



Contents

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



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

COMPANY SECRETARY

K.A. Jamal

CHIEF OPERATING OFFICER

S.N. Jaffri

CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDIT COMMITTEE

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

AUDITORS

M. Sikandar & Co.	Chartered Accountants
-------------------	-----------------------

COST AUDITORS

Siddiqui & Co	Cost & Management Accountants
---------------	-------------------------------

BANKERS

Al-Baraka Islamic Bank Limited
Allied Bank Limited
Arif Habib Bank Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk 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 No. : 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 three months period ended September 30, 2009.

FINANCIAL PERFORMANCE

During the three months period under review, your Company has earned gross profit of Rs. 81.750 million as against gross profit of Rs. 194.760 million in the same period of last year and net loss of Rs. 90.356 million as against net profit of Rs. 5.517 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. 0.49 as compared to a last period's per share earnings of Rs. 0.03.

Following is the summary of comparative financial results.

	Three months period ended	
	September 30, 2009	September 30, 2008
	(Rupees in thousand)	
Sales - net	600,819	829,605
Gross profit	81,750	194,760
Loss/Profit before taxation	(86,026)	12,028
Provision for taxation	(4,330)	(6,511)
(Loss)/Profit after taxation	(90,356)	5,517
(Loss)/Earnings per share - in Rupee	(0.49)	0.03

OPERATING PERFORMANCE

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

	Three months period ended	
	September 30, 2009	September 30, 2008
	(In M. Tons)	
Clinker production	131,995	181,000
Cement production	115,325	116,202
Cement sales		
- Local	39,705	31,080
- Export	82,942	85,430
Clinker sales		
- Local	6,137	13,081
- Export	21,684	41,130

The Clinker and Cement production registered a decrease of 49,005 M.T. and 877 M.T. respectively as compared to the same period of last year. Cement sales both local and export witnessed increase of 6,137 M.T. In addition the Company has exported 21,684 M.T. of clinker and sold 6,137 M.T. locally which is a decrease of 6,944 M.T. and 19,446 M.T. respectively as compared to the same period of last year.



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 14% 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 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 situation will be clear by the end of this year. It is, however, expected that sales will pick-up after winter season.

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: October 29, 2009

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

AS AT SEPTEMBER 30, 2009

	Note	September 30, 2009 (Rupees in thousand) (Un-Audited)	June 30, 2009 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,376,869	4,354,980
Deferred tax assets		213,399	213,399
		<u>4,590,268</u>	<u>4,568,379</u>
CURRENT ASSETS			
Stores, spare and loose tools		410,147	429,307
Stock-in-trade		435,320	472,276
Trade debts		37,037	42,008
Advances		122,585	121,251
Deposits, prepayments and other receivable		26,114	27,366
Tax refund due from government		195,518	250,903
Cash and bank balances		906	12,421
		<u>1,227,627</u>	<u>1,355,532</u>
		<u>5,817,895</u>	<u>5,923,911</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>
issued, subscribed and paid-up capital			
182,844,984 (2008; 182,844,984)			
Ordinary Shares of Rs. 10/- each		1,828,450	1,828,450
Reserve		(201,370)	(111,014)
		<u>1,627,080</u>	<u>1,717,436</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		2,500,000	2,500,000
Liabilities against assets subject to finance lease		4,750	6,350
Deferred liabilities		246,849	245,613
		<u>2,751,599</u>	<u>2,751,963</u>
CURRENT LIABILITIES			
Trade and other payables		727,512	719,594
Mark-up accrued		102,877	239,496
Short-term borrowings		602,929	489,724
Current portion of non-current liabilities		5,898	5,698
		<u>1,439,216</u>	<u>1,454,512</u>
CONTINGENCIES AND COMMITMENTS	6	<u>5,817,895</u>	<u>5,923,911</u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


Momal Shunaid
Chief Executive


Aves Cochinwala
Director



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	First Quarter Ended	
	September 30, 2009	September 30, 2008
	(Rupees in thousand)	
Sales - net	600,819	829,605
Cost of sales	<u>(519,069)</u>	<u>(634,845)</u>
Gross profit	81,750	194,760
Distribution cost	(81,766)	(93,340)
Administrative expenses	(11,004)	(9,650)
Other operating income	<u>1,555</u>	<u>12,398</u>
Operating (loss)/ profit	(9,465)	104,168
Finance cost	(76,561)	(92,140)
(Loss) / profit before taxation	(86,026)	12,028
Taxation	(4,330)	(6,511)
(Loss)/ Profit after taxation	<u>(90,356)</u>	<u>5,517</u>
(Loss)/ Earnings per share - Rupees (Basic and diluted)	<u>(0.49)</u>	<u>0.03</u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Momal Shunaid
Chief Executive

Aves Cochinwala
Director



**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	Note	First Quarter Ended	
		September 30, 2009	September 30, 2008
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	7	147,413	(178,104)
Income tax paid		(12,546)	(17,149)
Finance cost paid		(231,662)	(5,382)
Provision for gratuity		1,236	-
		<u>(242,972)</u>	<u>(22,531)</u>
Net cash used in operating activities		<u>(95,559)</u>	<u>(200,635)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure and net cash used in investing activities		(27,761)	(16,104)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long-term finance		-	(165,000)
Deferred liabilities		-	(1,522)
Repayment of finance lease obligation		(1,400)	(1,629)
Net cash used in financing activities		<u>(1,400)</u>	<u>(168,151)</u>
Net decrease in cash and cash equivalents		<u>(124,720)</u>	<u>(384,890)</u>
Cash and cash equivalents at the beginning of the period		(477,303)	(28,886)
Cash and cash equivalents at the end of the period	8	<u>(602,023)</u>	<u>(413,776)</u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


Momal Shunaid
Chief Executive


Aves Cochinwala
Director

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	Share Capital	General	Revenue reserve		Total
			Accumulated loss	Total	
	(Rupees in thousand)				
Balance as at July 01, 2008	1,828,450	80,000	(312,827)	(232,827)	1,595,623
Profit the quarter ended - September 30, 2008	-	-	5,517	5,517	5,517
Balance as at September 30, 2008	1,828,450	80,000	(307,310)	(227,310)	1,601,140
Balance as at July 01, 2009	1,828,450	80,000	(191,014)	(111,014)	1,717,436
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

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


Momal Shunaid
Chief Executive


Aves Cochhinwala
Director

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

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 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, 2009.

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 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, 2009.

5 PROPERTY, PLANT AND EQUIPMENT

The addition/ (deletion) during the period are as follows:

	September 30, 2009 (Rupees in thousand) (Un-Audited)	June 30, 2009 (Audited)
Operating Fixed Assets		
Owned		
Plant and machinery	14,133	23,900
Office equipment	1,901	1,145
Furniture and fixture	1,489	986
Factory and laboratory equipment	2,610	7,680
Vehicle	-	1,931
	-	(367)
	20,133	35,275
Leased assets - vehicle	-	(590)
Capital Work-In-Progress	26,110	188,425
Civil work	7,628	-
Plant and machinery	-	78,327
Borrowing cost	18,482	110,098
	46,243	223,110

6 CONTINGENCIES AND COMMITMENTS
Contingencies

There were no changes in contingencies as reported in annual financial statements for the year ended June 30, 2009.

Commitments

There were no changes in commitments as reported in annual financial statements for the year ended June 30, 2009.

	September 30, 2009	September 30, 2008
	(Rupees in thousand)	
	(Un-audited)	
7 CASH GENERATED FROM / (USED IN) OPERATIONS		
(Loss) / profit before taxation	(86,026)	12,028
Adjustment for:		
Depreciation	24,354	30,050
Finance cost	76,561	92,140
	100,915	122,190
Operating profit before working capital changes	14,889	134,218
(Increase)/ decrease in current assets		
Stores, spares and loose tools	19,160	17,194
Stock-in-trade	36,956	(142,512)
Trade debts	4,971	140,821
Advances	6,882	(25,735)
Short term deposit and prepayments	1,252	(8,507)
Refund due from government	55,385	(87,583)
	124,606	(106,322)
Increase/(Decrease) in trade and other payables	7,918	(206,000)
Cash generated from/(used in) operations	147,413	(178,104)
8 CASH AND CASH EQUIVALENTS		
Cash and bank balances	906	12,732
Short term borrowings	(602,929)	(426,508)
	(602,023)	(413,776)
9 TRANSACTIONS WITH RELATED PARTIES		
Sales of cement	108	930
Sales of clinker	23,977	42,149
Purchase of cement	30,051	-
Purchase of stores and spares	2,255	-
Shared expenditure	1,500	-

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



10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on October 29, 2009 by the Board of Directors.

11 General

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

Momal Shunaid
Chief Executive

Aves Cochinwala
Director