

**February 03, 2015**

**Flash Note on M. I. Cement Factory Limited (DSE: MICEMENT) – 2Q 2015 Observations:**

We would like to update you with the following observations on latest quarterly (2Q 2015) earnings reporting of M. I. Cement Factory Limited (DSE: MICEMENT) –

- During 2Q 2015, Revenue increased by 14.6% YoY.
- Increased COGS shrank Gross Profit Margin to 14.3% in 2Q 2015, which was 17.2% in 2Q 2014.
- Alongside, Operating Profit Margin declined too, to 9.5% in 2Q 2015 from that of 13.4% in 2Q 2014.
- Besides, Net FX loss (BDT 43.7 mn) as well as fixed interest expense due to higher debt burden (BDT 5,318.6 mn) ultimately hit bottom line, shrinking NPAT Margin significantly to 4.6% which was 9.8% in 2Q 2014.
- Accordingly, 2Q 2015 NPAT declined to BDT 90.9 mn, which was BDT 169.6 mn in 2Q 2014.

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