

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, 2013.

Market Review

During the first quarter of FY 2013-14 local dispatches of cement sector have increased by 2.17% while exports have declined by 1.40% compared to the corresponding period of last year. Overall growth in sales volume for the period has been recorded at 1.12%.

Production and Sales Volumes

By the grace of Almighty Allah, your Company has shown an overall growth of 15.4% in sales volume by dispatching 409,121 (2012: 354,470) metric tons during the 1st quarter of current financial year. New grey cement line produced 328,874 (2012: 343,310) metric tons clinker whereas the old grey cement line remained non-operational due to overcapacity in the cement sector.

Financial performance

Comparison of un-audited results for the quarter ended September 30, 2013 against the quarter ended September 30, 2012 is as follows:

	Sep. 30, 2013 (Rupees)	Sep. 30, 2012 (Rupees)
Net sales revenue	2,643,559,506	2,103,514,269
Cost of sales	1,636,444,260	1,377,052,396
Admin & selling expenses	38,613,388	34,737,217
Other expenses	62,866,527	31,006,180
Other income	16,496,096	2,007,562
Finance costs	43,727,174	84,797,948
Taxation	262,623,372	101,816,416
Profit after taxation	615,780,881	476,111,674
Earnings per share	4.78	3.70

Growth in sales volumes coupled with better cement prices and lower financial costs have helped the Company in posting an after tax profit of Rs. 615.781 million as compared to after tax profit of Rs. 476.112 million in corresponding period of last year.

Company is current on all its debt obligations.

Future outlook

Stable cement prices, expected Government spending on various infrastructure projects 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 26, 2013