

The Board of Directors is pleased to present its review report along with the condensed interim financial information of the Company for the half year ended 31 December 2013.

Industry Overview

The cement industry achieved a growth of 1.07% during six months of current financial year with volumetric sales of 16.12 million tons as compared to 15.95 million tons during the same period last year.

The local sales volume of the industry during six months of current financial year registered a growth of 2.13% with volumetric sales of 11.98 million tons as compared to 11.73 million tons in same period last year. Whereas export sales registered a decline of 1.8% with volumetric sales of 4.15 million tons as compared to 4.22 million tons in same period of last year.

Company Overview

The overall sales volume of the company decreased by 2.82% during the six months of current financial year with volumetric sales of 1.18 million tons as compared to 1.22 million tons during the same period last year. Capacity utilization achieved by the company is 69% as compared to 71% in the same period last year.

The local sales volume of the company during six months of this financial year registered a growth of 0.81% with volumetric sales of 0.948 million tons as compared to 0.940 million tons in same period last year. Export sales registered a decline of 15.1% with volumetric sales of 0.237 million tons as compared to 0.279 million tons in same period of last year.

A comparison of key financial results of the company for the period ended 31 December 2013 with same period of last year is as under.

Particulars	Six Months	
	2013-14	2012-13
Sales Revenue	8,237,267	7,556,629
Gross Profit	2,777,375	2,435,564
Profit Before tax	1,895,183	1,367,583
Net Profit after tax	1,250,979	922,667
Earnings per Share(Basic)	0.940	0.693
Earnings per Share(Diluted)	0.907	0.669

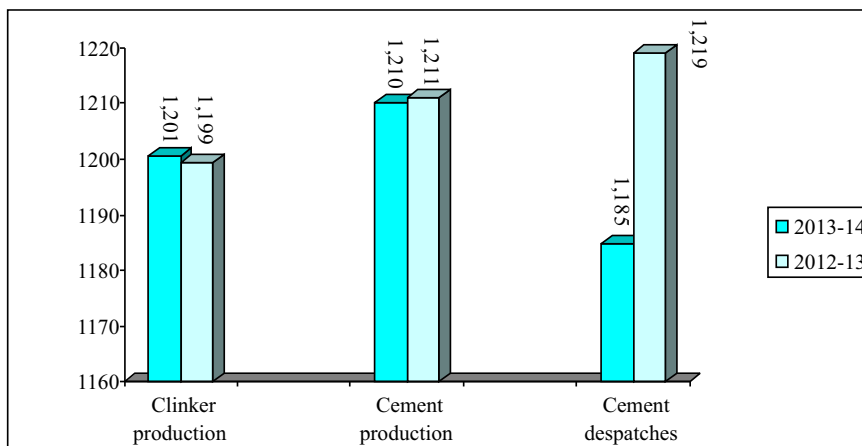
*Rs. in thousand except EPS

Business Performance

(a) Production and sales volume performance

The production statistics of the Company for the six months ended 31 December 2013 as compared to same period last year is as under.

Particulars	Six Months	Six Months	Change
	2013-14(tons)	2012-13(tons)	
Clinker production	1,200,563	1,199,426	0.1%
Cement production	1,210,062	1,210,833	-0.1%
Cement despatches	1,184,680	1,219,042	-2.8%



(b) Financial Performance

During the period under review, overall sales revenue of the company increased by 8.86% despite decrease in sales volume because of increase in prices of cement in the domestic market. The prices of cement were mainly increased due to increase in taxes and input cost.

Resultantly, company achieved a gross profit rate of 34% for the period under review as compared to 32% achieved during same period last year.

The company achieved a net profit margin of 15% during the period under review as compared to 12% in the same period last year.

The earnings per share were Rs 0.940 during the period under review.

Future outlook

Based on the volumetric growth of 2.13% achieved in domestic sales during the six months ended 31 December 2013, it is anticipated that the demand of cement in the domestic market will remain stable during 2nd half of current financial year especially due to higher off take in summers. However exports to Afghanistan continue to remain under pressure.

Acknowledgment

The Directors express their appreciation to the bankers and financial institutions that extended assistance in financing to the company and the company workers, staff and executives for their devotion and hard work.

With the blessings of Allah Almighty, the Board is of the opinion that the company will maintain its good performance in future as well.

For and on behalf of the Board

18 February 2014
Rawalpindi

Lt Gen (R) Muhammad Mustafa Khan, HI (M)
Chairman