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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
Syed Muhammed Talha	Secretary
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 Bank Limited
United Bank Limited
Royal Bank of Scotland Limited
KASB Bank Limited
Al-Baraka Islamic Bank Limited
Arif Habib Rupali Bank 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 Board of Directors of Al-Abbas Cement Industries Limited present here with the Directors' Review Report together with the Company's unaudited financial statements for the first quarter ended September 30, 2008.

PRODUCTION AND SALES

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

	For the period ended	
	September 30, 2008	September 30, 2007
	(In M. Tons)	
Clinker production	181,000	27,097
Cement production	116,202	28,508
Cement sales		
- Local	31,080	13,446
- Export	85,430	9,476
Clinker sales		
- Local	13,081	-
- Export	41,130	-

By the grace of Al-mighty Allah, the Clinker production has increased by 153,903 M.T as compared to the same period of last year. Cement sales both local and export has increased by 17,634 M.T. and 75,954 M.T. respectively. The Company has exported the 41,130 M.T. of clinker and sold 13,081 M.T. locally.

OPERATIONAL AND FINANCIAL RESULTS

Following is the summary of comparative financial results.

	For the period ended	
	September 30, 2008	September 30, 2007
	(Rupees in thousand)	
Sales - net	829,605	78,459
Gross profit/ (loss)	194,760	(4,803)
Profit/ (Loss) before taxation	12,028	(20,675)
Provision for taxation	(6,511)	(1,341)
Profit/ (Loss) after taxation	5,517	(22,016)
Earning/ (Loss) per share - in rupees	0.03	(0.12)

During the quarter under review, the Company has earned gross profit of Rs. 194.760 million as against gross loss of Rs. 4.803 million in the same period of last year and net profit of Rs. 5.517 million as against net loss of Rs. 22.016 million in the corresponding period of last year. By the grace of Al-mighty Allah, your Company has earnings per share of Rs. 0.03 as compared to last year loss of Rs. 0.12.



FUTURE OUTLOOK

Due to recent stagflation locally and globally, it is expected that the construction activities would be sluggish resulting in less demand of cement locally in current financial year. The depreciation of Pak Rupee against US dollar has already triggered inflationary trend across the board and resulted in higher cost of inputs i.e. fuel, electricity, transportation, paper bags and mandatory increase in wages to the workers. The poor law and order situation in the country has shaken the confidence of foreign and local investors adversely effecting new investment in construction industry.

In order to meet the challenges on account of rising cost of inputs, your Management is fully aware of looming crisis and has devised a strategy to focus on export market and simultaneously make concerted efforts to reduce the cost of production by operating the plant in an efficient and effective manner. The Company is presently focusing its attention to find a cheaper alternate fuel to ever rising energy cost and as one of the viable option is considering to install a waste heat recovery plant to produce power at much cheaper rate.

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 & on behalf of the Board

Shunaid Qureshi
Chief Executive

Karachi: October 30, 2008

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

AS AT SEPTEMBER 30, 2008

ASSETS	Note	September 30, 2008 (Rupees in thousand)	June 30, 2008
NON-CURRENT ASSETS			
Property, plant and equipment	4	4,222,825	4,236,771
Deferred tax assets		28,848	28,848
		<u>4,251,673</u>	<u>4,265,619</u>
CURRENT ASSETS			
Stores, spare and loose tools		307,024	324,218
Stock-in-trade		385,851	243,339
Trade debts		157,071	297,892
Advances and other receivable		73,883	37,510
Short term deposits and prepayments		32,619	24,112
Tax refund due from government		159,402	71,819
Cash and bank balances		12,732	9,366
		<u>1,128,582</u>	<u>1,008,256</u>
		<u>5,380,255</u>	<u>5,273,875</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		1,828,450	1,828,450
Reserve		80,000	80,000
Accumulated loss		(307,310)	(312,827)
		<u>1,601,140</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		8,759	12,286
Deferred liabilities		240,402	241,923
		<u>2,749,161</u>	<u>2,754,209</u>
CURRENT LIABILITIES			
Trade and other payables		482,258	688,258
Mark-up accrued		113,330	26,573
Short term borrowings		426,508	38,252
Current portion of long term finance		-	165,000
Current maturity of liabilities against assets subject to finance lease		7,858	5,960
		<u>1,029,954</u>	<u>924,043</u>
CONTINGENCIES AND COMMITMENTS	5	<u>5,380,255</u>	<u>5,273,875</u>

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

Asim Ghani
ChairmanShunaid Qureshi
Chief Executive



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)**
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	Note	Quarter Ended	
		September 2008 (Rupees in thousand)	September 2007
Sales - net		829,605	78,459
Cost of sales		<u>(634,845)</u>	<u>(83,262)</u>
Gross profit/(Loss)		194,760	(4,803)
Distribution cost		(93,340)	(3,731)
Administrative expenses		(9,650)	(7,267)
Other operating income		<u>12,398</u>	<u>35</u>
Profit/(Loss) from operation		104,168	(15,766)
Finance cost		<u>(92,140)</u>	<u>(4,909)</u>
Profit/(Loss) before taxation		12,028	(20,675)
Taxation		<u>(6,511)</u>	<u>(1,341)</u>
Profit/(Loss) after taxation		<u>5,517</u>	<u>(22,016)</u>
Earnings/(Loss) per share (Basic and diluted in Rupees)		<u>0.03</u>	<u>(0.12)</u>

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 YEAR ENDED SEPTEMBER 30, 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 quarter ended September 30, 2007	-	-	(22,016)	(22,016)
Balance as at September 30, 2007	1,828,450	80,000	(226,580)	1,681,870
Balance as at July 01, 2008	1,828,450	80,000	(312,827)	1,595,623
Profit for the quarter ended - September 30, 2008	-	-	5,517	5,517
Balance as at September 30, 2008	1,828,450	80,000	(307,310)	1,601,140

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 YEAR ENDED SEPTEMBER 30, 2008**

	Note	Quarter Ended	
		September 2008	September 2007
CASH FLOW FROM OPERATING ACTIVITIES			
(Rupees in thousand)			
Cash (used in)/ generated from operations	6	(178,104)	(2,312)
Gratuity - paid		-	(367)
Income tax paid		(17,149)	(753)
Finance costs paid		(5,382)	(48,397)
		(22,531)	(49,517)
Net cash used in operating activities		(200,635)	(51,829)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(16,104)	(193,955)
Proceeds of sale of assets		-	(11)
Net cash used in investing activities		(16,104)	(193,966)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finance		(165,000)	(46,249)
Repayment on behalf of related parties		(1,522)	(695)
Repayment of finance lease obligation		(1,629)	(194)
Proceeds of right share subscription		-	322,791
Net cash (used in) from financing activities		(168,151)	275,653
Net (decrease)/increase in cash and cash equivalents		(384,890)	29,858
Cash and cash equivalents at the beginning of period		(28,886)	(214,948)
Cash and cash equivalents at the end of period	7	(413,776)	(185,090)

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 QUARTER ENDED SEPTEMBER 30, 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

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, 2008.

4 PROPERTY, PLANT AND EQUIPMENT

The following operating assets have been added during the period.

	September 30, 2008	June 30 2008
	(Rupees in thousand)	
Operating Fixed Assets		
Plant and machinery	-	8,000
Office equipment	871	638
Furniture and fixture	33	710
Factory and laboratory equipment	65	16
	969	9,364
CAPITAL WORK-IN-PROGRESS		
Civil work	-	83,669
Plant and machinery	-	93,570
Borrowing cost	15,135	233,214
	15,135	410,453
	16,104	419,817

5 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.

	September 30, 2008	September 30, 2007
	(Rupees in thousand)	
6 CASH USED IN OPERATIONS		
Profit/ (Loss) before taxation	12,028	(20,675)
Adjustment for:		
Depreciation	30,050	14,290
Amortization of intangible assets	-	52
Finance cost	92,140	56,728
	122,190	71,070
Operating profit before working capital changes	134,218	50,395
(Increase)/ decrease in current assets		
Stores, spares and loose tools	17,194	(8,873)
Stock-in-trade	(142,512)	(22,532)
Trade debts	140,821	(645)
Advances	(25,735)	(8,994)
Short term deposit and prepayments	(8,507)	78,167
Refund due from government - other than income tax	(87,583)	(13,668)
	(106,322)	23,455
Decrease in trade and other payables	(206,000)	(76,162)
Cash used in operations	(178,104)	(2,312)

7 CASH AND CASH EQUIVALENT

Cash and bank balances	12,732	9,366
Short term borrowings	426,508	38,252
	(413,776)	(28,886)

8 TRANSACTION WITH RELATED PARTIES

Sales of cement	1,934	-
Sales of clinker	38,096	-
Sales of stores and spares	110	-
Purchase of stores and spares	3,765	-

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 October 30, 2008.