



The Pakistan Credit Rating Agency Limited

PRESS RELEASE

Rating Action

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PACRA PLACES RATINGS OF PIONEER CEMENT LIMITED ON RATING WATCH

In view of the recent developments regarding the planned acquisition of the majority ownership in Pioneer Cement Limited (PCL) by Vision Holdings Middle East Limited, PACRA has placed entity ratings of PCL on Rating Watch. However, the direction of rating action would be contingent on the profile, business acumen and strategy of the acquirer.

Pioneer Cement's business prospects have been under pressure due to difficult dynamics of the cement industry, accentuated by material deterioration in the financial and business profile of the company. Strengthening the capital structure, assembling a cohesive and competent management team and implementation of an effective business strategy by the acquirer would lend support to the ratings. Meanwhile, the long-term and the short-term entity ratings of "BBB" (triple B) and "A3" (A three) would remain on the rating watch till the completion of the said transaction.

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