

Lafarge Surma Cement Ltd.

A company of **LAFARGE** and **CEMENTOS MOLINS**

Third Quarter Financial Statements-2012 (un-audited)

Complying with Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 of the Securities and Exchange Commission
The details of the published quarterly financial statements are available in the web-site of the Company. The address of the web-site is: www.lafarge-bd.com

LAFARGE SURMA CEMENT LIMITED Statement of Financial Position (Un-audited) at 30 September 2012		
	30 Sep 2012 Taka'000	31 Dec 2011 Taka'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	11,800,634	12,176,273
Intangible assets	3,972	4,513
Investment in subsidiaries	519,893	519,893
Loan to subsidiary company	1,197,990	1,335,097
	13,522,489	14,035,776
CURRENT ASSETS		
Inventories	1,407,935	1,437,685
Trade receivables	444,093	533,487
Other receivables	1,197,374	812,682
Accrued interest	319,793	346,082
Derivative instruments	-	19,855
Cash and cash equivalents	41,952	236,064
	3,411,147	3,385,855
TOTAL ASSETS	16,933,636	17,421,631
EQUITY & LIABILITIES		
Share capital	11,613,735	11,575,806
Retained earnings	(1,858,038)	(2,709,843)
Other component of equity	(1,111)	(4,216)
Share money deposits	-	37,929
EQUITY	9,754,586	8,899,676
NON-CURRENT LIABILITIES		
Long-term debt	15,730	2,511,995
Deferred tax liabilities	586,774	9,267
Employee benefits	96,047	72,898
Derivative instruments	-	6,746
	698,551	2,600,906
CURRENT LIABILITIES		
Trade payables	1,715,480	1,494,847
Other payables	274,501	298,572
Derivative instruments	1,777	28,764
Current portion of long term debt	2,498,195	2,302,811
Bank overdrafts	267,684	165,737
Short-term debt	1,616,866	1,568,171
Current tax liabilities	105,996	62,147
	6,480,499	5,921,049
TOTAL EQUITY AND LIABILITIES	16,933,636	17,421,631

Finance Director T.K. Chief Executive Officer

LAFARGE SURMA CEMENT LIMITED Statement of Cash Flows (Un-audited) for the period from 1 January to 30 September 2012		
	Jan-Sep 2012 Taka'000	Jan-Sep 2011 Taka'000
Cash Flows From Operating Activities		
Cash receipts from customers	7,875,282	3,415,448
Cash paid to suppliers and employees	(5,403,480)	(3,995,957)
Cash generated/used in operations	2,471,802	(580,509)
Income taxes paid	(157,194)	(102,030)
Other receipts	1,478	500
<i>Net cash generated/used in operating activities</i>	2,316,086	(682,039)
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(38,691)	(18,304)
Payments for intangible assets	(644)	(525)
Proceeds from sale of property, plant and equipment	561	245
Proceeds against loan to subsidiary company	132,458	-
Interest received from subsidiary company	56,540	-
<i>Net cash generated/used in investing activities</i>	150,224	(18,584)
Cash Flows From Financing Activities		
Repayment of long term debt	(2,427,119)	(590,856)
Proceeds from bank overdrafts	101,947	2,432,516
Repayment short term debts	48,695	(464,420)
Payment for right issue costs	(26,204)	-
Payment of interest	(357,741)	(779,789)
<i>Net cash used/generated by financing activities</i>	(2,660,422)	597,451
Net decrease in cash and cash equivalents	(194,112)	(103,172)
Cash and Cash Equivalents at Beginning of the Period	236,064	163,248
Cash and Cash Equivalents at End of the Period	41,952	60,076

Finance Director T.K. Chief Executive Officer

LAFARGE SURMA CEMENT LIMITED Income Statement (Un-audited) for the period from 1 January to 30 September 2012				
	Jan-Sep 2012 Taka '000	Jan-Sep 2011 Taka '000	Jul-Sep 2012 Taka '000	Jul-Sep 2011 Taka '000
REVENUE	7,823,461	3,584,854	2,283,622	1,230,248
Cost of sales	(5,318,161)	(3,895,450)	(1,513,412)	(1,226,055)
GROSS PROFIT/(LOSS)	2,505,300	(310,596)	770,210	4,193
General and administrative expenses	(390,846)	(245,469)	(131,468)	(84,288)
Sales and marketing expenses	(107,440)	(42,105)	(34,207)	(15,476)
Other operating income/(expenses)	(22,128)	(282,096)	(31,587)	(38,308)
OPERATING INCOME/(LOSS)	1,984,886	(880,266)	572,948	(133,879)
Exchange loss on foreign currency transactions	(161,055)	(280,194)	(117,998)	(35,392)
Finance cost	(311,000)	(772,273)	(905)	(304,168)
Finance income	35,904	29,713	11,829	2,608
Contribution to Workers' Profit Participation and Welfare Funds	(77,437)	-	(23,294)	-
INCOME/(LOSS) BEFORE TAX	1,471,298	(1,903,020)	442,580	(470,831)
Income tax	(619,493)	548,217	(174,052)	126,630
INCOME/(LOSS) FOR THE PERIOD	851,805	(1,354,803)	268,528	(344,201)
Basic earnings per share (Taka)	0.73	(1.17)	0.23	(0.30)

LAFARGE SURMA CEMENT LIMITED Statement of Comprehensive Income (Un-audited) for the period from 1 January to 30 September 2012				
	Jan-Sep 2012 Taka '000	Jan-Sep 2011 Taka '000	Jul-Sep 2012 Taka '000	Jul-Sep 2011 Taka '000
INCOME/(LOSS) FOR THE PERIOD	851,805	(1,354,803)	268,528	(344,201)
Cash flow hedge instruments	3,105	(10,315)	760	3,305
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	3,105	(10,315)	760	3,305
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	854,910	(1,365,118)	269,288	(340,896)

LAFARGE SURMA CEMENT LIMITED Statement of Changes in Equity (Un-audited) for the period from 1 January to 30 September 2012					
	(All figures are in Tk. '000)				
	Share capital	Retained earnings	Other component of equity	Share money deposits	Total equity
Balance at 1 January 2011	5,806,868	(1,559,795)	(18,029)	-	4,229,044
Total comprehensive (loss)/income for the period	-	(1,354,803)	(10,315)	-	(1,365,118)
Balance at 30 September 2011	5,806,868	(2,914,598)	(28,344)	-	2,863,926
Balance at 1 January 2012	11,575,806	(2,709,843)	(4,216)	37,929	8,899,676
Total comprehensive income for the period	-	851,805	3,105	-	854,910
Issuance of right shares	37,929	-	-	(37,929)	-
Balance at 30 September 2012	11,613,735	(1,858,038)	(1,111)	-	9,754,586

Finance Director T.K. Chief Executive Officer

LAFARGE SURMA CEMENT LIMITED Consolidated Statement of Financial Position (Un-audited) at 30 September 2012			
	30 Sep 2012 Taka'000	31 Dec 2011 Taka'000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13,409,969	13,815,909	
Intangible assets	1,263,795	1,293,051	
	14,673,764	15,108,960	
CURRENT ASSETS			
Inventories	1,604,169	1,572,777	
Trade receivables	444,093	533,487	
Other receivables	1,532,325	1,078,870	
Derivative instruments	10,177	19,855	
Cash and cash equivalents	50,650	245,432	
	3,641,414	3,450,421	
TOTAL ASSETS	18,315,178	18,559,381	
EQUITY & LIABILITIES			
Share capital	11,613,735	11,575,806	
Retained earnings	(4,107,399)	(5,343,728)	
Other component of equity	(18,114)	(16,113)	
Share money deposits	-	37,929	
Foreign currency translation	179,685	197,787	
	7,667,907	6,451,681	
SHAREHOLDERS' EQUITY- PARENT COMPANY	7,667,907	6,451,681	
Non-controlling interests	305	302	
EQUITY	7,668,212	6,451,983	
NON-CURRENT LIABILITIES			
Long-term debt	1,101,721	3,904,616	
Deferred tax liabilities	586,774	9,267	
Employee benefits	101,824	78,457	
Derivative instruments	-	6,746	
	1,790,319	3,999,086	
CURRENT LIABILITIES			
Trade payables	1,854,373	1,788,339	
Other payables	297,880	348,021	
Derivative instruments	6,478	43,317	
Current portion of long term debt	2,910,908	2,763,900	
Bank overdrafts	360,147	220,401	
Short-term debt	3,320,865	2,882,187	
Current tax liabilities	105,996	62,147	
	8,856,647	8,108,312	
TOTAL EQUITY AND LIABILITIES	18,315,178	18,559,381	

LAFARGE SURMA CEMENT LIMITED Consolidated Statement of Cash Flows for the period from 1 January to 30 September 2012			
	Jan-Sep 2012 Taka'000	Jan-Sep 2011 Taka'000	
Cash Flows From Operating Activities			
Cash receipts from customers	7,875,282	3,415,448	
Cash paid to suppliers and employees	(5,053,590)	(4,366,040)	
Cash generated/used in operations	2,821,692	(950,592)	
Income taxes paid	(157,194)	(102,030)	
Other receipts	1,478	500	
<i>Net cash generated/used in operating activities</i>	2,665,976	(1,052,122)	
Cash Flows From Investing Activities			
Payments for property, plant and equipment	(52,201)	(69,406)	
Payments for intangible assets	(28,645)	(105,104)	
Proceeds from sale of property, plant and equipment	561	245	
<i>Net cash used in investing activities</i>	(80,285)	(174,265)	
Cash Flows From Financing Activities			
Repayment of long term debt	(2,799,587)	(605,667)	
Proceeds from bank overdrafts	149,473	2,399,001	
Repayment short term debts	428,860	400,912	
Payment for right issue costs	(26,204)	-	
Payment of interest	(532,762)	(1,019,279)	
<i>Net cash used/generated by financing activities</i>	(2,780,220)	1,174,967	
Net effect of foreign currency translation on cash and cash equivalents	(253)	4,024	
Net decrease in cash and cash equivalents	(194,782)	(47,396)	
Cash and Cash Equivalents at Beginning of the period	245,432	174,691	
Cash and Cash Equivalents at End of the period	50,650	127,295	

Finance Director T.K. Chief Executive Officer

LAFARGE SURMA CEMENT LIMITED Consolidated Income Statement (Un-audited) for the period from 1 January to 30 September 2012				
	Jan-Sep 2012 Taka '000	Jan-Sep 2011 Taka '000	Jul-Sep 2012 Taka '000	Jul-Sep 2011 Taka '000
REVENUE	7,823,461	3,584,854	2,283,622	1,230,248
Cost of sales	(4,767,895)	(4,096,502)	(1,331,189)	(1,290,014)
GROSS PROFIT/(LOSS)	3,055,566	(511,648)	952,433	(59,766)
General and administrative expenses	(390,846)	(245,469)	(131,468)	(84,288)
Sales and marketing expenses	(107,440)	(42,105)	(34,207)	(15,476)
Other operating income/(expenses)	(22,128)	(311,063)	(31,587)	(48,709)
OPERATING INCOME/(LOSS)	2,535,152	(1,110,285)	755,171	(208,239)
Exchange (loss)/gain on foreign currency transactions	(124,960)	(496,236)	113,253	(262,021)
Finance cost	(477,324)	(1,012,040)	(54,328)	(398,229)
Finance income	391	9	82	-
Contribution to Workers' Profit Participation and Welfare Funds	(77,437)	-	(23,294)	-
INCOME/(LOSS) BEFORE TAX	1,855,822	(2,618,552)	790,884	(868,489)
Income tax	(619,493)	548,217	(174,052)	126,630
INCOME/(LOSS) FOR THE PERIOD	1,236,329	(2,070,335)	616,832	(741,859)
Basic earnings per share (Taka)	1.06	(1.78)	0.53	(0.64)

LAFARGE SURMA CEMENT LIMITED Consolidated Statement of Comprehensive Income (Un-audited) for the period from 1 January to 30 September 2012				
	Jan-Sep 2012 Taka '000	Jan-Sep 2011 Taka '000	Jul-Sep 2012 Taka '000	Jul-Sep 2011 Taka '000
INCOME/(LOSS) FOR THE PERIOD	1,236,329	(2,070,335)	616,832	(741,859)
Cash flow hedge instruments	(2,007)	(10,315)	50,106	3,305
Actuarial loss	6	-	(60)	-
Exchange differences on translating foreign operation	(18,102)	55,319	(115,148)	114,189
Non controlling interests- currency translation adjustment	3	(16)	39	(53)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(20,100)	44,988	(65,063)	117,441
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	1,216,229	(2,025,347)	551,769	(624,418)
<i>Attributable to:</i>				
Owners of the parent Company	1,216,226	(2,025,331)	551,730	(624,365)
Non-controlling interests	3	(16)	39	(53)
	1,216,229	(2,025,347)	551,769	(624,418)

LAFARGE SURMA CEMENT LIMITED Consolidated Statement of Changes in Equity (Un-audited) for the period from 1 January to 30 September 2012							
	(All figures are in Tk. '000)						
	Share capital	Retained earnings	Other components of equity	Share money deposits	Foreign currency translation	Equity for parent controlling company	Non controlling interests
Balance at 1 January 2011	5,806,868	(3,174,697)	-	-	135,946	2,768,117	362
Total comprehensive (loss)/income for the period	-	(2,070,335)	(10,315)	-	55,319	(2,025,331)	(16)
Balance at 30 September 2011	5,806,868	(5,245,032)	(10,315)</				