



FAUJI CEMENT COMPANY LIMITED

DIRECTORS' REVIEW

1. The Board of Directors is pleased to present their review report along with the un-audited accounts of the Company for the 3rd quarter ended 31March 2011.
2. During the period under review, FCCL capacity utilization remained at 92.10% as compared to 94.70% in the corresponding quarter of the last year. FCCL exported 93,247 tons as compared to 86,478 tons in the same quarter last year depicting an increase of 7.83%. Local dispatches stood at 175,122 tons as compared to 189,468 tons during the corresponding quarter of last year depicting a decrease of 7.57%.
3. The cost of sales per ton during the period under review was higher than the corresponding period of last year due to increase in fuel prices, however, some of the increase was passed on with improvement in the average retention price during the period.
4. International and domestic fuel and utility prices continue to rise which will increase costs going forward, but with the onset of summer season the domestic dispatches are expected to improve and correspondingly the cement prices are likely to improve. The Board is confident that the profitability will improve in the last quarter of the year.

A handwritten signature in black ink, appearing to be 'Hamid Rab Nawaz', written in a cursive style.

Rawalpindi
21 April 2011

Lt Gen Hamid Rab Nawaz, HI (M) (Retd)
Chairman