

## DIRECTORS' REVIEW

The Directors of Kohat Cement Company Limited take pleasure in presenting the quarterly report together with the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2012.

### Market Review

During the three (03) months of FY 2012-13 local dispatches of cement sector have increased by 5.30% while exports have declined by 2.68% compared to the corresponding period last year. Overall growth in sales volume for the period has been recorded at 2.81%.

### Production and Sales Volumes

During the 1st quarter, production and sales performance of the company was as follows:

	Sep. 30, 2012	Sep. 30, 2011	Increase/ (decrease)
	(Tons)		
Clinker Production	<b>343,310</b>	341,266	2,044
Cement Dispatches	<b>354,470</b>	352,715	1,755

### Financial performance

Comparison of un-audited results for the quarter ended September 30, 2012 against September 30, 2011 is as follows:

	Sep. 30, 2012	Sep. 30, 2011	Increase/ (decrease)
	(Rupees)		
Net sales revenue	<b>2,103,514,269</b>	1,701,489,812	402,024,457
Finance costs	<b>84,797,948</b>	179,758,902	(94,960,954)
Profit after taxation	<b>476,111,674</b>	128,083,601	348,028,073
Earnings per share	<b>3.70</b>	0.99	2.71

Energy crisis and the seasonal factors are the main reasons for restricted dispatch. Stable cement prices and better operational efficiency has helped the Company in posting an after tax profit of Rs.476.111 million as compared to after tax profit of Rs. 128.083 million in corresponding period of last year.

Company is current on its debt obligations.

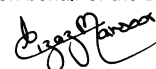
### Future outlook

Stable cement prices, expected Government spending due to election year and cost effective production methods are expected to further enhance the profitability of the Company in future.

### Acknowledgments

The Board wishes to thank all its stakeholders for their continuous support and appreciates the efforts, devotion and contribution of all its employees in optimizing the operations of the company.

For and on behalf of the Board



**Aizaz Mansoor Sheikh**  
Chief Executive

**Lahore: October 13, 2012**