



Contents

Company Information	2
Directors' Report	3
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10



COMPANY INFORMATION

BOARD OF DIRECTORS

Syed Ajaz Ahmed	Chairman
Kashif Habib	Chief Executive Officer
Aves Cochinwala	Director
Fazlullah Shariff	Director
Muhammad Khubaib	Director
Nasim Beg	Director
Salman Rasheed	Director

CHIEF FINANCIAL OFFICER Zuhair Abbas

AUDIT COMMITTEE

Nasim Beg	Chairman
Aves Cochinwala	Member
Muhammad Khubaib	Member
Salman Rasheed	Member
Adeel Khan	Secretary

AUDITORS

M. Sikandar & Co. Chartered Accountants

COST AUDITORS

Siddiqui & Co Cost & Management Accountants

LEGAL ADVISOR

Usmani & Iqbal Advocate & Solicitors

BANKERS

Al-Baraka Islamic Bank Limited
Allied Bank Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank Limited
United Bank Limited

REGISTERED OFFICE

Pardesi House, Survey No. 2/1,
R.Y. 16, Old Queens Road, Karachi.
Ph : 021-111-111-224
Fax : 021-32470090
Website : www.alabbascement.com
E-mail : info@alabbascement.com

FACTORY

Nooriabad Industrial Area,
Kalo Kohar Distt. Dadu,
Sindh.

DIRECTORS' REPORT

The Board of Directors of Al-Abbas Cement Industries Limited presents herewith the Directors' Review Report together with the Company's un-audited financial information for the first quarter ended September 30, 2010.

FINANCIAL PERFORMANCE

During the three months period under review, your Company has made gross loss of Rs. 22.053 million as against gross profit of Rs. 81.750 million in the same period of last year and net loss of Rs. 211.950 million as against net loss of Rs. 90.356 million in the corresponding period of last year due to a downward trend in prices. In this period your Company has a loss per share of Rs. 1.16 as compared to a last period's per share loss of Rs. 0.49.

Following is the summary of comparative financial results.

	First Quarter Ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Sales - net	450,030	600,819
Gross (loss)/profit	(22,053)	81,750
Loss before taxation	(228,346)	(86,026)
Provision for taxation	16,396	(4,330)
Loss after taxation	(211,950)	(90,356)
Loss per share - in Rupee	(1.16)	(0.49)

OPERATING PERFORMANCE

During the period under review the comparative figures of Production and Sales are given as under:-

	First Quarter Ended	
	September 30, 2010	September 30, 2009
	(In M. Tons)	
Clinker production	98,835	131,995
Cement production	105,131	115,325
Cement sales		
- Local	28,031	39,705
- Export	74,538	82,942
Clinker sales		
- Local	-	6,137
- Export	14,272	21,684

The Clinker and Cement production registered a decrease of 33,160 M.T. and 10,194 M.T. respectively as compared to the same period of last year. Cement and clinker sales both local and export witnessed decrease of 20,078 M.T. and 13,549 M.T. respectively as compared to the same period of last year.



FUTURE OUTLOOK

a) Industry outlook:

The Cement consumption is mainly driven by infrastructure and real estate development. However, mainly due to the recent floods and the reduced spending on PSDP funded projects, cement consumption has declined in the domestic market by 16%. On the export front also, industry has seen a decline of 21% in volumetric sales.

Moreover, prices both domestic and export remained under pressure because of short demand and market forces. The ever rising interest rate, increased input cost due to inflation, shortage of electricity, worsening law and order situation in the country and severe liquidity crunch made it very difficult for the industry to generate handsome profit. However, the domestic demand is expected to take a turn towards increased consumption as the flood water recedes and reconstruction work starts, downward pressure on price of cement is also expected to ease and therefore, rationalization of cement price in the domestic market is expected within this year.

b) Company Outlook:

The Board of directors of the Company in their meeting held on September 30, 2010 recommended the issue of 100% right shares at a discounted value of Rs. 5 per share subject to approval of shareholders in the forthcoming annual general meeting to be held on October 30, 2010. The principal object of right issue is to beef up Company's operational efficiency and sufficient availability working capital.

The capital received from Right shares subscription will mainly be used for improvement of production facilities and debt servicing.

ACKNOWLEDGEMENT

The Board of Directors of the company would like to place on record appreciation for the financial institutions, customers, dealers, suppliers for their support and the workers, staff and officers of the company for their dedication and hard work in improving the performance and financial results and hope that the same spirit will continue in future as well.

For and on behalf of the Board

Kashif
Kashif Habib
Chief Executive

Karachi: October 28, 2010

**CONDENSED INTERIM
BALANCE SHEET (UN-AUDITED)**

AS AT SEPTEMBER 30, 2010

	Note	September 30, 2010 (Rupees in thousand)	June 30, 2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,333,127	4,352,502
Deferred tax assets		275,342	255,325
		<u>4,608,469</u>	<u>4,607,827</u>
CURRENT ASSETS			
Stores, spare and loose tools		417,951	376,934
Stock-in-trade		114,837	116,666
Trade debts		12,682	63,923
Advances and other receivables		34,217	41,567
Deposits and prepayment		26,886	30,155
Tax refund due from government		85,365	61,979
Cash and bank balances		2,760	3,547
		<u>694,698</u>	<u>694,771</u>
		<u>5,303,167</u>	<u>5,302,598</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000			
Ordinary shares of Rs. 10/- each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital 182,844,984 Ordinary shares of Rs. 10/- each		1,828,450	1,828,450
Reserve		80,000	80,000
Accumulated loss		(1,123,579)	(911,629)
		<u>784,871</u>	<u>996,821</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		2,250,000	2,250,000
Sponsors Loan		539,421	183,251
Deferred liabilities		253,931	252,571
		<u>3,043,352</u>	<u>2,685,822</u>
CURRENT LIABILITIES			
Trade and other payables		431,601	432,509
Mark-up accrued		111,363	199,356
Short-term borrowings		679,068	731,776
Current portion of long term financing		250,000	250,000
Current portion of liabilities against assets subject to finance lease		2,913	6,314
		<u>1,474,945</u>	<u>1,619,955</u>
CONTINGENCIES AND COMMITMENTS	6	<u>5,303,167</u>	<u>5,302,598</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kashif
Kashif Habib
Chief Executive

Aves Cochinwala
Aves Cochinwala
Director



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	First Quarter Ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Sales - net	450,030	600,819
Cost of sales	<u>(472,083)</u>	<u>(519,069)</u>
Gross (loss)/profit	<u>(22,053)</u>	81,750
Distribution cost	<u>(94,545)</u>	(83,143)
Administrative expenses	<u>(4,515)</u>	(19,622)
Other operating income	<u>919</u>	1,555
Operating loss	<u>(120,194)</u>	(9,465)
Finance cost	<u>(108,152)</u>	(76,561)
Loss before taxation	<u>(228,346)</u>	(86,026)
Taxation	<u>16,396</u>	(4,330)
Loss after taxation	<u>(211,950)</u>	<u>(90,356)</u>
Basic and diluted loss per share Rupees	<u>(1.16)</u>	<u>(0.49)</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kashif
Kashif Habib
Chief Executive

A. Cochinwala
Aves Cochinwala
Director



AL-ABBAS
GROUP

AL-ABBAS CEMENT INDUSTRIES LIMITED

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	First Quarter Ended	
	September 30, 2010	September 30, 2009
Loss for the period	(211,950)	(90,356)
Other comprehensive income for the period		
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(211,950)</u>	<u>(90,356)</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kashif
Kashif Habib
Chief Executive

Aves
Aves Cochinwala
Director



**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	Note	First Quarter Ended	
		September 30, 2010	September 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	7	(92,615)	147,413
Taxes paid		(11,780)	(12,546)
Financial charges paid		(196,145)	(231,662)
Gratuity - net		1,360	1,236
		(206,565)	(242,972)
Net cash used in operating activities		(299,180)	(95,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure and net cash used in investing activities		(1,668)	(27,761)
CASH FLOW FROM FINANCING ACTIVITIES			
Sponsors loan		356,170	-
Repayment of lease liability		(3,401)	(1,400)
Net cash used in financing activities		352,769	(1,400)
Net increase/(decrease) in cash and cash equivalents		51,921	(124,720)
Cash and cash equivalents at beginning of the period		(728,229)	(477,303)
Cash and cash equivalents at end of the period	8	(676,308)	(602,023)

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kashif
Kashif Habib
Chief Executive

A. Cochinwala
Aves Cochinwala
Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	Issued, Subscribed and Paid-up capital	General reserve	Revenue reserve		Sub-Total	Total
			Accumulated loss	(Rupees in thousand)		
Balance as at July 1, 2009	1,828,450	80,000	(191,014)	(111,014)	1,717,436	
Total comprehensive income for the period						
Loss for the quarter ended September 30, 2009	-	-	(90,356)	(90,356)	(90,356)	
Balance as at September 30, 2009	1,828,450	80,000	(281,370)	(201,370)	1,627,080	
Balance as at July 2010	1,828,450	80,000	(911,629)	(831,629)	996,821	
Total comprehensive income for the period						
Loss for the quarter ended September 30, 2010	-	-	(211,950)	(211,950)	(211,950)	
Balance as at September 30, 2010	1,828,450	80,000	(1,123,579)	(1,043,579)	784,871	

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kashif
Kashif Habib
Chief Executive

Aves
Aves Cochlinwala
Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

1 STATUS AND NATURE OF BUSINESS

Al-Abbas Cement Industries Limited was established as Private Limited Company on December 1, 1981 and was converted into Public Limited Company on July 9, 1987. The Company is listed on Karachi and Lahore Stock Exchanges. The Company is engaged in the business of manufacturing, marketing and sale of cement. The registered office of the Company is situated at Pardesi House, Survey no. 2/1, R.Y. 16, Old Queens Road, Karachi and its factory is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Dadu (Sindh).

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2010. This condensed interim financial information is un-audited.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the preceding published financial information of the company for the year ended June 30, 2010.

5 PROPERTY, PLANT AND EQUIPMENT

Following is the cost of property, plant and equipment that have been added during the quarter ended September 30, 2010:

	First Quarter ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Owned		
Factory building on freehold land	-	14,133
Plant and machinery	1,479	1,901
Office equipment	79	1,489
Furniture and fixture	80	2,610
Factory and laboratory equipment	31	-
	1,669	20,133
Capital Work-In-Progress		
Civil work	-	7,628
Borrowing cost	-	18,482
	-	26,110
	1,669	46,243

6 CONTINGENCIES AND COMMITMENT
Contingencies

There is no change in the status of contingencies as disclosed in the annual financial statements for the year ended June 30, 2010.

Commitment

Commitment in respect of open letter of credit amounts to Rs.86.197 million (2010: Rs. 4.894 million).

7 CASH (USED IN)/GENERATED FROM OPERATIONS

	First Quarter ended	
	September 30, 2010	September 30, 2009
(Rupees in thousand)		
Loss before taxation	(228,346)	(86,026)
Adjustment for:		
Depreciation	21,044	24,354
Finance cost	108,152	76,561
	<u>129,196</u>	<u>100,915</u>
Operating profit before working capital changes	(99,150)	14,889
Decrease / (Increase) in current assets		
Stores, spares and loose tools	(41,017)	19,160
Stock-in-trade	1,829	36,956
Trade debts	51,241	4,971
Advances	15,508	6,882
Deposits and prepayments	3,269	1,252
Tax refund due from government	(23,386)	55,385
	<u>7,444</u>	<u>124,606</u>
(Decrease)/increase in trade and other payables	(909)	7,918
Cash (used in)/generated from operations	<u>(92,615)</u>	<u>147,413</u>

8 CASH AND CASH EQUIVALENTS

Cash and bank balances	2,760	906
Short term borrowings	(679,068)	(602,929)
	<u>(676,308)</u>	<u>(602,023)</u>

9 Sponsors Loan - Related parties

Unsecured		
Markup free	205,421	183,251
Markup bearing	9.1 334,000	-
	<u>539,421</u>	<u>183,251</u>

9.1 It carries markup at the rate three months KIBOR plus 2% per annum.

10 TRANSACTIONS WITH RELATED PARTIES

All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Related parties of the Company comprise associated undertakings, directors and key management personnel. Transactions with related parties during the period, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	First Quarter ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Sales of cement	51,955	108
Sales of clinker	-	23,977
Purchase of cement	-	30,051
Purchase of stores and spares	54,939	2,255
Common expenses	73	1,500
Loan received	356,170	-

11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on October 28, 2010 by the Board of Directors.

12 General

Figures have been rounded off to the nearest of thousand rupees.


Kashif Habib
 Chief Executive


Aves Cochinwala
 Director