

**LAFARGE SURMA CEMENT LIMITED**  
Consolidated Income Statement (Un-audited)  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 Taka '000	Jan-Jun 2010 Taka '000
<b>REVENUE</b>	3,471,118	1,293,770
Cost of sales	(2,806,488)	(1,185,267)
<b>GROSS (LOSS)/PROFIT</b>	<b>(451,882)</b>	<b>108,503</b>
General and administrative expenses	(161,181)	(89,366)
Selling and distribution expenses	(26,629)	(28,849)
Other expenses	(131,763)	(11,939)
<b>OPERATING (LOSS)/INCOME</b>	<b>(902,046)</b>	<b>(21,651)</b>
Exchange (loss)/income on foreign currency translation	(237,981)	(7,625)
Finance costs	(617,116)	(152,395)
Finance income	3,775	(4,512)
Contribution to Workers' Profit Participation and Welfare Funds	-	2,876
<b>NET (LOSS)/PROFIT BEFORE TAX</b>	<b>(1,753,368)</b>	<b>(183,307)</b>
Income tax	421,587	1,975
<b>NET (LOSS)/PROFIT AFTER TAX</b>	<b>(1,331,781)</b>	<b>(181,332)</b>
<b>Earnings per share (Taka)</b>	<b>(22.93)</b>	<b>(3.12)</b>

*Michael Andrew Cowell*  
Managing Director

*Muaaz*  
Finance Director

**LAFARGE SURMA CEMENT LIMITED**  
Consolidated Cash Flow Statement (Un-audited)  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 Taka '000	Jan-Jun 2010 Taka '000
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	2,294,301	3,694,163
Payment for cost and expenses	(3,045,575)	(2,548,002)
Advance income tax by deduction	(76,039)	(34,855)
Interest paid	(577,306)	(329,980)
Other receipts	487	7,427
	<b>(1,404,132)</b>	<b>788,753</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(56,098)	(103,968)
Intangible assets	(94,998)	(22,495)
Disposal of property, plant and equipment	36	36
	<b>(151,060)</b>	<b>(126,427)</b>
<b>Cash Flows From Financing Activities</b>		
Long term debt	(616,590)	(848,857)
Bank overdrafts	2,643,309	(546,599)
Short term debt	(591,218)	677,170
	<b>1,435,501</b>	<b>(718,286)</b>
Net effect of foreign currency translation on cash and cash equivalents	281	666
<b>Net cash flow for the Period</b>	<b>(119,410)</b>	<b>(55,294)</b>
Cash and Cash Equivalents at Beginning of the Period	174,691	87,401
Cash and Cash Equivalents at End of the Period	<b>55,281</b>	<b>32,107</b>
	<b>(119,410)</b>	<b>(55,294)</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director

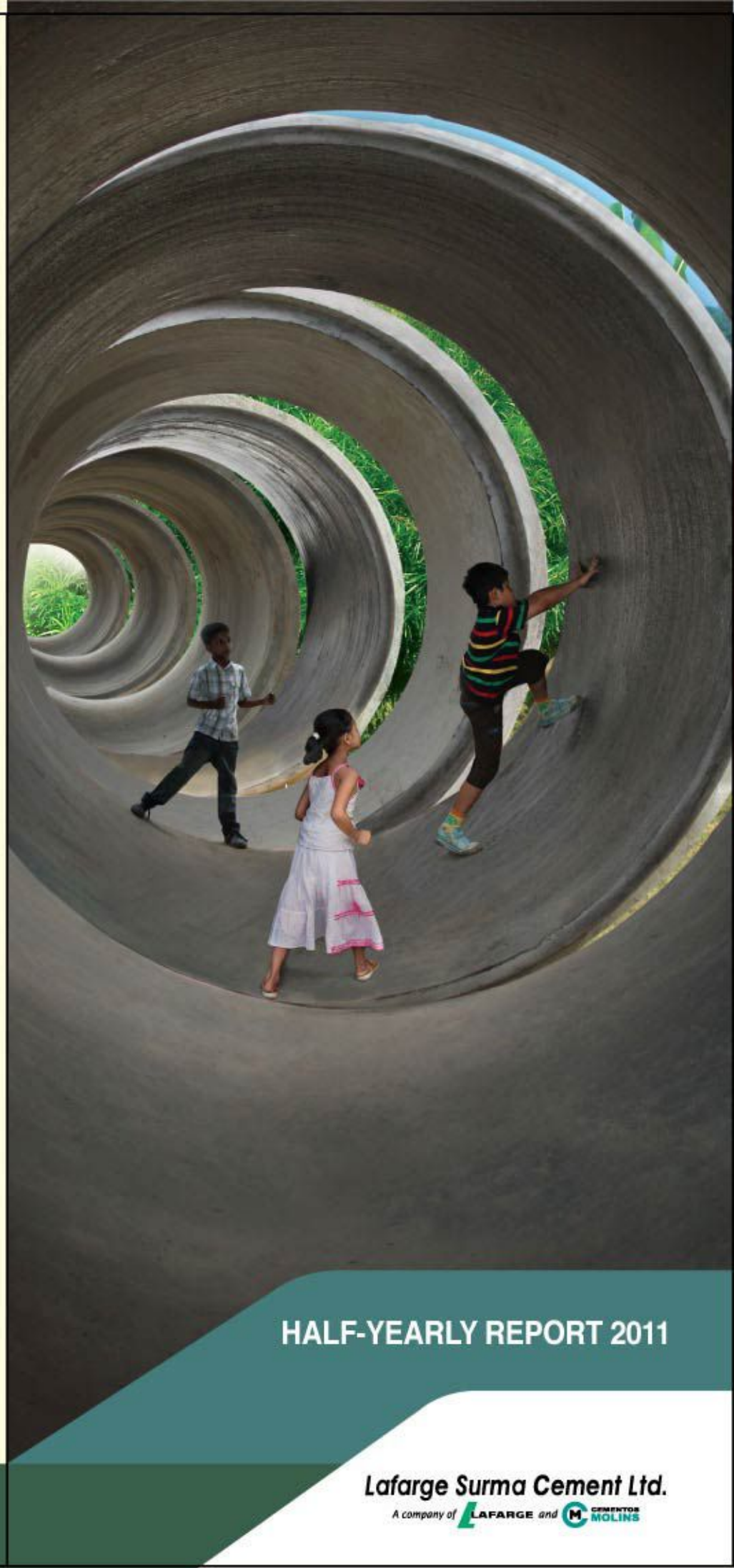
**LAFARGE SURMA CEMENT LIMITED**  
Consolidated Statement of Changes in Shareholders' Equity  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 in Taka'000		Jan-Jun 2010 in Taka'000	
	Share Capital	Accumulated Loss	Share Capital	Accumulated Loss
Balance as on 1 January	5,806,868	(3,174,697)	5,806,868	(2,768,036)
Net (Loss)/profit after tax for the period	-	(1,231,781)	-	(1,390,637)
		<b>(67)</b>		<b>77,076</b>
Balance as at 30 June	<b>5,806,868</b>	<b>(4,506,478)</b>	<b>5,806,868</b>	<b>(1,300,599)</b>

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*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director



HALF-YEARLY REPORT 2011

Lafarge Surma Cement Ltd.  
A company of LAFARGE and CEMENTOS MOLINO



Dear Shareholders, Dated: Dhaka July 12, 2011

Pursuant to the requirements of the Securities and Exchange Rules, 1987 and the Listing Regulations of the Stock Exchanges, we are pleased to present the following Half-Yearly Financial Statements of Lafarge Surma Cement Limited:

- Un-audited Half-Yearly Financial Statements containing Balance Sheet as at June 30, 2011, Income Statement, Cash Flow Statement and Statement of Changes in Shareholders Equity for the half-year ended on the same date; and
- Un-audited Half-Yearly Consolidated Financial Statements containing Balance Sheet as at June 30, 2011, Income Statement, Cash Flow Statement and Statement of Changes in Shareholders Equity for the half-year ended on the same date.

Yours sincerely,

*Michael Andrew Cowell*  
Michael Andrew Cowell  
Managing Director

**LAFARGE SURMA CEMENT LIMITED**  
Balance Sheet (Un-audited)  
As at 30 June 2011

	30 Jun 2011 Taka '000	31 Dec 2010 Taka '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	12,386,534	12,629,748
Intangible assets	5,775	6,939
Investment in subsidiaries	519,893	519,893
Loan to subsidiary company	1,209,490	1,154,028
Deferred income tax assets	289,071	-
	<b>14,410,763</b>	<b>14,310,608</b>
<b>CURRENT ASSETS</b>		
Inventories	1,293,916	1,085,140
Trade receivables	165,952	133,171
Accrued interest	294,781	264,089
Advances, deposits & prepayments	767,348	601,012
Derivative instruments-assets	620	1,429
Cash and cash equivalents	49,782	163,248
	<b>2,572,399</b>	<b>2,248,089</b>
<b>TOTAL ASSETS</b>	<b>16,983,162</b>	<b>16,558,697</b>
<b>LIABILITIES</b>		
Share capital	5,806,868	5,806,868
Accumulated loss	(2,588,425)	(1,577,824)
<b>SHAREHOLDERS' EQUITY</b>	<b>3,218,443</b>	<b>4,229,044</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt	3,626,607	3,000,781
Deferred income tax liabilities	-	172,993
Contribution to employee benefits	56,855	52,982
	<b>3,683,462</b>	<b>3,226,756</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,803,030	1,318,338
Other payables	318,316	341,387
Derivative instruments-liabilities	15,554	18,029
Current portion of long term debt	822,233	1,780,227
Bank overdrafts	3,206,235	583,683
Short-term debt	3,874,161	5,059,982
Income tax payable	41,728	1,251
	<b>10,081,257</b>	<b>9,102,897</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,983,162</b>	<b>16,558,697</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director

**LAFARGE SURMA CEMENT LIMITED**  
Income Statement (Un-audited)  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 Taka '000	Jan-Jun 2010 Taka '000
<b>REVENUE</b>	3,471,118	1,293,770
Cost of sales	(2,669,394)	(1,132,257)
<b>GROSS (LOSS)/PROFIT</b>	<b>(198,276)</b>	<b>161,513</b>
General and administrative expenses	(161,181)	(89,366)
Selling and distribution expenses	(26,629)	(28,849)
Other (Loss)/Income	(4,466)	6,992
<b>OPERATING (LOSS)/INCOME</b>	<b>(746,386)</b>	<b>50,290</b>
Exchange (loss)/income on foreign currency translation	(241,036)	28,703
Finance costs	(468,105)	(146,039)
Finance income	23,339	9,523
Contribution to Workers' Profit Participation and Welfare Funds	-	2,876
<b>NET (LOSS)/ PROFIT BEFORE TAX</b>	<b>(1,432,188)</b>	<b>(84,647)</b>
Income tax	421,587	1,975
<b>NET (LOSS)/ PROFIT AFTER TAX</b>	<b>(1,010,601)</b>	<b>(82,672)</b>
<b>Earnings per share (Taka)</b>	<b>(17.40)</b>	<b>(0.91)</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director

**LAFARGE SURMA CEMENT LIMITED**  
Cash Flow Statement (Un-audited)  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 Taka '000	Jan-Jun 2010 Taka '000
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	2,294,301	3,694,163
Payment for cost and expenses	(2,714,737)	(2,501,528)
Advance income tax by deduction	(72,265)	(34,855)
Interest paid	(461,424)	(318,808)
Other receipts	487	7,427
	<b>(953,638)</b>	<b>846,399</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(23,868)	(96,772)
Intangible assets	477	-
Disposal of property, plant and equipment	36	36
	<b>(23,355)</b>	<b>(96,736)</b>
<b>Cash Flows From Financing Activities</b>		
Long term debt	(573,203)	(848,857)
Bank overdrafts	2,622,552	(563,063)
Short term debt	(1,185,821)	612,645
	<b>863,528</b>	<b>(799,275)</b>
Net cash flow for the period	<b>(113,465)</b>	<b>(49,612)</b>
Cash and Cash Equivalents at Beginning of the Period	163,247	70,039
Cash and Cash Equivalents at End of Period	<b>49,782</b>	<b>20,427</b>
	<b>(113,465)</b>	<b>(49,612)</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director

**LAFARGE SURMA CEMENT LIMITED**  
Statement of Changes in Shareholders' Equity (Un-audited)  
For the period from 1 January to 30 June 2011

	Jan-Jun 2011 in Taka'000		Jan-Jun 2010 in Taka'000	
	Share Capital	Accumulated loss	Share Capital	Accumulated loss
Balance as on 1 January	5,806,868	(1,577,824)	5,806,868	(4,229,044)
Net (Loss)/profit after tax for the period	-	(1,010,601)	-	(1,010,601)
		<b>(2,588,425)</b>		<b>790,805</b>
Balance as at 30 June	<b>5,806,868</b>	<b>(4,506,478)</b>	<b>5,806,868</b>	<b>(1,300,599)</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director

**LAFARGE SURMA CEMENT LIMITED**  
Consolidated Balance Sheet (Un-audited)  
As at 30 June 2011

	30 Jun 2011 Taka '000	31 Dec 2010 Taka '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	14,192,849	14,377,748
Intangible assets	1,375,153	1,219,460
Deferred income tax assets	289,071	-
	<b>15,857,073</b>	<b>15,597,208</b>
<b>CURRENT ASSETS</b>		
Inventories	1,428,423	1,146,423
Trade receivables	165,952	133,171
Advances, deposits & prepayments	1,185,023	861,882
Derivative instruments-assets	620	1,429
Cash and cash equivalents	55,281	174,691
	<b>2,835,299</b>	<b>2,317,596</b>
<b>TOTAL ASSETS</b>	<b>18,692,372</b>	<b>17,914,804</b>
<b>LIABILITIES</b>		
Share capital	5,806,868	5,806,868
Accumulated loss	(4,506,545)	(3,174,778)
Foreign currency translation	77,076	135,946
<b>SHAREHOLDERS' EQUITY- PARENT COMPANY</b>	<b>1,377,399</b>	<b>2,768,036</b>
Share money deposits	466	443
<b>EQUITY</b>	<b>1,377,865</b>	<b>2,768,479</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt	5,222,399	4,713,556
Deferred income tax liabilities	-	172,993
Contribution to employee benefits	60,131	56,174
	<b>5,282,530</b>	<b>4,942,723</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,030,526	1,462,654
Other payables	328,755	390,035
Derivative instruments-liabilities	15,554	18,029
Current portion of long term debt	1,232,303	2,017,604
Bank overdrafts	3,277,056	633,261
Short-term debt	5,106,055	5,680,768
Income tax payable	41,728	1,251
	<b>12,031,977</b>	<b>10,203,602</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,692,372</b>	<b>17,914,804</b>

*Muaaz*  
Finance Director

*Michael Andrew Cowell*  
Managing Director