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Corporate Information

Board of Directors

Mr. Asif Hussain Bukhari
Mr. Mohammed Aftab Alam
Syed Anwer Ali
Mr. Shafiuddin Ghani Khan
Mr. Saleem Shahzada
Mr. Cevdet Dal
Mr. Shazib Masud
Mr. Javed Haider (NBP)
Mr. Rafique Dawood (FDIB)
Syed Mazher Iqbal (MD & CEO)

Audit Committee

Chairman

Mr. Rafique Dawood (FDIB)

Members

Mr. Saleem Shahzada
Mr. Aftab Alam
Mr. Shafiuddin Ghani Khan
Mr. Javed Haider (NBP)

Company Secretary

Syed Anwar Ali

Chief Internal Auditor

Mr. Jamal-ud-Din

Senior Management

Shaikh Javed Elahi
Executive Director Operation

Mr. Rizwan Butt
GM Marketing & Sales

Statutory Auditors

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

Cost Auditors

Siddiqui & Co.

Bankers

Askari Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan 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 Office / Head Office /

Marketing Office

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

Web Site: www.pioneercement.com

Sales Offices

10-Officers Colony, Bosan Road,
Opp. Jinnah High School,
Multan.

Telephone (061)6510404
Fax: (061) 6510405

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

Office No.23, 2nd Floor,
State Life Building, The Mall,
Peshawar Cantt.
Telephone: (091) 5262707
Fax: (091) 5262524

Share Department

66, Garden Block,
New Garden Town,
Lahore, Pakistan.
Telephone: (042) 35831462-3
Email: shares@pioneercement.com

Factory

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

Directors' Report

The directors of your Company are pleased to present the half yearly report for the period ended December 31, 2011.

The Cement Sector:

During the first half year under review, the cement sector achieved a modest 4% growth in volumetric sales over corresponding period last year, however, capacity utilization was still less than 70% of installed capacity. A brief analysis of domestic and export sales is as under:

	Domestic			Exports			Total		
	North	South	Total	North	South	Total	North	South	Total
	Quantity in thousand tons								
HY 2011-12	8.949	1.995	10.944	3.283	1.176	4.459	12.232	3.171	15.403
HY 2010-11	8.437	1.673	10.11	3.202	1.471	4.673	11.639	3.144	14.781
Variation	6.10%	19.20%	8.30%	2.50%	-20.10%	-4.60%	5.10%	0.90%	4.20%

The domestic demand increased modestly by 8% but on the other hand export remained sluggish and declined by 5% over the same period last year. The domestic growth is more robust in South as compared to North; however exports showed little increase in North compared to a decline in exports for South Plants.

Production and Sales:

The Company produced 530,875 tons clinker during the six months ended December 31, 2011 compared to 577,951 ton produced in the corresponding period. The decrease stands at 8%. The cement production also decreased 14% to stand at 548,972 tons compared to 634,691 tons in corresponding period. The decrease in production was due to decline in sales, particularly export sales due to low demand and that too at low prices.

The total sales during the period stood at 549,987 tons which is 13% less than 628,808 tons in the corresponding period. The sales comprised of 461,862 tons domestic sales and 88,125 tons export sales compared to 492,729 tons and 136,079 tons respectively in the corresponding period.

Financial Results:

The summary of financial result for the half year ended December 31, 2011 is as under:

	Jul-Dec 2011	Jul-Dec 2010	Variance
	Rs. in million		%
Net sales	2,852	2,394	19.1%
Cost of goods sold	2,227	2,155	3.3%
Gross profit	625	239	161.5%
Operating expenses / income	72	89	-19.1%
Operating profit	553	150	268.7%
Finance cost and exchange loss	300	286	4.9%
Pretax profit / (loss)	253	(136)	-
After tax profit / (loss)	107	(174)	-

The sales revenue increased by 19% despite a 13% volumetric decline in dispatches. The market price stability, and focus on the sale in close vicinity to the production facility are core factors for improvement in net selling prices. The cost of goods sold increased by 3% over last year, comprising a 19% adverse cost variance and a 16% favorable volume variance as a result of lower production. The main reason for increase in manufacturing cost is ever increasing fuel and power cost, which has increased around 27% over corresponding period last year.

The gross profit ratio for the period stands at 22% compared to 10% in corresponding period owing to stable domestic selling prices. The Company's efforts for bringing down the operational cost resulted in further decrease by 19% in operating expenses which resulted in operating profit of Rs.553 million compared to Rs.150 million in corresponding period.

The Company earned a pretax profit of Rs.253 million and after tax profit of Rs 107 million during the period under review compared to pretax loss of Rs.136 million and after tax loss of Rs 174 million in the corresponding period last year.

Future Prospects:

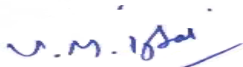
The future outlook of the sector remains ambiguous due to uncertain political and economic situation. The domestic market is expected to maintain its momentum in next six months of the year to achieve some growth over last year. Similarly the exports can also witness an upsurge on anticipated increase in sale of cement to India, with trade relations improving between the two neighboring countries.

However, recently announced possible shift in the Government policy of slashing the PSDP (public sector development program) in federal and provincial budgets of next financial year is not a good omen for the cement sector.

The Company is focused on increasing domestic and export sales in profitable markets. Further, management is also focused on control over cost of production by optimum utilization of plant, optimal material mix, use of alternate fuel and preventive maintenance. All these measures along with reduction in finance costs after the financial restructuring shall bring stability and sustenance to the Company.

Acknowledgement:

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



Syed Mazher Iqbal
Chief Executive Officer

February 28, 2012
Lahore

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pioneer Cement Limited** (the Company) as at **31 December 2011** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred as "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 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.

Ernst & Young Ford Rhodes Sidat Hyder

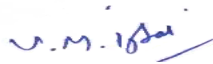
Chartered Accountants

Lahore: February 28, 2012

PIONEER CEMENT LIMITED
Condensed Interim Balance Sheet
As at December 31, 2011

	December 31, 2011 (Un-Audited)	June 30, 2011 Audited
Note	----- Rupees in '000' -----	
ASSETS		
Non - Current Assets		
Fixed Assets		
Property, plant and equipment	4 8,447,361	8,612,974
Intangible assets	879	989
	8,448,240	8,613,963
Long term loans - secured, considered good	159	201
Long term deposits - considered good	37,670	49,005
	8,486,069	8,663,169
Current Assets		
Stores, spares parts and loose tools	5 981,751	672,489
Stock - in - trade	6 239,732	160,926
Trade debts - unsecured, considered good	71,063	21,475
Loans, advances, trade deposits and short term prepayments - considered good	65,675	65,043
Other receivables	26,763	29,437
Current portion of long term deposits	15,926	10,000
Taxation - net	78,388	74,649
Cash and bank balances	7 142,829	150,172
	1,622,127	1,184,191
Total Assets	10,108,196	9,847,360
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	330,216	195,136
	2,601,705	2,466,625
Surplus on revaluation of fixed assets - net	2,030,654	2,058,777
Non - Current Liabilities		
Long term loans - secured	8 234,629	368,919
Long term financing - secured	9 17,824	35,648
Liabilities against assets subject to finance lease	10 56,741	87,505
Deferred liabilities	11 489,649	423,903
Long term deposits	1,477	1,763
	800,320	917,738
Current Liabilities		
Trade and other payables	691,407	689,561
Accrued interest / markup	495,335	440,492
Short term murabaha - secured	208,901	124,954
Short term borrowings - secured	12 484,662	560,561
Current portion of non - current liabilities	13 2,745,881	2,557,861
Sales tax - net	49,331	30,791
	4,675,517	4,404,220
Contingencies and commitments	14	
Total Equity and Liabilities	10,108,196	9,847,360

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

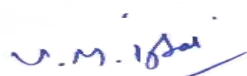

Syed Mazher Iqbal
Chief Executive Officer


Asif Hussain Bukhari
Director

PIONEER CEMENT LIMITED
Condensed Interim Profit and Loss Account
for the half year ended December 31, 2011 (Un-audited)

	Note	Half year ended December 31,		Quarter ended December 31,	
		2011	2010	2011	2010
----- (Rupees in '000) -----					
Gross turnover	15	3,560,643	3,167,451	1,880,118	1,773,450
Excise duty		230,936	364,532	118,862	189,053
Sales tax		448,915	388,370	240,844	208,364
Commission		29,022	20,793	16,648	10,873
		708,873	773,695	376,354	408,290
Net turnover		2,851,770	2,393,756	1,503,764	1,365,160
Cost of sales	16	2,226,927	2,154,695	1,120,601	1,222,098
Gross profit		624,843	239,061	383,163	143,062
Distribution cost	17	29,120	79,327	18,594	50,075
Administrative expenses		26,611	24,390	13,449	12,535
Other operating income		(2,087)	(14,499)	(897)	(4,486)
Other operating expenses		18,735	-	16,692	-
		72,379	89,218	47,838	58,124
Operating profit		552,464	149,843	335,325	84,938
Finance cost		181,780	190,309	87,613	104,592
Exchange loss - net		117,942	96,042	33,712	22,627
		299,722	286,351	121,325	127,219
Profit / (loss) before taxation		252,742	(136,508)	214,000	(42,281)
Taxation - net	18	145,786	(37,399)	120,983	(45,341)
Profit / (loss) after taxation		106,956	(173,907)	93,017	(87,622)
----- (Rupees) -----					
Earning / (loss) per share - basic & diluted	19	0.47	(0.78)	0.41	(0.38)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Syed Mazher Iqbal
Chief Executive Officer

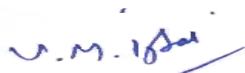


Asif Hussain Bukhari
Director

PIONEER CEMENT LIMITED
Condensed Interim Statement of Comprehensive Income
for the half year ended December 31, 2011 (Un-audited)

	Half year ended December 31,		Quarter ended December 31,	
	2011	2010	2011	2010
Note	----- (Rupees in '000) -----			
Loss for the period	106,956	(173,907)	93,017	(87,622)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	106,956	(173,907)	93,017	(87,622)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Syed Mazher Iqbal
Chief Executive Officer

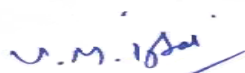


Asif Hussain Bukhari
Director

PIONEER CEMENT LIMITED
Condensed Interim Cash Flow Statement
for the half year ended December 31, 2011 (Un-audited)

	December 31, 2011	December 31, 2010	
Note	----- Rupees in '000' -----		
Cash generated from operations	20	311,101	588,277
Income tax paid	(32,268)	(30,339)	
Gratuity and Compensated absences paid	(3,348)	(2,412)	
WPPF Paid	(3,857)	-	
Dividend paid	(4)	(3)	
	(39,477)	(32,754)	
Decrease in long term loans	42	63	
Decrease in long term deposits - net	5,123	9,536	
Net cash flow from operating activities	276,789	565,122	
Cash Flow from Investing Activities			
Capital expenditure	(5,944)	(27,956)	
Proceeds from sale of fixed assets	451	730	
	(5,493)	(27,226)	
Cash Flow from Financing Activities			
Proceeds from short term finance	83,947	(359,073)	
Repayment of long term loans	(110,879)	(16,045)	
Repayments against leasing liabilities	(26,929)	(34,926)	
Decrease in short term borrowings	(75,899)	(8,836)	
Finance cost paid	(148,879)	(88,092)	
	(278,639)	(506,972)	
Net decrease in cash and bank balances	(7,343)	30,924	
Cash & bank balances at the beginning of the year	150,172	55,872	
Cash & bank balances at the end of the year	142,829	86,796	

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Syed Mazher Iqbal
Chief Executive Officer

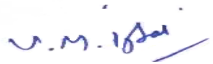


Asif Hussain Bukhari
Director

PIONEER CEMENT LIMITED
Condensed Interim Statement of Changes in Equity
for the Half Year ended December 31, 2011 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Accumulated profit / (loss)	Total reserves	Total equity
----- Rupees in "000" -----					
Balance as at July 01, 2010	2,227,552	175,549	(184,883)	(9,334)	2,218,218
Issuance of shares against outstanding liability	43,937	21,968	-	21,968	65,905
Loss for the year after taxation	-	-	(173,907)	(173,907)	(173,907)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss -net of tax	-	-	(173,907)	(173,907)	(173,907)
Surplus on revaluation of fixed assets realized through incremental depreciation charges on related assets for the period-net of tax	-	-	29,951	29,951	29,951
Balance as at December 31, 2010	<u>2,271,489</u>	<u>197,517</u>	<u>(328,839)</u>	<u>(131,322)</u>	<u>2,140,167</u>
Balance as at July 01, 2011	2,271,489	197,517	(2,381)	195,136	2,466,625
Loss for the year after taxation for quarter ended	-	-	106,956	106,956	106,956
Other comprehensive income	-	-	-	-	-
Total comprehensive loss -net of tax	-	-	106,956	106,956	106,956
Surplus on revaluation of fixed assets realized through incremental depreciation charges on related assets for the period-net of tax	-	-	28,124	28,124	28,124
Balance as at December 31, 2011	<u>2,271,489</u>	<u>197,517</u>	<u>132,699</u>	<u>330,216</u>	<u>2,601,705</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Syed Mazher Iqbal
Chief Executive Officer


Asif Hussain Bukhari
Director

PIONEER CEMENT LIMITED
Notes to the Condensed Interim Financial Statements
for the half year ended December 31, 2011 (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 manufacturing 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.
- 1.2** The Company commenced its operation with an installed capacity of 2,000 tons per day clinker. 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

- 2.1** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. These condensed interim financial statements of the Company for the half year ended December 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 " Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance 1984. In case where the requirements differ, the provisions of directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** The figures of the condensed interim profit and loss account for the quarter ended December 31, 2010 and 2011 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2010 and 2011. These condensed interim 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 June 30, 2011.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2011 except as follows:

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

IFRS 7 - Financial Instruments: Disclosures

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of Minimum Funding Requirement (Amendment)

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

IFRS 7 - Financial Instruments: Disclosures

Clarification of disclosures

IAS 1 - Presentation of Financial Statements

Clarification of statement of changes in equity

IAS 34 - Interim Financial Reporting

Significant events and transactions

IFRIC 13 - Customer Loyalty Programmes

Fair value of award credits

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

PIONEER CEMENT LIMITED
Notes to the Condensed Interim Financial Statements
for the half year ended December 31, 2011 (Un-audited)

	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
Note	----- (Rupees in '000) -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4.1 8,445,820	8,597,289
Capital work-in-progress	4.2 1,541	15,685
	8,447,361	8,612,974
4.1 Operating fixed assets		
Opening book value	8,597,289	8,933,988
Additions - owned		
Plant and machinery	18,986	40,598
Furniture and fixture	-	32
Office equipment	35	581
Computer and accessories	156	1,018
Vehicles	911	2,091
	20,088	44,320
Deletions / Adjustment - owned		
Furniture and fixture	(115)	(86)
Office equipment	-	(43)
Computer and accessories	12	(81)
Vehicles	(236)	(1,743)
	(339)	(1,953)
Depreciation charged during the period / year	(171,218)	(379,066)
	8,445,820	8,597,289
4.2 Capital work-in-progress		
Opening balance	15,685	3,917
Additions:		
Factory buildings	426	-
Plant and machinery	2,434	25,074
	2,860	25,074
Less: Transferred to operating fixed assets	17,004	12,582
Adjustments	-	724
	1,541	15,685
5 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	89,813	82,601
Coal	273,955	62,113
Spares parts	342,679	324,895
Loose tools	6,166	6,324
	712,613	475,933
In transit		
Spares	47,074	33,479
Coal	222,064	163,077
	269,138	196,556
	981,751	672,489

PIONEER CEMENT LIMITED
Notes to the Condensed Interim Financial Statements
for the half year ended December 31, 2011 (Un-audited)

	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
<u>Note</u>	<u>----- (Rupees in '000) -----</u>	
6 STOCK-IN-TRADE		
Raw material	5,133	6,851
Packing material	40,314	30,740
Work in process	141,580	76,138
Finished goods	52,705	47,197
	<u>239,732</u>	<u>160,926</u>

7 CASH AND BANK BALANCES

Includes cheques in hand amounting to Rs.86.028 million (June 30, 2011: Rs.89.375 million).

8 LONG TERM LOANS - secured

Foreign Currency Loans:

From banking companies and other financial institutions

Asian Development Bank (ADB) - Japanese Yen

Asian Finance and Investment Corporation - US Dollar

992,443	916,701
291,654	279,473
<u>1,284,097</u>	<u>1,196,174</u>

LOCAL CURRENCY LOANS:

From banking companies and other financial institutions

Bankers Equity Limited - LMM

National Bank of Pakistan (NBP)

National Bank of Pakistan (NBP)

National Bank of Pakistan (former NDFC)

Industrial Development Bank of Pakistan (IDBP)

The Bank of Punjab (BOP)

57,273	76,364
190,801	222,601
312,500	312,500
201,968	227,744
15,823	18,461
225,500	239,250
<u>1,003,865</u>	<u>1,096,920</u>
<u>2,287,962</u>	<u>2,293,094</u>
<u>(2,053,333)</u>	<u>(1,924,175)</u>
<u>234,629</u>	<u>368,919</u>

Less: Current portion

13

8.1 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, 2011.

	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
<u>Note</u>	<u>----- (Rupees in '000) -----</u>	
9 LONG TERM FINANCING - secured		
Bankers Equity Limited - under liquidation (BEL)		
Term Finance Certificates (TFCs)	53,472	71,296
Less: Current portion	(35,648)	(35,648)
	<u>17,824</u>	<u>35,648</u>

9.1 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, 2011.

PIONEER CEMENT LIMITED
Notes to the Condensed Interim Financial Statements
for the half year ended December 31, 2011 (Un-audited)

		December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
	<u>Note</u>	<u>----- (Rupees in '000) -----</u>	
10 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Opening balance		142,780	255,508
Less: Payments during the period		<u>(26,929)</u>	<u>(112,727)</u>
		115,851	142,781
Less: Current portion of the liability	13	<u>(59,110)</u>	<u>(55,276)</u>
		<u><u>56,741</u></u>	<u><u>87,505</u></u>
11 DEFERRED LIABILITIES			
Deferred interest / markup		144,004	198,738
Gratuity - vested contractual workers		44,645	41,431
Deferred taxation		301,000	183,734
		<u><u>489,649</u></u>	<u><u>423,903</u></u>
12 SHORT TERM BORROWINGS - secured			
National Bank of Pakistan - cash finance	12.1	230,544	374,464
United Bank Limited - running finance	12.1	184,147	186,097
JS Bank Limited - finance against imported merchandise	12.2	69,971	-
		<u><u>484,662</u></u>	<u><u>560,561</u></u>

12.1 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, 2011.

12.2 The FIM finance facility was obtained from JS Bank Limited carrying profit rate 1.50 percent above 3 months KIBOR. The facility is repayable upto March 2012 and is secured against imported merchandise with margin of 15%.

		December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
	<u>Note</u>	<u>----- (Rupees in '000) -----</u>	
13 CURRENT PORTION OF LONG-TERM LIABILITIES			
Long term financing		35,648	35,648
Long term Loans	13.1	2,053,333	1,924,175
Liabilities against assets subject to finance lease		59,110	55,276
Deferred liabilities		597,790	542,762
		<u><u>2,745,881</u></u>	<u><u>2,557,861</u></u>

13.1 Includes overdue installments amounting to Rs.1,284.096 (June 30, 2011: Rs.1,109.644) million in respect of long term loans.

14 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2011 except as follows:

14.1 As reported in note no. 27.1.8 to the Annual Financial Statements for the year ended June 30, 2011, subsequent to the balance sheet date, the writ petition no. 5707/2010 filed in the honorable Lahore High Court has been ordered in favor of the Company.

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14.2 As reported in note 27.1.10 to the financial statements for the year ended June 30, 2011, the Honorable High Court of Sindh has directed Securities and Exchange Commission of Pakistan (SECP) to finalize the investigation against which the SECP has filed an application for extension of time. As already reported, the Company has no role in the filed suit apart from transfer of shares which is only possible once all legal formalities are complied with.

		Half year ended	
		December 31,	
		2011	2010
		(Un-audited)	
		----- (Rupees in '000) -----	
15 GROSS TURNOVER			
Local		3,254,634	2,692,297
Export		306,009	475,154
		3,560,643	3,167,451
		Half year ended	
		December 31,	
		2011	2010
		(Un-audited)	
		----- (Rupees in '000) -----	
		Quarter ended	
		December 31,	
		2011	2010

16 COST OF SALES

Raw material consumed	134,144	148,259	69,155	81,879
Packing material consumed	203,922	216,368	101,862	120,907
Fuel and power	1,549,880	1,403,308	801,549	784,483
Stores and spare parts consumed	95,507	67,136	50,025	33,168
Salaries, wages and benefits	109,577	98,261	58,651	51,054
Traveling and conveyance	11,138	12,421	5,091	6,090
Insurance	4,307	4,222	2,138	2,124
Repairs and maintenance	15,282	13,129	8,321	6,582
Communication	312	258	172	141
Depreciation	169,013	188,710	90,208	95,916
Other manufacturing expenses	4,795	4,320	2,267	2,304
	2,163,733	2,008,133	1,120,284	1,102,769
Total cost	2,297,877	2,156,392	1,189,439	1,184,648
Work in process				
Opening balance	76,138	86,901	60,557	87,032
Closing balance	(141,580)	(67,751)	(141,580)	(67,751)
	(65,442)	19,150	(81,023)	19,281
Cost of goods manufactured	2,232,435	2,175,542	1,108,416	1,203,929
Finished goods				
Opening balance	47,197	16,607	64,890	55,623
Closing balance	(52,705)	(37,454)	(52,705)	(37,454)
	(5,508)	(20,847)	12,185	18,169
	2,226,927	2,154,695	1,120,601	1,222,098

17 DISTRIBUTION COST

Distribution cost includes Rs. 1.718 (December 31, 2010: Rs. 51.55) million in respect of export expenses.

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18 TAXATION

Included herein is deferred taxation of Rs.117.265 (December 2010: 12.492) million and current taxation of Rs.28.521 (December 2010: Rs.24.907)

19 CASH GENERATED FROM OPERATIONS

	Half year ended	
	December 31,	
	2011	2010
	(Un-audited)	
	----- (Rupees in '000) -----	
Profit / (loss) before taxation	252,742	(136,508)
Adjustments for non cash and other items:		
Depreciation	171,218	196,765
Amortization	110	-
Provision for gratuity and compensated absences	5,219	3,187
Workers Profit Participation Fund	13,573	-
Workers Welfare Fund	5,158	-
Finance cost	181,780	190,309
Profit on disposal of property, plant and equipment	(99)	(594)
Exchange loss - net	117,475	96,042
	494,434	485,709
Cash flows before working capital changes	747,176	349,201
Movement in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(309,262)	436,915
Stock-in-trade	(78,806)	(9,910)
Trade debts	(49,588)	(19,269)
Loans, advances, deposits and prepayments	(632)	(22,063)
Other receivables	2,674	1,405
	(435,614)	387,078
(Decrease) / increase in current liabilities:		
Trade and other payables	(19,001)	(157,223)
Sales tax payable	18,540	9,221
	(461)	(148,002)
	(436,075)	239,076
	311,101	588,277

20 TRANSACTIONS WITH RELATED PARTIES

The related parties include major shareholders, entities having directors in common with the Company, directors and other key management personnel. Transactions with related parties are as under:

	Half year ended	
	December 31,	December 31,
	2011	2010
	(Un-audited)	
	----- (Rupees in '000) -----	
Associated companies		
First Dawood Investment Bank		
Repayment of lease financing	-	530
Finance cost paid	-	1,000
	-	1,000

PIONEER CEMENT LIMITED
Notes to the Condensed Interim Financial Statements
for the half year ended December 31, 2011 (Un-audited)

	Half year ended	
	December 31, 2011	December 31, 2010
	(Un-audited)	
	----- (Rupees in '000) -----	
Guardian Modaraba		
Repayment of lease financing	-	1,223
Finance cost paid	-	177
	2,744	2,662
Retirement benefit fund		
Contribution to staff provident fund	2,744	2,662
Key management personnel		
Compensation	20,683	17,253
	20,683	17,253

21 CORRESPONDING FIGURES

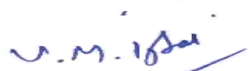
Corresponding figures, wherever necessary, have been rearranged. However, there were no material reclassification to report.

22 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial information were authorized for issue on February 28, 2012 by the Board of Directors of the Company.

23 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



Syed Mazher Iqbal
Chief Executive Officer



Asif Hussain Bukhari
Director