

1. The Board of Directors is pleased to present its Review Report along with the condensed interim financial statement of Company for nine months period which ended on 31<sup>st</sup> March 2019.

2. **Overview – Cement Industry.** Overall industry dispatches during the nine months period of the year and corresponding period of last year are as under:-

S/No	Despatches	2018-19	2017-18	Variance (Million Tons)	Variance (%)
		(Million Tons)			
a.	Local	29.45	31.31	(1.86)	(6)
b.	Exports	5.13	3.44	1.69	49
c.	<b>Total</b>	<b>34.58</b>	<b>34.75</b>	<b>(0.17)</b>	<b>(0.5)</b>

**Note:-** Higher dispatches of South Region helped the industry to maintain its overall dispatches.

3. **Overview - FCCL.** Capacity utilization achieved by Company during the period is 84% as compared to 98% in the same period last year. Company's dispatches during the period in comparison to the corresponding period of last year are as under:-

S/No	Despatches	2018-19	2017-18	Variance (Million Tons)	Variance (%)
		(Million Tons)			
a.	Local	2.08	2.33	(0.25)	(11)
b.	Exports	0.17	0.23	(0.06)	(26)
c.	<b>Total</b>	<b>2.25</b>	<b>2.56</b>	<b>(0.31)</b>	<b>(12)</b>

4. **Financial Performance.** Key financial results of Company, for this period in comparison to the corresponding period of last year, are tabulated below:-

S/No	Particulars	2018-19	2017-18
a.	Turnover – net *	15,644,101	15,814,059
b.	Gross profit *	4,146,017	3,728,336
c.	Profit before taxation *	3,458,842	2,986,513
d.	Net profit for the period*	2,440,274	2,122,166
e.	Earnings Per Share (EPS) *	1.77	1.54

\* Rs. in thousands except EPS

5. **Business Performance.** The production statistics of Company, for this period as compared to the corresponding period last year, are as under:-

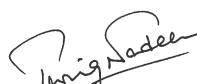
S/No	Particulars	2018-19	2017-18
a.	Cement Production (Tons)	2,244,581	2,555,491
b.	Clinker Production (Tons)	2,107,360	1,942,675
c.	Clinker Purchased (Tons)	-	549,191

**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.** As a result of overall economic slowdown and reduced Public Sector Development Programme (PSDP) spending, the current trend in domestic dispatches is expected to continue in the last quarter of current year with further dip in the month of Ramadan. Exports are expected to remain steady in the last quarter of this year. Continuous Pak Rupee devaluation will have a marginally positive impact on exports revenue. A positive news, on the cost side, is reduction in international coal prices towards the end of this quarter. As witnessed during the current nine months, the drastic Pak Rupee devaluation and increased inflation will have a negative effect on the profitability of the cement sector. Recent capacity expansions by the industry would also put pressure on the profitability of the sector in view of the slowdown in domestic dispatches.

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 hard work.

On behalf of the Board of Directors



Lt Gen Syed Tariq Nadeem Gilani  
HI(M), (Retd)  
Chairman BODs FCCL



Lt Gen Muhammad Ahsan Mahmood  
HI(M), (Retd)  
Chief Executive & Managing Director