

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, 2010.

Financial and operational performance - Comparison of un-audited results for the quarter ended September 30, 2010 against September 30, 2009 is as follows:

	Sep. 30, 2010 (Rupees)	Sep. 30, 2009 (Rupees)
Net sales revenue	934,147,478	707,803,482
Earnings before interest, tax & depreciation	154,533,041	134,906,354
Depreciation	(57,679,644)	(50,459,058)
Finance costs	(164,598,650)	(168,940,952)
Loss before taxation	(67,745,253)	(84,493,656)
Taxation	15,203,168	6,247,538
Loss after taxation	(82,948,421)	(78,246,118)
Loss per share	(0.64)	(0.61)

Company has produced 186,871 tons (2009: 171,251 tons) clinker from its grey cement production lines. Cement dispatches were 261,345 tons (2009: 193,332 tons) showing a 35% increase over the corresponding quarter. There was no production or dispatches of white cement due to non availability of gas from SNGPL.

The operations of the company suffered badly due to recent unprecedented floods in the Country which resulted into lower production and dispatches. This ultimately translated into loss of Rs. 82.9 million. Management is currently focusing on optimizing its plant operations with cost efficient production methods.

Future outlook - Present economic and political environment in the country is effecting the business environment and the situation was further aggravated by recent floods. Cement market is expected to improve the reconstruction activities pick up.

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 26, 2010

