



# 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 2010.

2. During the period under review, FCCL capacity utilization remained at 90% as compared to 95% in the corresponding first half of the last year. FCCL exported 231,957 tons as compared to 122,570 tons in the same period last year showing an increase of 89% due to higher retention price. Local dispatches stood at 293,890 tons as compared to 433,390 tons during the corresponding period of last year depicting a decrease of 32%.

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, the average retention price improved by a higher percentage which increased the profitability of the Company.

4. Work on the new Line of production is nearing completion with commissioning work on going and commercial production is expected to be completed by the end of 1st Quarter of 2011.

5. Presently, the prices of cement are showing a slight improvement due to change in construction trends and it is expected that the same will further improve with the increase in demand of cement on 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 'Hamid Rab Nawaz'.

Rawalpindi  
3 February 2011

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