

1. The Board of Directors are pleased to present its Review Report along with the condensed interim financial information of Company, for the Half Year ended 31st December 2019, duly reviewed by the External Auditors.

2. **Overview – Cement Industry.** Pakistan Cement Industry witnessed a growth in despatches, driven by sea exports including clinker, during the current period. Overall industry despatches, during the six months period of the year and corresponding period of last year, are as under:-

S/No	Despatches	2019-20	2018-19	Variance	Variance (%)
		(Million Tons)			
a.	Local	20.37	19.56	0.81	4.14 %
b.	Exports	4.38	3.56	0.82	23.03%
c.	Total	24.75	23.12	1.63	7.05

3. **Overview - The Company.** Capacity utilization achieved by the Company is **92%** as compared to **86%** in the same period last year. Company's despatches during six month period of this year as well as last year are as under:-

S/No	Despatches	2019-20	2018-19	Variance	Variance (%)
		(Million Tons)			
a.	Local	1.46	1.39	0.07	5.04
b.	Exports	0.18	0.14	0.04	28.57
c.	Total	1.64	1.53	0.11	7.19

4. **Financial Performance.** Key financial results of Company for the six months period ended 31st December 2019 and their comparison with the same period of last year are tabulated below:-

S/No	Particulars	2019-20	2018-19
		(Rupees in Thousand)	
a.	Sales Revenue	9,557,063	10,431,142
b.	Gross Profit	983,753	3,047,836
c.	Profit before Tax	555,369	2,574,913
d.	Net Profit after Tax	482,189	1,823,796
e.	Earnings Per Share (In Rupees)	0.35	1.32

5. **Business Performance.** The production statistics of Company for six months ended 31st December 2019, as compared to same period last year, are as under:-

S/No	Particulars	2019-20	2018-19
a.	Cement Production (Tons)	1,651,018	1,548,134
b.	Clinker Production (Tons)	1,512,097	1,579,544

6. **Future Outlook.** Domestic demand has shown increasing trend in the first half of FY 2019-20 and is expected to remain steady with post March start of summer season. Exports to Afghanistan have also shown double-digit growth and are expected to remain consistent in the next quarter. Notwithstanding growth in demand, the prices of cement continue to remain under pressure due to substantial increase in input cost and disproportionate increase in supply due to recent expansions, which will keep the profit margins squeezed in the next quarter as well.

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 Board of Directors FCCL



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

Rawalpindi
21st February 2020