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COMPANY INFORMATION

BOARD OF DIRECTORS

Asim Ghani	Chairman
Shunaid Qureshi	Chief Executive
Aves Cochinwala	Director
Duraid Qureshi	Director
Salman Rasheed	Director
Syed Ajaz Ahmed Zaidi	Director
Tariq Usman Bhatti	Director

AUDIT COMMITTEE

Asim Ghani	Chairman
Duraid Qureshi	Member
Tariq Usman Bhatti	Member

COMPANY SECRETARY

Khursheed Anwer

CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDITORS

M. Sikandar & Co.
Chartered Accountants

BANKERS

National Bank of Pakistan
Bank Al-Falah Limited
Standard Chartered Bank Limited
Allied Bank Limited
Habib Bank Limited
Saudi Pak Industrial and Agricultural Investment Co. (Pvt.) Ltd.
United Bank Limited
Prime Commercial Bank Limited
Crescent Commercial Bank Limited
Bank Islami Pakistan Limited

REGISTERED OFFICE

Pardesi House, Survey No. 2/1,
R.Y. 16, Old Queens Road, Karachi.
Ph : 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 Directors of Al-Abbas Cement Industries Limited present herewith the unaudited financial statements of the Company for the nine months ended March 31, 2008.

OPERATING RESULTS

Production and sales figures for the nine months ended March 31, 2008 are as follows:

	March 31, 2008	March 31, 2007
	(Metric Tons)	
Clinker Production	179,011	10,331
Clinker Purchase	-	10,480
Clinker Sale	22,829	-
Cement Production	109,699	52,940
Cement Dispatches		
Local	82,527	54,608
Export	25,751	-

By the grace of Almighty Allah, the line No. 2 has already started trial production and added with continuing production of line No. 1, your Company achieved total production of 179,011 MT as compared to the production of 10,331 MT in similar period last year. The Cement mill having capacity of 3,000 MT will start trial production in the coming quarter. Cement export sales have been increased by 25,751 MT and clinker export sales by 10,000 MT while local sales of cement up by 27,919 MT and clinker sales by 12,829 MT as compared to the similar period of last year

FINANCIAL RESULTS

	March 31, 2008	March 31, 2007
	(Metric Tons)	
Sales - net	370,482	240,708
Gross Profit / (Loss)	33,142	(365,127)
(Loss) before taxation	(64,534)	(201,945)
Provision for taxation	38,426	26,819
(Loss) after taxation	26,108	(175,126)
(Loss) per share	(0.14)	(1.38)

FUTURE PROSPECT

The demand of cement in local as well as in neighboring countries and in Africa is rising continuously. The high prices of freight due to increase in fuel price has given an added advantage to our country and your Company as well for exporting the cement to these countries due to its proximity . The Management of your Company has already obtained BIS - Certification and has been trying to capture export orders as one of the steps towards achieving maximum advantage under present scenario of high demand.

Pakistan economy is continuously showing upward growth and the construction activity is one of the main driving forces behind overall growth of the economy. It is anticipated that the cement industry would continue to grow faster than the rate at which economy is growing. The Government has already earmarked huge amount for infrastructural projects of mega sizes though presently suspended till the end of current financial year but there is every possibility that these projects would continue till completion. The private investors both locals and foreigners have already undertaken and are showing growing interest for further investment in construction of huge residential and commercial projects



There is also growing demand for cement in nearby countries including India, GCC countries and African countries which has created additional export potentialities for our industry. The Indian Government has recently banned the export of Cement to cater its local demand. This would have positive effect on Pakistan's export to Middle East countries due to construction boom prevailing there.

All these positive factors are likely to increase the demand of cement locally and abroad and will have very significant and pleasant impact on growth of the cement industry as a whole. Your Company would not lag behind and is determined to have its due share from the overall economic growth of the cement industry.

ACKNOWLEDGMENT

The Board of Directors of the Company would like to place on record its appreciation to the financial institutions, 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

Karachi :April, 29 2008

Shunaid Qureshi
Chief Executive

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

AS AT MARCH 31, 2008

ASSETS	Note	March 31, 2008 (Rupees in thousand)	June 31, 2007
NON-CURRENT ASSETS			
Property, plant and equipment	4	4,149,096	3,866,835
Intangible assets		157	209
Deferred tax assets		41,227	-
		4,190,480	3,867,044
CURRENT ASSETS			
Stores, spares and loose tools		271,800	244,957
Stock-in-trade		358,191	144,846
Trade debts - unsecured (considered good)		125,104	948
Advances		11,205	10,829
Short term deposits and prepayments		24,721	24,925
Tax refund due from government		46,647	16,859
Other receivables		376	130,192
Cash and bank balances		15,109	2,366
		853,153	575,922
		5,043,633	4,442,966
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000 ordinary shares of Rs. 10/- each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	5	1,828,450	1,142,781
Reserves - revenue		80,000	80,000
Accumulated loss		(230,672)	(204,564)
		1,677,778	1,018,217
Right share subscription		-	362,878
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing		1,663,121	1,729,348
Liabilities against assets subject to finance lease		733	1,266
Long term deposits		127,048	35,048
Deferred liabilities		260,851	244,992
		2,051,753	2,010,654
CURRENT LIABILITIES			
Trade and other payables		428,821	401,419
Mark-up accrued		92,521	37,818
Short term borrowings		325,772	217,314
Current portion of long term loans		466,033	393,444
Current maturity of liabilities against assets subject to finance lease		955	1,222
		1,314,102	1,051,217
CONTINGENCIES AND COMMITMENTS			
	6	5,043,633	4,442,966

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


Asim Ghani
Chairman
Shunaid Qureshi
Chief Executive

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE NINE MONTHS ENDED MARCH 31, 2008

(Amount in thousand except for earning per share)

	Nine months ended		Quarter Ended	
	March 31 2008	March 31 2007	March 31 2008	March 31 2007
	(Rupees in thousand)			
Sales - net	370,482	240,708	218,274	47,136
Cost of sales	(337,340)	(365,127)	(194,748)	(107,264)
Gross profit/(loss)	33,142	(124,419)	23,526	(60,128)
Distribution cost	(20,461)	(1,549)	(13,495)	(440)
Administrative expenses	(19,482)	(17,925)	(6,364)	(7,250)
	(39,943)	(19,474)	(19,859)	(7,690)
	(6,801)	(143,893)	3,667	(67,818)
Other operating income	306	4,980	201	4,644
(Loss)/Profit from operation	(6,495)	(138,913)	3,868	(63,174)
Finance cost	(58,039)	(63,032)	(15,753)	(22,860)
Loss before taxation	(64,534)	(201,945)	(11,885)	(86,034)
Taxation	38,426	26,819	2,590	(209)
Loss after taxation	(26,108)	(175,126)	(9,295)	(86,243)
Earning per share (Basic and diluted in Rupees)	(0.14)	(1.38)	(0.05)	(0.68)

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


Asim Ghani
 Chairman


Shunaid Qureshi
 Chief Executive

**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED March 31, 2008**

	Note	Nine Months Ended	
		March 31 2008	March 31 2007
CASH FLOW FROM OPERATING ACTIVITIES			
(Rupees in thousand)			
Cash generated (used in) operations	7	(191,050)	(219,432)
Gratuity - net		1,276	(474)
Long term deposit - net		92,000	1,108
Income tax paid		(2,146)	(1,742)
Finance costs paid		(3,336)	(39,708)
Income tax refund received		-	1,960
		87,794	(38,856)
Net cash used in operating activities		(103,256)	(258,288)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(334,655)	(323,788)
Proceeds from sales of assets		-	15,846
Net cash used in investing activities		(334,655)	(307,942)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term finance		200,000	147,414
Repayment of long term finance		(193,638)	(6,849)
Proceed from sponsors loan		13,843	-
Repayment of finance lease obligation		(800)	(1,523)
Proceeds of right share subscription		322,791	130,000
Short term finance - net		108,458	206,214
Net cash from financing activities		450,654	475,256
Net increase / (decrease) in cash and cash equivalents		12,743	(90,974)
Cash and cash equivalents at the beginning of the period		2,366	118,057
Cash and cash equivalents at the end of the period		15,109	27,083

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



Asim Ghani
Chairman


Shunaid Qureshi
Chief Executive

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2008**

	Share Capital	Revenue reserve		Total
		General	Accumulated loss	
Balance as at July 01, 2006	1,142,781	80,000	(62,577)	1,160,204
Loss for the Nine months ended - March 31, 2007	-	-	(175,126)	(175,126)
Balance as at March 31, 2007	<u>1,142,781</u>	<u>80,000</u>	<u>(237,703)</u>	<u>1,985,078</u>
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 Nine months ended March 31, 2008	-	-	(26,108)	(26,108)
Balance as at March 31, 2008	<u>1,828,450</u>	<u>80,000</u>	<u>(230,672)</u>	<u>1,677,778</u>

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



Asim Ghani
Chairman



Shunaid Qureshi
Chief Executive

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

FOR THE NINE MONTHS ENDED MARCH 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 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

- 3.1 The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2007.

4 PROPERTY, PLANT AND EQUIPMENTS

The following operating assets have been added during the period.

	March 31 2008	June 30 2007
	(Rupees in thousand)	
Operating Fixed Assets		
Office equipment	505	137
Furniture and fixture	174	242
Other assets	53	430
	732	809
Capital Work-in-Progress		
Civil work	355	166,123
Plant and machinery	182,201	308,592
Borrowing cost	151,366	243,758
	333,922	718,473
	<u>334,654</u>	<u>719,282</u>

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

The Company issued 60% right shares during the period. The shares reconciliation is as follows:

Opening balance	114,278,115	114,278,115
Right shares issued during the period	68,566,869	-
Closing balance	182,844,984	114,278,115

6 CONTINGENCIES AND COMMITMENTS
Contingencies

There were no changes in contingencies as reported in June 30, 2007 financial statements.

Commitments

Commitments against open letters of credit amounting to Rs. 273.861 (2007 21.250 million)

7 CASH USED IN OPERATION

	March 31 2008 (Rupees in thousand)	June 31 2007
Loss before taxation	(64,534)	(115,911)
Adjustment for:		
Depreciation	52,393	29,779
Amortization of intangible assets	52	104
Finance cost	58,039	41,389
	110,484	71,272
Operating profit/(loss) before working capital changes	45,950	(44,639)
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(26,843)	(5,359)
Stock-in-trade	(213,345)	359
Trade debts	(124,156)	23,748
Advances	(1,804)	10,093
Short term deposit and prepayments	204	(1,089)
Refund due from government - other than income tax	(29,015)	(217,452)
Other receivables	129,816	-
	(265,143)	(189,700)
Decrease in trade and other payables	28,143	(25,336)
Cash used in operations	(191,050)	(259,675)

8 TRANSACTION WITH RELATED PARTIES

Sales of cement	930	638
Sales of clinker	42,149	8,221

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

9 General

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

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors on April 29, 2008.



Asim Ghani
Chairman



Shunaid Qureshi
Chief Executive