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COMPANY INFORMATION

BOARD OF DIRECTORS

Syed Ajaz Ahmed	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
Salman Rasheed	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 presents herewith the Directors' Review Report together with the Company's un-audited financial information for the nine months ended March 31, 2009.

OPERATING PERFORMANCE

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

	Nine months period ended	
	March 31, 2009	March 31, 2008
	In M. Tons	
Clinker production	470,763	179,011
Cement production	362,743	109,699
Cement sales		
- Local	109,345	82,527
- Export	260,159	25,751
Clinker sales		
- Local	54,103	12,829
- Export	41,130	10,000

By the grace of Al-mighty Allah, the Clinker and Cement production registered an increase of 291,752 M.T and 253,044 M.T. respectively as compared to the same period of last year. Cement sales both local and export witnessed increase of 26,818 M.T. and 234,408 M.T. respectively. In addition the Company has exported 41,130 M.T. of clinker and sold 54,103 M.T. locally which is an increase of 31,130 M.T. and 41,274 M.T. respectively as compared to the same period of last year.

FINANCIAL PERFORMANCE

Following is the summary of comparative financial results.

	Nine months period ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Sales - net	2,183,536	370,482
Gross profit	491,976	33,142
Loss before taxation	(24,651)	(64,534)
Provision for taxation	29,468	38,426
Profit/ (Loss) after taxation	4,816	(26,108)
Earnings/ (Loss) per share - in Rupees	0.03	(0.14)

During the nine months period under review, by the grace of Almighty Allah your Company has earned gross profit of Rs. 491.976 million as against gross profit of Rs. 33.142 million in the same period of last year and net profit of Rs. 4.816 million as against net loss of Rs. 26.108 million in the corresponding period of last year showing significant improvement. This year your Company has an earnings per share of Rs. 0.03 as compared to a last year's per share loss of Rs. (0.14).



FUTURE OUTLOOK

The Cement consumption is mainly driven by infrastructure and real estate development. Due to recent stagflation and the credit crunch, cement consumption has gone down as there have been drastic cut downs in the public sector development budgets. Demand of cement in domestic market has reduced by 15% over prior year.

On the export front, in spite of the world recession, Pakistan Cement Industry has managed to increase its total exports by 55% over prior year, of course at the cost of lower FOB prices.

Moreover, prices both domestic and export remained under pressure because of price war situation among the cement manufacturers. 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 situation will be clear by the end of this year. It is, however, expected that sales will pick-up as the summer starts.

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

SYED AJAZ AHMED
Chairman

Karachi: April 28, 2009

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

AS AT MARCH 31, 2009

	Note	March 31, 2009	June 31, 2008
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,234,195	4,236,771
Deferred tax assets		72,771	28,848
		4,306,966	4,265,619
CURRENT ASSETS			
Stores, spare and loose tools		398,198	324,218
Stock-in-trade		564,945	243,339
Trade debts		68,869	297,892
Advances		83,693	37,510
Deposits, prepayments and other receivable		26,874	24,112
Tax refund due from government		159,875	71,819
Cash and bank balances		9,970	9,366
		1,312,424	1,008,256
		5,619,390	5,273,875
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000 (2008; 200,000,000)		2,000,000	2,000,000
Ordinary shares of Rs. 10/- each			
issued, subscribed and paid-up capital 182,844,984 (2008; 182,844,984)		1,828,450	1,828,450
Ordinary Shares of Rs. 10/- each		(228,011)	(232,827)
Reserve		1,600,439	1,595,623
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		2,500,000	2,500,000
Liabilities against assets subject to finance lease		8,999	12,286
Deferred liabilities		243,011	241,923
		2,752,010	2,754,209
CURRENT LIABILITIES			
Trade and other payables		664,041	688,258
Mark-up accrued		124,195	26,573
Short-term borrowings		473,940	38,252
Current portion of long-term financing		-	165,000
Current portion of liabilities against assets subject to finance lease		4,765	5,960
		1,266,941	924,043
CONTINGENCIES AND COMMITMENTS			
	6	5,619,390	5,273,875

The annexed notes from 1 to 11 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 THIRD QUARTER AND
NINE MONTHS PERIOD ENDED MARCH 31, 2009**

	Nine months ended		Third Quarter Ended	
	March 31 2009	March 31 2008	March 31 2009	March 31 2008
	(Rupees in thousand)			
Sales - net	2,183,536	370,482	704,686	218,274
Cost of sales	<u>(1,691,560)</u>	<u>(337,340)</u>	<u>(572,897)</u>	<u>(194,748)</u>
Gross profit	491,976	33,142	131,789	23,526
Distribution cost	<u>(259,872)</u>	<u>(20,461)</u>	<u>(103,252)</u>	<u>(13,495)</u>
Administrative expenses	<u>(17,673)</u>	<u>(19,482)</u>	<u>(3,486)</u>	<u>(6,364)</u>
Other operating income	<u>22,062</u>	<u>306</u>	<u>9,121</u>	<u>201</u>
Operating profit/(Loss)	<u>236,493</u>	<u>(6,495)</u>	<u>34,172</u>	<u>3,868</u>
Finance cost	<u>(261,145)</u>	<u>(58,039)</u>	<u>(89,725)</u>	<u>(15,753)</u>
Loss before taxation	(24,652)	(64,534)	(55,553)	(11,885)
Taxation	<u>29,468</u>	<u>38,426</u>	<u>334</u>	<u>2,590</u>
Profit / (Loss) after taxation	4,816	<u>(26,108)</u>	(55,219)	<u>(9,295)</u>
Earnings/(Loss) per share				
- Rupees (Basic and diluted)	<u>0.03</u>	<u>(0.14)</u>	<u>(0.30)</u>	<u>(0.05)</u>

The annexed notes from 1 to 11 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 NINE MONTHS ENDED MARCH 31, 2009**

	Note	Nine Months Ended	
		March 31 2009	March 31 2008
CASH FLOW FROM OPERATING ACTIVITIES			
(Rupees in thousand)			
Cash generated from/(used in) operations	7	21,404	(191,050)
Long-term deposit - net		-	92,000
Income tax paid		(45,606)	(2,146)
Finance cost paid		(233,235)	(3,336)
Provision for gratuity		3,858	1,776
Gratuity - paid		(1,248)	(500)
		<u>(276,231)</u>	<u>87,794</u>
Net cash used in operating activities		<u>(254,827)</u>	<u>(103,256)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(9,558)	(334,655)
Proceed from sale of fixed asset		306	-
Net cash used in investing activities		<u>(9,252)</u>	<u>(334,655)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term finance		-	200,000
Repayment of long-term finance		(165,000)	(193,638)
Deferred Liabilities		(1,523)	13,843
Repayment of finance lease obligation		(4,482)	(800)
Proceeds of right share subscription		-	322,791
Net cash (used in)/from financing activities		<u>(171,005)</u>	<u>342,196</u>
Net decrease in cash and cash equivalents		<u>(435,084)</u>	<u>(95,715)</u>
Cash and cash equivalents at the beginning of the period		<u>(28,886)</u>	<u>110,824</u>
Cash and cash equivalents at the end of the period	8	<u>(463,970)</u>	<u>15,109</u>

The annexed notes from 1 to 11 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 NINE MONTHS ENDED MARCH 31, 2009**

Share Capital	Revenue reserve			Total
	General	Accumulated loss	Total	

(Rupees in thousand)

Balance as at					
July 01, 2007	1,142,781	80,000	(204,564)	(124,564)	1,018,217
Issue of right shares	685,669	-	-	-	685,669
Loss for the nine months ended March 31, 2008	-	-	(26,108)	(26,108)	(26,108)
Balance as at					
March 31, 2008	<u>1,828,450</u>	<u>80,000</u>	<u>(230,672)</u>	<u>(150,672)</u>	<u>1,677,778</u>
Balance as at					
July 01, 2008	1,828,450	80,000	(312,827)	(232,827)	1,595,623
Profit for the nine months ended March 31, 2009	-	-	4,816	4,816	4,816
Balance as at					
March 31, 2009	<u>1,828,450</u>	<u>80,000</u>	<u>(308,011)</u>	<u>(228,011)</u>	<u>1,600,439</u>

The annexed notes from 1 to 11 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 NINE MONTHS ENDED MARCH 31, 2009

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, 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 undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Dadu (Sindh).

2 BASIS OF PREPARATION

These condensed interim financial information 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 information are the same as those applied in the preparation of the financial information for the year ended June 30, 2008.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 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 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, 2008.

5 PROPERTY, PLANT AND EQUIPMENT

The following operating assets have been added/(deleted) during the period.

	March 31 2009	June 30 2008
	(Rupees in thousand)	
Operating Fixed Assets		
Owned		
Plant and machinery	60	8,000
Office equipment	1,014	638
Furniture and fixture	165	710
Factory and laboratory equipment	796	16
Vehicle	(367)	-
	1,668	9,364
Leased Assets	-	18,165
Capital Work-In-Progress		
Civil work	-	83,669
Plant and machinery	7,523	93,570
Borrowing cost	69,712	233,214
	77,235	410,453
	<u>78,903</u>	<u>437,982</u>

6 CONTINGENCIES AND COMMITMENTS
Contingencies

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

Commitments

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

7 CASH GENERATED FROM / (USED IN) OPERATIONS

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Loss before taxation	(24,652)	(64,534)
Adjustment for:		
Depreciation	81,697	52,393
Amortization of intangible assets	-	52
Finance cost	261,145	58,039
Gain on disposal of fixed assets	(156)	-
	<u>342,686</u>	<u>110,484</u>
Operating profit before working capital changes	318,034	45,950
(Increase) / decrease in current assets		
Stores, spares and loose tools	(73,980)	(26,843)
Stock-in-trade	(321,606)	(213,345)
Trade debts	229,023	(124,156)
Advances	(15,032)	(1,804)
Short term deposit and prepayments	(2,762)	130,020
Refund due from government	(88,056)	(29,015)
	(272,413)	(265,143)
Increase / (Decrease) in trade and other payables	(24,217)	28,143
Cash generated from/(used in) operations	<u>21,404</u>	<u>(191,050)</u>
8 CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,970	15,109
Short-term borrowings	(473,940)	(325,772)
	<u>(463,970)</u>	<u>(310,663)</u>
9 TRANSACTIONS WITH RELATED PARTIES		
Sales of cement	3,468	930
Sales of clinker	294,654	42,149
Sales of stores and spares	1,416	-
Purchase of cement	15,260	-
Purchase of stores and spares	8,119	-
Shared expenditure	1,500	-

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



10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information have been authorized for issue on April 28, 2009 by the Board of Directors.

11 General

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

Handwritten signature of Momal Shunaid in black ink.

Momal Shunaid
Chief Executive

Handwritten signature of Aves Cochinwala in black ink.

Aves Cochinwala
Director