

Company Information

Board of Directors

Sir Mohammed Anwar Pervez
Mr. Zameer Mohammed Choudrey
Mr. Arshad Mehmood Chaudhary
Mr. Muhammad Irfan A Sheikh
Mr. Mazhar Rafi
Mr. Arshad Hameed
Mr. Ghulam Sarwar Malik

Chairman
Chief Executive
Director
Director Finance & CFO
Director Administration & Marketing
Director Coordination
Director Works

Company Secretary

Mr. Mazhar Rafi

Statutory Auditors

KPMG Taseer Hadi & Co., Chartered Accountants.

Cost Auditors

S. Ebrahim & Co., Chartered Accountants.

Legal Advisors

Raja M. Bashir, Advocate Supreme Court.

Audit Committee

Mr. Mazhar Rafi
Mr. Arshad Hameed
Mr. Ghulam Sarwar Malik

Registered Office

Bestway Building, 19-A, College Road,
F-7 Markaz, Islamabad.
Tel: (92-51) 265-4856 -63, Fax: (92-51) 265-4865
E-mail: management@bestway.com.pk

Head Office

Bestvay Building, 19-A, College Road, F-7 Markaz, Islamabad.

Tel: (92-51) 265-4856 -63, Fax: (92-51) 265-4865

E-mail: management@bestway.com.pk

Plant Site

Hattar

SwajGali Road, VillageShadi, Hattar, Distt.Haripur,

N.W.F.P. Pakistan.

Tel: (92) 0303-771-1057 - 58, Fax: (92) 0303-71-1056

E-mail: bclhtr@isb.paknet.com.pk

Chakwal

Village Tatra.1. Near PSG Petrol Pump

22Km KallarKahar, ChoaSaiden Shall Road

Chakwal, Pakistan, Tel: (92-543) 584560-3

Marketing Office

167-A, Adamjee Road, Rawalpindi Cantt.

Tel (92-51) 551-3110, 51,492, 552-0962 Fax: (92-51) 551-3109

E-mail: bdrwp@isb.paknet.com.pk

Shares Department

10th Floor, Mehdi Towers/A-115

8,M.C.H.S, Shahrah-e-Faisal, Karachi.

Tel: (92-21) 452-6983 - 84, Fax: (92-21) 452-6985

Bankers

Habib Bank Limited.

MCB Bank Limited.

Allied Bank Limited.

Standard Chartered Bank.

Bank of Punjab.

Faysal Bank Limited.

Union Bank Limited.

Askari Commercial Bank Limited.

Bank Al-Habib Limited.

NIB Bank Limited.

National Bank of Pakistan.

United Bank Limited.

Citibank N. A.

Bank Alfalah Limited.

Directors' Report

The Directors take pleasure in presenting the Company's un-audited accounts for the quarter ended 30th September, 2005.

Industry Overview

The industry was able to attain an overall capacity utilisation of 93% for the quarter ended 30th September 2005 as against 75% for the corresponding period of last year. The market continued to grow during the quarter under review. Despatches of cement by the industry stood at 4.5 million tonnes as against 4.1 million tonnes for the same period last year representing a increase of 10%. Sales volumes in the domestic market registered a growth of 11% while exports declined by 3% year on year. The decline in exports during the quarter under review however was temporary and a direct result of insufficient availability of cement as a number of units remained closed for capacity enhancements or maintenance.

Production and Sales

	2005	2004	(Decrease)	Percentage
	Tonnes	Tonnes	Tonnes	Decrease
Clinker production	240,474	246,337	(5,863)	2%
Cement production	251,363	312,889	(68,526)	20%
Cement sales	255,837	307,299	(51,462)	17%

The decrease in clinker & cement production was due to the Company's decision to optimise the plant output through modification and up gradation of certain essential equipment. As a consequence, the plant had to be shutdown for nearly one month during the quarter under review. The process is currently at final stages and is expected to be completed very soon. This optimisation will increase the output of the plant to 4,200 tpd of clinker from the current capacity of 3,900 tpd.

Sales for the period were restricted due to the plant shutdown. The capacity utilisation during the quarter under review was therefore 83%, as against the industry average of 93%. Upon successful completion of the modification and up gradation of the plant your Company is expected to make up for this temporary decline in sales volume.

Operating Highlights

Despite of lower sales volume the turnover registered an increase compared with the same period last year. The turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs.939 million for the quarter as compared to Rs.853 million for the corresponding period of last year, which is an increase of 10%. Operating profit for the quarter under review increased to Rs.411 million from Rs.350 million which represents an increase of 17%.

Financial charges stood at Rs. 67 million for the quarter ended September 30, 2005 as against Rs.24 million for the corresponding quarter of last year, representing increase of 179%. This was mainly due to a sharp increase in cost of borrowing during the period.

The profit before taxation for the quarter under review increased by 5% to Rs.330 million as compared to Rs.314 million for the same period of last year. Profit after taxation for

the quarter amounted to Rs. 323 million as compared to Rs.226 million for the corresponding period of last year, which represents an increase of 43%.

Chakwal Project

Work on our new 6,000 tpd cement plant in District Chakwal progressed satisfactorily during the quarter under review. You will be delighted to learn that to date nearly 95% of the civil works have been completed and more than sixty percentage of the equipment has already arrived at the site and the remainder is expected within next three months. The erection work also gathered pace during the quarter. Work on the development of quarries is also nearing completion. Due to professional and effective project management the project is expected to be completed within the stipulated timeframe and cost.

Mustehkam Cement Limited

Your Company views itself as a major strategic player in the cement sector of Pakistan. To further extend its presence and growth in the cement industry, Bestway decided to bid for the 10,507,934 shares representing 85.29% of Mustehkam Cement Limited which were on offer by the Privatisation Commission of Pakistan. The bidding for the company was held on 15th September 2005. Your Company's bid of Rs.305 per share was the highest and subsequently on 26th September 2005 Bestway has been issued with a Letter of Acceptance by the Privatisation Commission of Pakistan. So far payments of Rs.876 million have been made to the Privatisation Commission and the remaining amount of Rs.2,329 million is due during first half of November 2005.

Future Outlook

Severe shortage of housing, higher PSDP allocations and various infrastructure projects across the country are expected to continue to derive the growth in domestic consumption of cement. Huge reconstruction requirement as a result of the devastating earthquake in the north of the country is certain to accelerate the domestic demand for cement. Exports to Afghanistan are also certain to continue the growth momentum. Stable selling prices in both domestic and export markets should ensure another year of healthy profits for the industry.

Acknowledgements

The Directors wish to place on record their appreciation for the continued support, contribution and confidence demonstrated in the Company by its shareholders, members of staff, customers, suppliers, our Bankers and various Government agencies throughout the period.

For and on behalf of the Board
Chief Executive

31st October, 2005
Islamabad.

BESTWAY CEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31st MARCH, 2006

	Nine Months Ended 31st March 2006 Rupees	Nine Months Ended 31st March 2005 Rupees	Quarter Ended 31st March 2006 Rupees	Quarter Ended 31st March 2005 Rupees
Sales - net	3,147,809,349	2,404,493,515	1,088,331,140	785,230,239
Cost of sales	1,537,615,139	1,376,492,012	540,684,735	461,706,786
Gross profit	1,610,194,210	1,028,001,503	547,646,405	323,523,453
Operating expenses				
Administration and general	91,102,453	69,451,362	32,198,149	25,824,083
Selling and distribution	17,375,064	14,346,554	5,560,304	4,610,973
	108,477,517	83,797,915	37,758,452	30,435,056
Operating profit	1,501,716,693	944,203,587	509,887,953	293,088,397
Financial charges	308,311,709	82,339,869	105,100,958	31,701,703
Other income	(22,557,870)	(68,081,223)	(12,876,705)	(60,473,759)
Workers Welfare Fund	14,068,981	-	14,068,981	-
Workers Profit Participation Fund	60,798,143	46,497,247	20,883,185	16,093,023
	360,620,963	60,755,893	127,176,420	(12,679,033)
Profit before taxation	1,141,095,731	883,447,694	382,711,533	305,767,430
Provision for taxation (current)	224,466,013	19,462,040	117,164,380	5,711,624
(deferred)	(4,824,303)	227,471,603	3,480,494	70,945,708
Profit after taxation	921,454,020	636,514,051	262,066,660	229,110,098
Accumulated profit brought forward	1,468,417,191	537,585,374	1,702,171,531	944,989,327
Profit available for appropriation	2,389,871,211	1,174,099,425	1,964,238,191	1,174,099,425
Issue of bonus shares	(212,816,510)			
Dividend for the year 2005	(212,816,510)			
Accumulated profit carried forward	1,964,238,191	1,174,099,425	1,964,238,191	1,174,099,425
Earning per share	3.94	1.91	1.12	0.85

The annexed notes 1 to 8 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR/ CFO