



FAUJI CEMENT COMPANY LIMITED

DIRECTORS' REVIEW

1. The Board of Directors is pleased to present their review along with the un-audited accounts of the Company for the first quarter ended 30 September 2007.
2. During the quarter, the Cement Industry witnessed an unprecedented demand for its product. Total cement despatches during this quarter reached 7.28 million tons as compared to 5.41 million tons over the corresponding quarter of the last year showing a growth of 33.75 %. Cement exports registered a growth of 136.62 % and domestic demand grew by 20.16 %. Overall Industry despatches were 80.70% of the capacity.
3. In line with the Industry, FCCL performed well and maintained its upward trend. During the quarter under review, the Company despatches were 106.77% of the capacity as compared to 103.35 % in the corresponding quarter of the last year. Whereas, export despatches showed an increase of 60.24% (60,360 tons as compared to 37,668 tons), local despatches showed a marginal decrease of 4.83% (250,750 tons as compared to 263,465 tons).
4. Fauji Cement continued to command a premium brand. However, owing to fall in prices of cement, the net profit of the Company witnessed a decrease from Rs. 268.976 million to Rs. 62.989 million.
5. Given the overall business scenario, the Board of Directors is confident that growth of cement demand in local and export will ensure improved profitability

A handwritten signature in black ink, appearing to read 'Arif Hasan'.

Rawalpindi
23 October 2007

Lt Gen Syed Arif Hasan, HI (M) (Retd)
Chairman