

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-1467

NOTICE

March 14, 2011

Reproduced hereunder letter received from **D.G. KHAN CEMENT COMPANY LIMITED**, for information of Members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).

D. G. Khan Cement Company Ltd.

Issue of Ordinary Right Shares

Purpose of Right issue:

- To finance the Power generation from Waste Heat Recovery at Khairpur Cement plant.
- To finance the Refused Drive Fuel (RDF) extension project at Khairpur Cement plant and first phase of RDF at D.G. Khan Cement plant, which will help to use alternative fuels like municipal solid waste, rice husk and powder, cotton waste and other industrial and agricultural wastes.
- Will reduce the finance cost of the company.

Benefits to the company:


- Liquidity will improve.
- Profitability will improve.
- Cost of production will decline.
- Leverage risk will reduce.
- Lenders confidence will improve.
- Capital Base of the company will improve.

Summary of Financial Projections:


		<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Sales	(Rs. in 000)	17,499,524	18,759,441	19,720,218
Gross profit	(Rs. in 000)	4,991,136	5,431,536	6,322,451
Profit before tax	(Rs. in 000)	1,738,515	2,435,756	3,668,700
Profit after tax	(Rs. in 000)	228,493	1,538,953	2,662,337

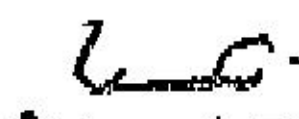
Note:

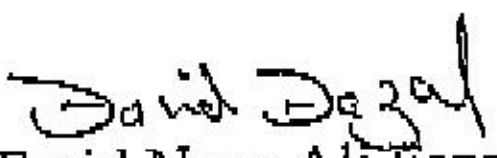
The information provided herein above and in financial projections (attached) is based on the perception of the Directors of the Company regarding current business fundamentals and overall economic conditions in the country. The Company or its Directors do not accept any liability for any investment decisions by any person on the basis of information provided.

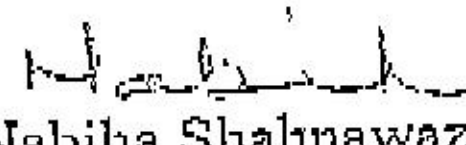

Mrs. Naz Manhsa
Director/Chairperson



Mian Raza Manhsa
Director/CEO


Mr. Khalid Qadeer Qureshi
Director


Mr. Zaka-ud-Din
Director


Mr. Farid Noor Ali Fazal
Director


Ms. Nabiha Shahnawaz Cheema
Director


Mr. I.U. Niazi
Director/CFO

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FOR D.G. KHAN CEMENT CO. LIMITED