

COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman & Chief Executive
Mr. Sayeed Tariq Saigol	
Mr. Waleed Tariq Saigol	
Mr. Aamir Fayyaz Sheikh	
Mr. Usman Said	
Mr. S.M.Imran	Chief Operating Officer
Mr. Zamiruddin Azar	
Mr. Soren Iversen	(Representing FLS & IFU, Denmark)

Audit Committee

Mr. Zamiruddin Azar	Chairman
Mr. Usman Said	
Mr. S.M.Imran	

Chief Financial Officer

Mr. Arshad Mahmood Qureshi

Company Secretary

Mr. Wasif Mahmood

Bankers of the Company

Allied Bank of Pakistan Limited
Askari Commercial Bank Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Muslim Commercial Bank Limited
National Bank of Pakistan
PICIC Commercial Bank Limited
Saudi Pak Industrial & Agricultural Investment Company (Pvt) Ltd.
Standard Chartered Bank
The Bank of Punjab
Union Bank Limited
United Bank Limited

Auditors

Hameed Chaudhri & Co Chartered Accountants

Legal Advisors:

1. Cornelius Lane and Mufti
Advocate & Solicitors, Lahore.
2. Mr. Nomaan Akram Raja
Barrister-At-Law
Raja Mohammad Akram & Co.
Advocates and Legal Consultants, Lahore.

Registered Office

42-Lawrence Road, Lahore
Phone: (042) 6278904-5
Fax: (042) 6363184
E.Mail: mlcfl@kmlg.com
website: www.kmlg.com

Factory

Iskanderabad Distt: Mianwali
Phone: (0459) 392237-8

Directors' Review

Your Directors are pleased to present the un-audited accounts of the Company for the 3rd quarter ended March 31, 2005.

The Company recorded grey cement sales of 333,863 tonnes during current quarter and cumulative sales during the nine months were 986,006 tonnes. While the sales of white cement during the current quarter were of the order of 8,772 tonnes, total sales for nine months amounted to 26,767 tonnes. The Company sold 831,837 tonnes grey and 27,201 tonnes white cement during the corresponding period last year. Grey cement sales during the current nine months are 18.53% higher compared to the corresponding period last year. The Company produced 992,108 tonnes grey cement and 26,429 tonnes white cement during the nine months under review. The capacity utilization during 3rd quarter was 86% for grey cement and 111% for white cement. The overall capacity utilization during nine months was 85% for grey cement and 113% for white cement.

The Company earned pre-tax profit of Rs. 743.356 million during the period July, 04-March, 05 after charging depreciation of Rs. 254.401 million and financial charges amounting to Rs. 153.972 million. This shows an increase of 29.4% over the corresponding period last year when the pre-tax profit was recorded at Rs. 574.54 million.

The result for the 3rd quarter January-March, 2005 shows pre-tax profit of Rs. 223.125 million against 2nd quarter's pre-tax profit of Rs. 287.282 million. The profitability during the 3rd quarter is low mainly due to increase in input rates of raw materials, fuel cost and financial charges.

The work on process conversion project of white cement is proceeding at full pace. Major equipment has been placed on foundations and work on remaining jobs is in full swing.

The equipment for optimization of the existing dry process line of 3,300 tpd to 4,000 tpd has been delivered. Installation of the equipment is scheduled during the next planned stoppage of the plant.

The work on expansion project of 6,700 tpd clinker capacity is in progress as per schedule. M/s IVCC, contractor for piling work and M/s Descon Engineering Limited; the civil contractors have already mobilized on site. The piling of pre-heater area and civil work in storage area & industrial water system has started.

The right issue of 50% ordinary right @ Rs. 18/- per share of Rs. 10/- each and 30% preference shares at par value of Rs. 10/- per share has been completed and the right shares have been credited to shareholders in their respective accounts in Central Depository System. The physical delivery will be effected within 45 days of the last dates of payment/renunciation. With the completion of the above 50% right and 30% preference shares subscription, the equity arrangements to finance the expansion project of 6700 tpd clinker capacity have been completed. An agreement to finance the project signed with National Bank of Pakistan Ltd led consortium for Rs. 4.8 billion is already in place.

It can be reasonably expected on the basis of enhanced construction activities within the country and increased export to Afghanistan that the present surge in cement demand will continue for the next few years. Despite better capacity utilization, increase in interest rates and constant hike in furnace oil, coal prices and transportation costs will affect earnings of the Company in future, if selling price is not increased to absorb the same. Selling price of cement will accordingly be increased during the 4th quarter.

The Directors place on record their appreciation to executives and staff of the Company for their hardwork & cooperation and expect the same zeal will continue in the days to come. The Board would also like to thank all the shareholders for their cooperation and trust reposed in the Company by subscribing 50% ordinary right & 30% preference shares.

Lahore: April 19, 2005

Chief Executive

MAPLE LEAF CEMENT FACTORY LIMITED
BALANCE SHEET
AS AT MARCH 31, 2005

		(Un-Audited) March 31, 2005	(Audited) June 30, 2004			(Un-Audited) March 31, 2005	(Audited) June 30, 2004
	Note	(Rupees in thousands)				(Rupees in thousands)	
Share Capital and Reserve				Non Current Assets			
Authorised share capital	5	5,000,000	2,377,647	Tangible Fixed Assets			
Issued, subscribed and paid up share capital				Property, plant and equipment			
180,491,324 ordinary share of Rs 10/-each		1,804,913	1,804,913			5,123,087	5,356,082
Share Deposit Money	6	13,451	-	Capital work in progress			
Capital Reserve		1,460,423	1,460,423			1,698,032	206,600
General Reserve		100,000	100,000			6,821,119	5,562,682
Unappropriated profit/(loss)		575,205	332,208				
		<u>3,953,992</u>	<u>3,697,544</u>	Long Term Investments			
Non-current liabilities						5,000	5,000
Redeemable Capital		41,650	124,950	Deferred Tax Assets			
Long Term Loans-secured		2,356,523	2,061,737			-	10,237
Deferred Tax Liability		226,561	-	Long Term Loans-considered good			
Other Liabilities		8,585	7,760			6,500	6,349
Long Term Deposits		6,747	7,182	Long term Deposits and Prepayment:			
Current Liabilities						3,654	4,074
Trade and other payables		543,256	330,665	Current Assets			
Short term running finances		1,819,722	274,611	Stores, spares and loose tools			
Current portion of long term loans		517,330	517,330			1,027,086	941,544
Provision for taxation		60,347	65,829	Stock-in-trade			
		<u>2,940,655</u>	<u>1,188,435</u>			183,935	100,145
		<u>9,534,713</u>	<u>7,087,608</u>	Trade debts-considered good			
Contingencies and Commitments						139,542	87,104
	7			Loans, advances, deposits, prepayments and other receivables			
						1,187,613	147,202
				Cash and bank balances			
						160,264	223,271
						<u>2,698,440</u>	<u>1,499,266</u>
						<u>9,534,713</u>	<u>7,087,608</u>

The annexed notes form an integral part of these accounts.

Chief Executive

Director

MAPLE LEAF CEMENT FACTORY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2005 (Un-Audited)

	3rd Quarter		Nine months Ended	
	Jan-Mar 2005	Jan-Mar 2004	Mar. 2005	Mar. 2004
	(Rupees in thousands)		(Rupees in thousands)	
Sales (net)	1,069,665	865,527	3,109,206	2,471,650
Cost of Sales	(758,191)	(562,134)	(2,134,717)	(1,587,737)
Gross profit	311,474	303,393	974,489	883,913
Distribution cost	(4,873)	(2,815)	(10,796)	(8,632)
Administrative expenses	(9,533)	(8,915)	(33,971)	(26,828)
Other operating expenses	(11,743)	(10,795)	(39,124)	(30,238)
Other operating income	2,300	901	6,730	5,148
Profit from operations	287,625	281,769	897,328	823,363
Financial cost	(64,500)	(76,687)	(153,972)	(248,823)
Profit before taxation	223,125	205,082	743,356	574,540
Taxation	51,088	77,187	229,622	127,822
Profit after taxation	172,037	127,895	513,734	446,718
Earnings per share (Rs.) -Basic	0.95	0.71	2.85	2.48

The annexed notes form an integral part of these accounts.

Chief Executive

Director

MAPLE LEAF CEMENT FACTORY LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2005 (Un-Audited)

	July - March	
	2005	2004
	(Rupees in thousands)	
Cash flow from operating activities:		
Profit before taxation	743,356	574,540
Adjustment for:		
Depreciation	254,401	252,791
Provision for earned leave	2,271	1,911
Profit on bank deposits	(1,137)	(5,148)
Financial charges	150,174	247,573
Profit on sale of fixed assets	-	(1,617)
	405,709	495,510
Cash inflow from operating activities	1,149,065	1,070,050
-before working capital changes		
Stores, spares and loose tools	(85,542)	(114,512)
Stock - in - trade	(83,790)	(27,051)
Trade debts	(52,438)	(1,670)
Loans, advances, deposits, prepayments and other receivables	(1,042,355)	370,346
Decrease in creditors, accrued and other liabilities	178,718	111,963
	(1,085,407)	339,076
Cash inflow from operating activities-before taxation	63,658	1,409,126
Vacation benefits paid	(1,446)	(1,148)
Taxes	1,694	(4,049)
	248	(5,197)
Cash generated from operating activities	63,906	1,403,929
Cash flow from investing activities:		
Fixed assets purchased	(21,406)	(4,553)
Capital work in progress	(1,491,432)	(179,184)
Long term loans	(151)	(1,954)
Deposits and prepayments	420	-
Sales proceeds of fixed assets	-	2,064
Profit on bank deposits received	1,944	5,859
Net cash used in investing activities	(1,510,625)	(177,768)
Cash flow from financing activities:		
Share deposit money	13,451	-
Redemption of TFC	(83,300)	(41,700)
Long term loans-repayments	(235,214)	(498,706)
Long term loans-utilized	530,000	-
Long Term Deposits	(435)	(44)
Increase/(Decrease) in short term running finance	1,545,111	(274,913)
Financial charges paid	(117,099)	(300,626)
Dividend Paid	(268,802)	-
Net cash from/(used in) financing activities	1,383,712	(1,115,989)
Net (decrease in) /increase in cash and cash equivalent	(63,007)	110,172
Cash and cash equivalent at the beginning of the period	223,271	130,945
Cash and cash equivalent at the end of the period	160,264	241,117

(Note:A)

A. The cash and cash equivalents include cash in hand, cheques in hand and bank balances. The annexed notes form an integral part of these accounts.

MAPLE LEAF CEMENT FACTORY LIMITED
STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2005

	<u>Share Capital</u>	<u>Share Deposit Money</u>	<u>Capital Reserve</u>	<u>General Reserve</u>	<u>Accumulated Profit/(Loss)</u>	<u>Total</u>
----- (Rupees in thousands) -----						
Balance as at June 30, 2003 (Audited)	1,804,913	-	1,460,423	-	(55,264)	3,210,072
Net profit for the period					446,718	446,718
Balance as at March 31, 2004 (Un-Audited)	1,804,913	-	1,460,423	-	391,454	3,656,790
Net profit for the period					40,754	40,754
Transfer to general reserve	-	-	-	100,000	(100,000)	-
Proposed final dividend @ Rs. 1.50 per share	-	-	-	-	(270,737)	(270,737)
Balance as at June 30, 2004 as previously reported (Audited)	1,804,913	-	1,460,423	100,000	61,471	3,426,807
Proposed Final dividend as on June 30,2004	-	-	-	-	270,737	270,737
Balance as at June 30, 2004-Restated Refer Note-4(a)	1,804,913	-	1,460,423	100,000	332,208	3,697,544
Transfer from profit and loss account Final dividend @ Rs. 1.50 per share	-	-	-	-	513,734	513,734
Share deposit money	-	13,451	-	-	(270,737)	(270,737)
Balance as at March 31, 2005 (Un-Audited)	1,804,913	13,451	1,460,423	100,000	575,205	3,953,992

The annexed notes form an integral part of these accounts.

Chief Executive

Director

MAPLE LEAF CEMENT FACTORY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2005 (Un-Audited)

1. The Company and its Operations

Maple Leaf Cement Factory Limited was incorporated under the Companies Ordinance 1984 as public company Limited by shares and is listed on all stock exchanges in Pakistan. It is engaged in production and sale of cement.

2. Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the International Accounting Standard- 34 "Interim Financial Reporting" as applicable in Pakistan, in all material respects. These financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the Code of Corporate Governance.

3. Basis of Presentation and Measurement

Same basis for presentation and measurement have been adopted to prepare these financial statements as were adopted and disclosed in the published annual financial statements for the year ended June 30, 2004.

4. Summary of significant accounting policies

The accounting policies adopted and applied for the preparation of these financial statements are the same as adopted and applied in preparation of preceding annual published accounts except for those discussed as under:

In pursuance to the Revised Fourth Schedule, effective from the current financial year and to comply with the related International Accounting Standards (IAS), the Company has changed the following accounting policies;

- a) To comply the IAS -10 "Event after the balance sheet date", the Company has changed its policy for recognition of dividend and considers that the dividend declared subsequent to balance sheet date as non-adjusting event and consequently no liability shall be recognized in the financial statements, whereas previously, dividend declared subsequent to the year end was treated as adjusting event and was recorded as liability in the financial year. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the Benchmark treatment specified in IAS-8 " Net profit or loss for the period, Fundamental Errors and Change in Accounting Polices". The effect of the change on the comparative figures has been disclosed in the Statement of Changes in Equity, and the figures of the unappropriated profit for the financial year ended June 30,2004 has increased by 270,737 million and proposed dividend shown under current liability has reduced by Rs. 270,737 million, accordingly.
- b) The exchange differences on the foreign currency loans utilized for acquisition of the fixed assets shall be charged to the income currently, previously exchange differences of foreign currency loans were adjusted against the cost of fixed assets acquired from the proceeds of such loans. There is no effect on financial statment reported for the current period due to change in accounting policy.
- c) The company has discontinued its policy for deferred and amortization of cost. Previously, expenses, the benefit of which is expected to spread over several years were deferred and amortised over the useful life but not exceeding five years. There is no effect on financial statment reported for the current period due to change in accounting policy.

5. Authorised Capital

	March 31,2005	June 30,2004
400,000,000 Ordinary share (June 2004: 237,764,675ordinary share) of Rs 10_-each	4,000,000	2,377,647
100,000,000 Preference share (June 2004: Nil) of Rs 10_-each	1,000,000	-
	5,000,000	2,377,647

The Shareholders of the company has approved the issue of 54,147,398 preference shares having preferential right of dividend at the rate of 9.75% p.a. by way of Right offer to existing shareholders in the ratio of 30 preference shares (non-voting) for every 100 ordinary shares held as on December 15, 2004, the issue was also approved by the Securities and Exchange Commission of Pakistan and all the Stock Exchanges of Pakistan.

6. Share Deposit Money

This represents the part amount of right shares received from the shareholders against the 90,245,662 ordinary share of Rs.10/- each issued at Rs.18 per share (including premium of Rs.8 per share). These right share were offered in the ratio of 50 shares for every 100 ordinary shares registered in the name of the shareholder as on December 03, 2004.These right shares shall rank pari passu with the existing ordinary shares of the Company in all respects.

7. CONTINGENCIES AND COMMITMENTS

Contingencies

There has been no significant change in the contingencies since the date of preceding published annual financial statements.

Commitments

Guarantees issued by various commercial banks, in respect of financial and operational obligations of the company, to various institution and corporate bodies aggregate Rs. 39.748 Million (June 30, 2004:Rs 49.431 million)

Contract for Capital expenditure Rs. 1,706 million (June 30, 2004: Rs. 161.631 million) .

Commitment against irrevocable letters of credit Rs.4,272 million (June 30,2004: Rs. 1,104 million)

8. Taxation

Current

The company has provided minimum tax liability for the current period under section 113 of the Income Tax Ordinance, 2001, as tax losses are available for carry forward.

Deferred

The company accounts for deferred tax on all temporary differences using the balance sheet liability method, in compliance with the IAS-12 "Income Taxes"(Revised 2000).

9. Workers' Profit Participation Fund

Amount set aside for Workers Profit Participation fund is provisional, final liability will be determined on the basis of annual results.

10. Acquisition and disposal of Fixed Assets

	March 31, 2005 (Un-Audited)		June 30, 2004 (Audited)	
	Additions	Deletions	Additions	Deletions
	(Rupees in thousands)		(Rupees in thousands)	
Land	9912	-	-	-
Building	2,029	-	22,622	-
Roads, bridges & railway sidings	-	-	231	-
Plant & Machinery	356	-	463,756	-
Furniture, Fixture & Equipments	6,394	-	15,842	-
Vehicles	2,714	-	2,751	559
Quarry Equipment	-	-	3,818	-

11. Transactions with related parties

	Un-Audited	Audited
	March 31, 2005	Year Ended 30-06-2004
	(Rupees in thousands)	
Sale of goods and Services	24,018	3,730
Purchase of goods and Services	-	6,303

12. General

12.1 These financial statements were authorised for issue on April 19, 2005 by the board of directors of the Company.

12.2 The figures have been rounded off to the nearest thousand.

Chief Executive

Director