

1. The Board of Directors is pleased to present its Review Report alongwith the condensed interim financial statements of Company, for the Half Year ended 31st December 2018, duly reviewed by the external auditors.
2. **Overview – Cement Industry.** Pakistan cement industry witnessed a slight growth, driven by sea exports including clinker during the current period. Overall industry dispatches during the six months period of the year and corresponding period of last year are as under:-

S/No	Despatches	2018-19	2017-18	Variance	
		(Million Tons)	(Million Tons)	(Million Tons)	(%)
a.	Local	19.56	19.84	(0.28)	(1.4)
b.	Exports	3.56	2.41	1.15	47.7
c.	Total	23.12	22.25	0.87	3.9

3. **Overview - FCCL** Capacity utilization achieved by the Company is **86%** as compared to **95%** in the same period last year. Company's dispatches during six-month period of this year as well as last year are as under:-

S/No	Despatches	2018-19	2017-18	Variance	
		(Million Tons)	(Million Tons)	(Million Tons)	(%)
a.	Local	1.39	1.44	(0.05)	(3.5)
b.	Exports	0.14	0.19	(0.05)	(26.3)
c.	Total	1.53	1.63	(0.10)	(6.1)

4. **Financial Performance.** Key financial results of Company for the six months period ended 31st December 2018 and their comparison with the same period of last year are tabulated below:-

S/No	Particulars	2018-19	2017-18
a.	Sales Revenue *	10,431,142	10,268,488
b.	Gross Profit *	3,047,836	2,228,132
c.	Profit before Tax *	2,574,913	1,757,553
d.	Net Profit after Tax *	1,823,796	1,267,798
e.	Earnings Per Share (EPS) *	1.32	0.92

* Rs. in thousands except EPS

5. **Business Performance.** The production statistics of Company for six months ended 31st December 2018, as compared to same period last year, are as under:-

S/No	Particulars	2018-19	2017-18
a.	Cement Production (Tons)	1,548,134	1,629,924
b.	Clinker Production (Tons)	1,579,544	1,045,715
c.	Clinker Purchased (Tons)	-	549,191

Note:- In corresponding period last year, Line II of the Company was not fully operational for the whole period and clinker was purchased from the market.

6. **Future Outlook.** Domestic demand has shown a decline in the six months period especially due to slowdown in Government funded projects, as they focus on improving financial indicators. Generally, dispatches are likely to improve with start of summer from March onwards. Government's drive to build houses and grant of incentive to banks for financing housing sector might also positively affect the sales of cement. Exports to Afghanistan will remain steady. On the cost side, the drastic Rupee devaluation along with the increase in the international coal prices and a continuous increase in price of cement bags will affect the cost of production.
7. **Acknowledgement.** Directors express their appreciation to the Financial Institutions that extended assistance in financing to the Company. Efforts of Company employees, staff and management also merit acknowledgement for their devotion and hardwork.

On behalf of the Board of Directors



Rawalpindi
18th February 2019

Lt Gen Syed Tariq Nadeem Gilani, HI(M),(Retd)
Chairman Board of Directors, FCCL