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COMPANY INFORMATION

BOARD OF DIRECTORS

Syed Aijaz Ahmed Zaidi	Chairman
Momal Shunaid	Chief Executive
Asma Cochinwala	Director
Aves Cochinwala	Director
Momina Duraid	Director
Salman Rasheed	Director
Tariq Usman Bhatti	Director

AUDIT COMMITTEE

Aves Cochinwala	Chairman
Momina Duraid	Member
Tariq Usman Bhatti	Member
Syed Muhammad Talha	Secretary

COMPANY SECRETARY

Khursheed Anwer

CHIEF OPERATING OFFICER

S.N. Jaffri

CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDITORS

M. Sikandar & Co.
Chartered Accountants

BANKERS

Al-Baraka Islamic Bank Limited
Allied Bank Limited
Arif Habib Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Saudi Pak Bank Limited
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 : 021-2470090
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 present here with the Directors' Review Report together with the Company's unaudited financial information for the half year ended December 31, 2008.

PRODUCTION AND SALES

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

	For the half year ended	
	December 31, 2008	December 31, 2007
	In M. Tons	
Clinker production	324,588	75,875
Cement production	207,046	42,856
Cement sales		
- Local	54,739	42,327
- Export	156,586	12,455
Clinker sales		
- Local	54,103	-
- Export	41,130	-

By the grace of Al-mighty Allah, the Clinker production has been increased by 248,713 M.T as compared to the same period of last year. Cement sales both local and export has been increased by 12,412 M.T. and 144,131 M.T. respectively. The Company has exported the 41,130 M.T. of clinker and sold 54,103 M.T. locally.

OPERATIONAL AND FINANCIAL RESULTS

Following is the summary of comparative financial results.

	For the half year ended	
	December 31, 2008	December 31, 2007
	← (Rs. in thousand) →	
Sales - net	1,478,850	152,208
Gross profit	360,187	9,616
Profit/ (Loss) before taxation	30,901	(52,649)
Provision for taxation	29,134	35,836
Profit/ (Loss) after taxation	60,035	(16,813)
Earnings/ (Loss) per share - in rupees	0.33	(0.09)

During the half year under review, by the grace of Almighty Allah your Company has earned gross profit of Rs. 360.187 million as against gross profit of Rs. 9.616 million in the same period of last year and net profit of Rs. 60.035 million as against net loss of Rs. 16.813 million in the corresponding period of last year showing significant improvement. Your Company has earnings per share of Rs. 0.33 as compared to last year loss of Rs. 0.09.



FUTURE OUTLOOK

The Cement consumption is mainly driven by infrastructure and real estate development. The consumption cannot pick up due to economic slowdown, drastic cut in the public sector development program and recession in construction activity. The demand of cement in local as well as foreign is continuously decreasing due to current world recession. However, the situation will be clearer by the end of March and it is expected that sales will be picked up as the summer start.

ACKNOWLEDGEMENT

The Board of Directors of the company would like to place on record appreciation for the financial institution, customers, dealers, suppliers, workers, staff and officers of the company for their 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

A handwritten signature in black ink, appearing to read "Momal Shunaid".

MOMAL SHUNAIID
Chief Executive

Karachi: February 26, 2009



**INDEPENDENT AUDITORS' REPORT ON
REVIEW OF CONDENSED INTERIM FINANCIAL
INFORMATION TO THE MEMBERS**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **AL-ABBAS CEMENT INDUSTRIES LIMITED** as at December 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information" for the six month period ended December 31, 2008. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2008.

Scope of Review

We conducted our review in accordance with the international Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the annexed condensed interim financial statement are not presented fairly, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan.

Place: Karachi
Dated: February 26, 2009

**M. SIKINDAR & CO
CHARTERED ACCOUNTANTS**

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

AS AT DECEMBER 31, 2008

ASSETS	Note	December 31, 2008 (Rupees in thousand)	June 30, 2008
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,232,556	4,236,771
Deferred tax assets		68,430	28,848
		<u>4,300,986</u>	<u>4,265,619</u>
CURRENT ASSETS			
Stores, spare and loose tools		422,732	324,218
Stock-in-trade		560,891	243,339
Trade debts		126,674	297,892
Advances and other receivables		41,173	37,510
Short term deposits and prepayments		34,394	24,112
Tax refund due from government		153,511	71,819
Cash and bank balances		7,769	9,366
		<u>1,347,144</u>	<u>1,008,256</u>
		<u>5,648,130</u>	<u>5,273,875</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000 (2008; 200,000,000) Ordinary shares of Rs. 10/- each		<u>2,000,000</u>	<u>2,000,000</u>
182,844,984 (2008; 182,844,984) Ordinary Shares of Rs. 10/- each		1,828,450	1,828,450
Reserve		80,000	80,000
Accumulated loss		<u>(252,792)</u>	<u>(312,827)</u>
		<u>1,655,658</u>	<u>1,595,623</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances		2,500,000	2,500,000
Liabilities against assets subject to finance lease		9,277	12,286
Deferred liabilities		241,149	241,923
		<u>2,750,426</u>	<u>2,754,209</u>
CURRENT LIABILITIES			
Trade and other payables		599,508	688,258
Mark-up accrued		217,727	26,573
Short term borrowings		418,863	38,252
Current portion of long term finance		-	165,000
Current maturity of liabilities against assets subject to finance lease		5,948	5,960
		<u>1,242,046</u>	<u>924,043</u>
CONTINGENCIES AND COMMITMENTS	6	<u>5,648,130</u>	<u>5,273,875</u>

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

Momal Shunaid
Chief Executive

Aves Cochinwala
Director



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Half year ended		Second Quarter Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	----- (Rupees in thousand) -----			
Sales - net	1,478,850	152,208	649,245	73,749
Cost of sales	(1,118,663)	(142,507)	(483,818)	(59,330)
Gross profit	<u>360,187</u>	<u>9,701</u>	<u>165,427</u>	<u>14,419</u>
Distribution cost	(156,620)	(6,966)	(63,280)	(3,235)
Administrative expenses	(14,187)	(13,203)	(4,537)	(5,851)
Other operating income	12,941	105	543	70
Profit/(Loss) from operation	<u>202,321</u>	<u>(10,363)</u>	<u>98,153</u>	<u>5,403</u>
Finance cost	(171,420)	(42,286)	(79,280)	(37,377)
Profit/(Loss) before taxation	<u>30,901</u>	<u>(52,649)</u>	<u>18,873</u>	<u>(31,974)</u>
Taxation	29,134	35,836	35,645	37,177
Profit/(Loss) after taxation	<u>60,035</u>	<u>(16,813)</u>	<u>54,518</u>	<u>5,203</u>
Earnings/(Loss) per share				
(Basic and diluted in Rupees)	<u>0.33</u>	<u>(0.09)</u>	<u>0.30</u>	<u>0.03</u>

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

Momal Shunaid
Chief Executive

Aves Cochinwala
Director



**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Note	Six months Ended	
		December 31, 2008	December 31, 2007
(Rupees in thousand)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	7	(150,133)	(130,478)
Gratuity paid		(181)	(286)
Income tax paid		(31,977)	(924)
Provision for Gratuity		929	-
Finance costs paid		(27,087)	(87,922)
		(58,316)	(89,132)
Net cash used in operating activities		(208,449)	(219,610)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,215)	(230,060)
Net cash used in investing activities		(4,215)	(230,060)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term finance		-	265,396
Repayment of long term finance		(165,000)	(109,860)
Deferred Liabilities		(1,523)	(1,158)
Repayment of finance lease obligation		(3,021)	(493)
Proceeds of right share subscription		-	322,791
Net cash (used in) from financing activities		(169,544)	476,676
Net (decrease)/increase in cash and cash equivalents		(382,208)	27,006
Cash and cash equivalents at the beginning of period		(28,886)	(214,948)
Cash and cash equivalents at the end of period	8	(411,094)	(187,942)

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


Momal Shunaid
Chief Executive


Aves Cochinwala
Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Share Capital	Revenue reserve		Total
		General	Accumulated loss	
		(Rupees in thousand)		
Balance as at July 01, 2007	1,142,781	80,000	(204,564)	1,018,217
Issue of right shares	685,669	-	-	685,669
Loss for the half ended December 31, 2007	-	-	(16,813)	(16,813)
Balance as at December 31, 2007	1,828,450	80,000	(221,377)	1,687,073
Balance as at July 01, 2008	1,828,450	80,000	(312,827)	1,595,623
Profit for the half ended December 31, 2008	-	-	60,035	60,035
Balance as at December 31, 2008	1,828,450	80,000	(252,792)	1,655,658

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



Momal Shunaid
Chief Executive



Aves Cochinwala
Director

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2008

1 STATUS AND NATURE OF BUSINESS

Al-Abbas Cement Industries Limited was established as Private Limited Company on 1st December 1981 and was converted into Public Limited Company on 9th July 1987 and is listed on Karachi and Lahore Stock Exchanges. The Company's principal activity is manufacturing and marketing 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 undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Dadu (Sindh).

2 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and are submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2008.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements 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 and 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 recognised prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, 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 statements of the company as at for the year ended 30 June 2008.

5 PROPERTY, PLANT AND EQUIPMENT

The following operating assets have been added during the period.

	December 31, 2008	June 30, 2008
	Additions (Rupees in thousand)	
Operating Fixed Assets		
Owned		
Plant and machinery	60	8,000
Office equipment	980	638
Furniture and fixture	82	710
Factory and laboratory equipment	796	16
	1,918	9,364
Leased Assets	-	18,165
Capital Work-In-Progress		
Civil work	-	83,669
Plant and machinery	2,791	93,570
Borrowing cost	46,821	233,214
	49,612	410,453
	<u>51,530</u>	<u>437,982</u>

6 CONTINGENCIES AND COMMITMENTS
Contingencies

There were no changes in contingencies as reported in June 30, 2008 financial statements.

Commitments

There were no changes in commitments as reported in June 30, 2008 financial statements.

7 CASH USED IN OPERATIONS

	December 31, 2008	December 31, 2007
(Rupees in thousand)		

Profit/ (Loss) before taxation	30,901	(52,649)
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Adjustment for:

Depreciation	55,745	24,713
Amortization of intangible assets	-	52
Finance cost	171,420	124,580

	227,165	149,345
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Operating profit before working capital changes	258,066	96,696
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(Increase)/ decrease in current assets

Stores, spares and loose tools	(98,514)	17,705
Stock-in-trade	(317,552)	(90,773)
Trade debts	171,218	(3,493)
Advances	17,373	11,873
Short term deposit and prepayments	(10,282)	(3,180)
Refund due from government - other than income tax	(81,692)	(23,244)
	(319,449)	(91,112)

Decrease in trade and other payables	(88,750)	(136,062)
Cash used in operations	(150,133)	(130,478)

8 CASH AND CASH EQUIVALENT

Cash and bank balances	7,769	2,210
Short term borrowings	418,863	(190,152)
	(411,094)	(187,942)

9 TRANSACTION WITH RELATED PARTIES

Sales of cement	3,095	531
Sales of clinker	199,414	31,826
Sales of stores and spares	110	-
Purchase of stores and spares	4,148	-

The above transactions are at arm's length basis on commercial terms and conditions.



10 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Balance Sheet has been compared with the preceding Balance Sheet as at the period-end, whereas the Profit and Loss Account and Cash Flow Statement have been compared with the corresponding periods of previous year.

11 GENERAL

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

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors on February 26, 2009.

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive