



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 with limited scope review by the auditors for the half year ended 31 December 2009.
2. During the period under review, FCCL capacity utilization stood at 95.40% as compared to 91.16% in the corresponding first half of the last year. FCCL local dispatches stood at 433,390 tons as compared to 387,226 tons during the corresponding period of the last year depicting an increase of 11.92% but the export of cement reached 122,570 tons as compared to 144,017 tons in the same period of the last year depicting a decrease of 14.89%.
3. The cost of sales per ton during the period under review was lower than the corresponding period of the last year due to reduction in the coal prices but the average retention price for local and export sales fell by a higher percentage which adversely affected the profitability of the Company.
4. Presently, the prices of cement are showing a slight improvement and it is expected that the same will further improve with the increase in demand of cement at the start of Summer Season. The Board is confident that the profitability will improve in the second half of the year.

A handwritten signature in black ink, appearing to be 'Harid Rab Nawaz'.

Rawalpindi
22 February 2010

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