings per share	15	1.62	1.28

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


Syed Mazher Iqbal
Chief Executive Officer

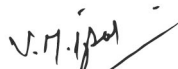

Mohammad Aftab Alam
Director

Condensed Interim Statement of Comprehensive Income

for the Quarter ended September 30, 2014 (Un-audited)

	September 30,	
	2014	2013
	Un-audited	
	---- Rupees in '000' -----	
Profit for the period	369,048	291,496
Other comprehensive income	-	-
Total comprehensive income for the period	369,048	291,496

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


 Syed Mazher Iqbal
 Chief Executive Officer


 Mohammad Aftab Alam
 Director

Condensed Interim Cash Flow Statement

for the Quarter ended September 30, 2014 (Un-audited)

	Note	September 30,	
		2014	2013
		Un-audited ----- Rupees in '000' -----	
Cash Flow from Operating Activities	16	750,707	590,481
Income tax paid		(94,252)	(12,454)
Workers profit participation fund		(130,505)	-
Gratuity and Compensated absences paid		(2,363)	(651)
		(227,120)	(13,105)
Net cash inflow from operating activities		523,587	577,376
Cash Flow from Investing Activities			
Capital expenditure		(3,414)	(3,442)
Proceeds from sale of fixed assets		1,090	10
Increase in long term deposits - net		(40)	(10)
Net cash out flow from investing activities		(2,364)	(3,442)
Cash Flow from Financing Activities			
Long term financing - musharaka		(150,000)	(225,323)
Liabilities against assets subject to finance lease		(326)	-
Short term borrowings - secured net		-	(495,000)
Finance cost paid		(17,941)	(89,322)
Dividend paid		(100,884)	(55)
Net cash out flow from financing activities		(269,151)	(809,700)
Net decrease in cash and bank balances		252,072	(235,766)
Cash & bank balances at the beginning of the period		890,404	1,464,792
Cash & bank balances at the end of the period		1,142,476	1,229,026

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

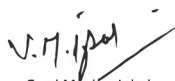

Syed Mazher Iqbal
Chief Executive Officer


Mohammad Aftab Alam
Director

Condensed Interim Statement of Changes in Equity for the Quarter ended September 30, 2014 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Accumulated profit	Total reserves	Total equity
----- Rupees in '000' -----					
Balance as at July 01, 2013	2,271,489	197,517	1,973,677	2,171,194	4,442,683
Profit for the year	-	-	1,768,859	1,768,859	1,768,859
Final dividend for the year ended June, 2013	-	-	(624,659)	(624,659)	(624,659)
Interim dividend for the year ended June, 2014	-	-	(511,085)	(511,085)	(511,085)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	633,115	633,115	633,115
Surplus on revaluation of fixed assets realized -net of tax	-	-	58,976	58,976	58,976
Balance as at June 30, 2014	2,271,489	197,517	2,665,768	2,863,285	5,134,774
Profit for the period	-	-	369,048	369,048	369,048
Final dividend for the year ended June, 2014	-	-	(454,298)	(454,298)	(454,298)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(85,250)	(85,250)	(85,250)
Surplus on revaluation of fixed assets realized -net of tax	-	-	10,363	10,363	10,363
Balance as at September 30, 2014	2,271,489	197,517	2,590,881	2,788,398	5,059,887

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


Syed Mazher Iqbal
Chief Executive Officer


Mohammad Aftab Alam
Director

Notes to the Condensed Interim Financial Statements for the Quarter ended September 30, 2014 (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 principal activity of the Company is manufacture and sale of cement. The registered office of the Company is situated at 135 Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province.
- 1.2** The Company commenced its operations with an installed capacity of 2,000 tons per day clinker. During 2005, the capacity was optimized to 2,350 tons per day. In financial year 2006, another production line of 4,300 tons per day clinker capacity was completed which started commercial operations from April 2006.

2. Statement of Compliance

These condensed interim financial statements are un-audited 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 annual financial statements of the Company for the year ended June 30, 2014.

3. Accounting Policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2014.

		September 30, 2014 Un-audited	June 30, 2014 Audited
	Note	----- Rupees in '000' -----	
4. Property, Plant and Equipment			
Operating fixed assets	4.1	7,419,553	7,505,850
Capital work in progress	4.2	5,052	3,533
		7,424,605	7,509,383

	Note	September 30, 2014 Un-audited ----- Rupees in '000' -----	June 30, 2014 Audited
4.1 Operating fixed assets			
Opening book value		7,505,850	7,794,539
Additions / Revaluation surplus / (deficit) for the period - net	4.1.1	1,895	107,960
Deletion during the period (at book value)		-	(89)
Depreciation charged during the period/year		(87,290)	(392,949)
Amortized during the period/year		(902)	(3,611)
		(88,192)	(396,649)
		7,419,553	7,505,850
4.1.1 Additions / Revaluation surplus / (deficit) for the period/year - net			
Plant and machinery		-	85,071
Furniture and fixtures		133	135
Office and other equipment		1,170	2,254
Computers and accessories		475	1,317
Vehicles		117	19,183
		1,895	107,960
4.2 Capital Work in Progress			
Opening balance		3,533	612
Additions			
Plant and machinery		1,519	81,415
		5,052	82,027
Less: transferred to operating fixed assets		-	(78,494)
		5,052	3,533
5 Stores, Spare parts and Loose Tools			
Stores		341,963	587,717
Spare parts		467,634	465,843
Loose tools		6,868	6,847
		816,465	1,060,407
In transit			
Spares		39,273	16,323
Coal		249,750	-
		289,023	16,323
Less: Provision for slow moving stores, spare parts and loose tools		(43,933)	(43,933)
		1,061,555	1,032,797

	September 30, 2014 Un-audited	June 30, 2014 Audited
	----- Rupees in '000' -----	
6 Stock-in-Trade		
Raw material	25,142	33,696
Packing material	54,192	53,912
Work in process	424,195	513,380
Finished goods	76,908	73,277
	580,437	674,265
7 Short Term Investments - Held for Trading		
Meezan Sovereign Fund Units 11,078,763 (June 2014: 11,078,763)	565,903	559,256
UBL Government Securities Fund Units 2,816,240 (June 2014: 2,816,240)	290,279	282,677
ABL Government Securities Fund Units 53,386,694 (June 2014: 53,386,694)	550,684	536,066
Meezan Islamic Income Fund Units 4,061,875 (June 2014: 4,061,875)	208,008	203,785
	1,614,874	1,581,784
8 Cash and Bank Balances		
Includes cheques in hand amounting to Rs.145.069 million (June 2014: Rs.256.798 million).		
9 Long Term Loans - secured		
Foreign currency loans:		
Asian Development Bank - Japnees ¥	804,887	835,218
Asian Finance and Investment Corporation - US \$	333,551	320,722
	1,138,438	1,155,940
Less: Current portion	(1,138,438)	(1,155,940)
	-	-
10 Long Term Financing - secured		
Meezan Bank Limited - Diminishing Musharaka	524,587	674,587
Less: Current portion	-	(112,283)
	524,587	562,304
11 Trade and Other Payables		
Includes dividend payable amounting Rs.473.610 million (June 2014: 120.197 million).		

	September 30, 2014 Un-audited	June 30, 2014 Audited
	----- Rupees in '000' -----	
12 CURRENT PORTION OF LONG-TERM LIABILITIES		
Long term Loans	1,138,438	1,155,940
Long term financing	-	112,283
Liabilities against assets subject to finance lease	-	480
Deferred liabilities	175,608	182,226
	1,314,046	1,450,929

13 Contingencies and Commitments

- 13.1 There has been no significant change in the contingencies as given in the financial statements for the year ended June 30, 2014.
- 13.2 Commitments in respect of outstanding letters of credit inclusive of capital commitments amounting to Rs.142.759 million (June 30, 2014 Rs.267.890 million).

	September 30, 2014 Un-audited	2013 Un-audited
	----- Rupees in '000' -----	
14 Cost of Sales		
Raw material consumed	82,579	91,199
Packing material consumed	115,402	99,589
Fuel and power	806,709	949,588
Stores and spares consumed	40,474	50,164
Salaries, wages and benefits	70,126	65,913
Travelling and conveyance	6,614	6,234
Insurance	2,012	1,842
Repairs and maintenance	12,110	13,600
Depreciation	85,803	88,447
Other manufacturing expenses	4,118	3,553
	1,143,368	1,278,930
	1,225,947	1,370,129
Work in process		
Opening balance	513,380	163,395
Closing balance	(424,195)	(311,357)
	89,185	(147,962)
	1,315,132	1,222,167
Cost of goods manufactured Finished goods		
Opening balance	73,277	49,756
Closing balance	(76,908)	(79,749)
	(3,631)	(29,993)
	1,311,501	1,192,174

		September 30,	
		2014	2013
		Un-audited	
		----- Rupees in '000' -----	
15	Earning per Share - Basic and Diluted		
	Profit after taxation	369,048	291,496
	Weighted average number of ordinary shares in issue (in '000')	227,149	227,149
	Earning per share -Basic and diluted - (Rs)	1.62	1.28
16	Cash Generated from Operations		
	Profit before taxation	552,218	348,615
	Adjustment for non-cash charges and other items:		
	Depreciation	87,290	89,816
	Amortization	958	958
	Provision for gratuity and compensated absences	4,715	3,683
	Finance cost	17,672	41,521
	Workers profit participation fund	29,689	18,356
	Worker welfare fund	11,282	-
	Gain on disposal of fixed assets	(1,089)	-
	Unrealized profit on bank deposits	(8,065)	(7,898)
	Unrealized gain on investment	(33,090)	(13,134)
	Exchange (gain) / loss	(28,635)	119,696
		80,727	252,998
	Cash flow before working capital changes	632,945	601,613
	Working Capital changes:		
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	(28,758)	259,734
	Stock-in-trade	93,828	(182,317)
	Trade debts	(8,051)	7,880
	Loans and advances	4,479	(2,988)
	Trade deposits and short term prepayments	(647)	(1,810)
	Other receivables	3,813	9,303
		64,664	89,802
	Increase / (decrease) in current liabilities		
	Trade and other payables	13,130	(82,561)
	Sales tax payable	39,968	(18,373)
		53,098	(100,934)
	Cash generated from operations	750,707	590,481

September 30,
2014 2013
Un-audited
----- Rupees in '000' -----


17	Transactions with Related Parties		
	Entities having directors in common with the Company		
	Finance cost paid	326	12,430
	Staff retirement contribution plan		
	Contribution to staff provident fund	1,566	1,538

18 Date of Authorization for Issue

These financial statements were authorized for issue on October 21, 2014 by the Board of Directors of the Company.

19 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


Mohammad Aftab Alam
Director