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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Iqbal Usman	Chairman
Shunaid Qureshi	Chief Executive
Asim Ghani	Director
Duraïd Qureshi	Director
Mudassir Iqbal	Director
Munawar A. Siddiqui	Director
Suleman Lalani	Director

COMPANY SECRETARY

Khursheed Anwer

CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDIT COMMITTEE

Muhammad Iqbal Usman	Chairman
Asim Ghani	Member
Duraïd Qureshi	Member
Syed Muhammad Talha	Secretary

AUDITORS

Hyder Bhimji & Co.	Chartered Accountant
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LEGAL ADVISOR

Usmani & Iqbal	Advocates & Solicitors
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BANKERS

Al-Baraka Islamic Bank
Allied Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
Saudi Pak Commercial Bank Limited
Standard Chartered Bank Limited
United Bank Limited

REGISTERED OFFICE

2nd Floor, Pardesi House, Survey No. 2/1,
R.Y. 16, Old Queens Road, Karachi - 74000
Tel : 92-21-111-111-224
Fax : 92-21-2470090
Website : www.aasml.com

SHARE REGISTRAR OFFICE

Technology Trade (Pvt.) Ltd.
Dagja House, 241-C, Block-2,
P.E.C.H.S., Off. Shahrah-e-Quaideen, Karachi.

FACTORY LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh



DIRECTORS' REPORT

The directors are pleased to present the interim condensed financial information for the quarter ended December 31, 2008.

The financial results of the Company during the period under review compared with the corresponding period are summarized below:

PROFIT AND LOSS APPROPRIATION

The profit and loss account for the quarter under review is as follows:

	Quarter ended December 31, 2008	Quarter ended December 31, 2007
	← (Rs. in thousand) →	
Profit/ (Loss) before taxation	112,180	(24,429)
Taxation	<u>(4,912)</u>	<u>43,832</u>
Profit after taxation	107,268	19,403
Un-appropriated profit brought forward	<u>245,350</u>	<u>116,914</u>
Un-appropriated profit carried forward	<u>352,618</u>	<u>136,317</u>
Basic earnings per share (Rupees)	<u>6.18</u>	<u>1.12</u>

OPERATING RESULTS

During the quarter under review, your Company has earned profit after tax amounting to Rs. 107.268 million as compared to the profit after taxation of Rs. 19.403 million of first quarter of last year showing remarkable increase of Rs. 87.865 million. The earnings per share have increased from Rs. 1.12 to Rs. 6.18.

Sugar unit

The financial and operational performance is given below:

Financial performance

	Quarter ended December 31, 2008	Quarter ended December 31, 2007
	← (Rs. in thousand) →	
Sales - Net	524,333	257,633
Cost of sales	<u>(441,234)</u>	<u>(253,712)</u>
Gross profit	83,099	3,921
Distribution cost	<u>(438)</u>	<u>(379)</u>
Segment result	82,661	3,542

Operational performance

	Quarter ended December 31, 2008	Quarter ended December 31, 2007
Date of start of season	November 19, 2008	November 15, 2007
No. of days worked	43	47
Crushing (M. Tons)	159,574	192,564
Production (M. Tons)	13,335	17,830
Recovery (%)	9.00	9.26

During the period under review, the sugar segment profit is Rs. 82.661 million as against of last year of same quarter.

Distillery unit

The financial and operational performance is given below:

**Financial performance**

	Quarter ended December 31, 2008	Quarter ended December 31, 2007
	← (Rs. in thousand) →	
Sales - net	502,902	306,453
Cost of sales	(404,525)	(214,854)
Gross profit	98,377	91,599
Distribution cost	(17,908)	(15,125)
Segment result	78,012	76,474

Operational performance

No. of days worked - Unit - I	56	89
- Unit - II	67	92
Production (M. Tons) - Unit - I	3,829	5,792
- Unit - II	4,480	6,189
Capacity attained (%) - Unit - I	98	98
- Unit - II	98	98

Despite increase in sales by Rs. 196.449 million over the same quarter of last year, the distillery segment profit increased marginally by Rs. 1.538 million. The main reason is less production by 3,673 M.T over the same period of last year and increased prices of molasses. The Company has been focusing to overcome the bottlenecks being faced due to scarce availability of molasses and procurement of export orders.

Chemical Division**Financial data**

	Quarter ended December 31, 2008	Quarter ended December 31, 2007
	← (Rs. in thousand) →	
Sales - net	220,751	30,819
Cost of sales	(159,156)	(30,994)
Gross profit/ (loss)	61,595	(175)
Distribution cost	(5)	-
Segment result	61,590	(175)

During the period under review, the chemical division has earned segment profit of Rs. 61.590 million as compared to the last quarter of the same period against segment loss of Rs. 0.175 million.

MDFB Division

During the period under review, this division is under study to restore its production on efficient basis.

FUTURE PROSPECTS

Our Company has been performing well despite various adverse factors. The future outlook entirely depends on continuous availability of qualitative sugar cane and molasses. The Management is striving hard to acquire both sugar cane and molasses at reasonable cost.

ACKNOWLEDGEMENT

We would like to thank all financial institutions having business relationship with us and our customers for their continued support and cooperation. We would also like to share our deepest appreciation for our staff for their dedication, loyalty and hard work.

On behalf of Board of Directors

MUHAMMAD IQBAL USMAN
Chairman

Karachi: January 30, 2009


INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2008

	Note	December 31, 2008 (Rupees in thousand)	September 30, 2008 (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,270,807	2,082,835
Long term loan and advances		3,049	3,103
Long term deposits		11,032	11,026
Long term investment		21,571	29,182
		<u>2,306,459</u>	<u>2,126,146</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		214,558	209,401
Stock-in-trade		783,652	1,036,195
Trade debts unsecured - considered good		161,282	37,997
Loans and advances		236,252	201,315
Short term investments		11,750	17,250
Trade deposits, short term prepayments and other receivables		21,300	5,448
Accrued mark-up		54	128
Sales tax refundable		14,752	86,415
Cash and bank balances		14,706	48,417
		<u>1,458,306</u>	<u>1,642,566</u>
		<u>3,764,765</u>	<u>3,768,712</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
17,500,000 Ordinary shares of Rs. 10 each		175,000	175,000
Issued, subscribed and paid-up capital		173,623	173,623
Reserves		795,824	696,167
Shareholders' equity		969,447	869,790
NON CURRENT LIABILITIES			
Long term financing		983,033	1,075,000
Long term loan from sponsors		395,070	395,070
Liabilities against assets subject to finance lease		3,018	3,295
Deferred liabilities		38,893	38,186
		<u>1,420,014</u>	<u>1,511,551</u>
CURRENT LIABILITIES			
Trade and other payables		696,095	656,959
Accrued mark-up		35,167	63,958
Short term borrowings		463,030	558,526
Current maturity of long term financing		168,161	95,077
Provision for taxation		12,851	12,851
		<u>1,375,304</u>	<u>1,387,371</u>
CONTINGENCIES AND COMMITMENTS	6	<u>3,764,765</u>	<u>3,768,712</u>

The annexed notes form an integral part of these interim condensed financial information.

Shunaid Qureshi
Chief Executive

Asim Ghani
Director

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

	Quarter Ended	
	December 31, 2008	December 31, 2007
	(Rupees in thousand)	
Turnover	1,255,854	625,798
Cost of sales	<u>(1,024,298)</u>	<u>(577,672)</u>
Gross profit	231,556	48,126
Distribution cost	<u>(18,356)</u>	<u>(15,504)</u>
Administrative expenses	<u>(16,920)</u>	<u>(16,337)</u>
Other operating expenses	<u>(22,543)</u>	<u>(3,338)</u>
	<u>(57,819)</u>	<u>(35,179)</u>
Operating profit	173,737	12,947
Finance cost	<u>(62,404)</u>	<u>(40,620)</u>
Other operating income	<u>847</u>	<u>3,244</u>
Profit / (Loss) before taxation	<u>112,180</u>	<u>(24,429)</u>
Taxation	<u>(4,912)</u>	43,832
Profit after taxation	<u>107,268</u>	<u>19,403</u>
Earnings per share - Basic and diluted	<u>6.18</u>	<u>1.12</u>

The annexed notes form an integral part of these interim condensed financial information.

Shunaid Qureshi
Chief Executive


Asim Ghani
Director



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

	Note	December 31, 2008	December 31, 2007
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	7	394,294	26,637
Finance cost paid		(91,195)	(56,653)
Taxes paid		(4,912)	(4,170)
		<u>(96,107)</u>	<u>(60,823)</u>
Net cash generated from / (used in) operating activities		298,187	(34,186)
Cash flow from investing activities			
Additions to property, plant and equipment		(217,290)	(8,190)
Long term loans and advances		54	(1,320)
Long term deposits		(6)	(125)
Net cash used in investing activities		(217,242)	(9,635)
Cash flow from financing activities			
Repayment of long term financing		(18,883)	(555,822)
Proceeds from long term financing obtained		-	750,000
Repayment of liabilities against assets subject to finance lease		(277)	-
Long term loan from sponsors		-	15,245
Short term borrowings		(95,496)	(72,060)
Net cash (used in) / from financing activities		<u>(114,656)</u>	<u>137,363</u>
Net (decrease)/ increase in cash and cash equivalents		(33,711)	93,542
Cash and cash equivalents at the beginning of the period		48,417	35,310
Cash and cash equivalents at the end of the period		<u>14,706</u>	<u>128,852</u>

The annexed notes form an integral part of these interim condensed financial information.


Shunaid Qureshi
 Chief Executive


Asim Ghani
 Director

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

	Share capital	Reserves				Total Reserve	Total Equity
		Revenue		Fair value on remeasurement of investment available for sale	Total Reserve		
		General	Unappropriated profit				
Balance as at October 01, 2007	173,623	458,000	116,914	574,914	-	574,914	748,537
Net profit for the quarter ended December 31, 2007	-	-	19,403	19,403	19,403	38,806	38,806
Balance as at December 31, 2007	173,623	458,000	136,317	594,317	767,940	1,362,257	1,535,880
Balance as at October 01, 2008	173,623	458,000	245,350	703,350	(7,183)	696,167	869,790
Net profit for the quarter ended December 31, 2008	-	-	107,268	107,268	(7,611)	99,657	99,657
Balance as at December 31, 2008	173,623	458,000	352,618	810,618	(14,794)	795,824	969,447

The annexed notes form an integral part of these interim condensed financial information.


Shunaid Qureshi
Chief Executive


Asim Ghani
Director





NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2008

1 THE COMPANY AND ITS OPERATIONS

Al-Abbas Sugar Mills Limited (AASML) was incorporated in Pakistan on May 2, 1991 as a public limited company. The Company's shares are quoted on Karachi Stock Exchange. The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16. Old Queens Road, Karachi. The Company carry out the business of following divisions.

S. No	Division	Principal Activities	Location of undertaking	Commencement of commercial production
i	Sugar	Manufacturing and sale of sugar	Miarwah Gorchani, Mirpurkhas	December 15, 1993
ii	Distillery	Processing and sale of industrial alcohol	Mirwah Gorchani, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
iii	Calcium Carbide and others	Manufacturing and sales of Calcium Carbide and Alloys	Dhabeji, Thatta.	November 1, 2006
iv	Medium Density Fiber Board	Manufacturing and sales of Medium Density Fiber Board.	Dhabeji, Thatta.	April 1, 2007

2 BASIS OF PREPARATION

These Interim Condensed Financial Information have been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and are submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these Interim Condensed Financial Information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended September 30, 2008.

4 SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and cost incurred/accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent interim information and annual financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	December 31, 2008	December 31, 2007
	(Rupees in thousand)	
	Additions	
5.1 Tangible assets - Operating		
Plant and machinery	-	2,117
Office equipment	137	178
Motor Vehicles	-	609
5.2 Capital work in progress	217,153	5,286

**6 CONTINGENCIES AND COMMITMENTS****6.1 Contingencies**

There has been no change in contingencies since the last audited financial statements for the year ended September 30, 2008.

6.2 Commitments

The commitments as on the balance sheet date for including open letter of credit was amounting to Rs. 51.705 millions (September 30, 2008 : Rs. 130 million).

	December 31, 2008	December 31, 2007
7 CASH GENERATED FROM OPERATIONS		
Profit / (Loss) before taxation	112,180	(24,429)
Adjustment for:		
Depreciation	29,318	29,236
Finance cost	62,404	40,620
Fair value changes in the short term investment	5,500	-
Deferred liabilities	707	965
	<u>97,929</u>	<u>70,821</u>
Operating profit before working capital changes	210,109	46,392
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(5,157)	(3,102)
Stock-in-trade	252,543	(51,470)
Trade debts	(123,285)	421
Loans and advances	(34,937)	(10,050)
Trade deposits and short term prepayments	55,811	(13,980)
Accrued mark-up	74	57
	<u>145,049</u>	<u>(78,124)</u>
Increase in trade and other payables	39,136	58,369
Cash generated from operations	<u>394,294</u>	<u>26,637</u>


8 SEGMENT REPORTING

(Rupees in thousand)

	Quarter Ended December 31				2007	
	2008					
	Sugar	Distillery	Chemical	MDFB		TOTAL
Turnover - net	524,333	502,902	220,751	7,868	1,255,854	625,798
Segment results	82,661	78,012	61,590	(9,063)	213,200	32,622
Un-allocated Corporate Expenses:						
Administration cost					(16,920)	(16,337)
Finance cost					(62,404)	(40,620)
Other operating expenses					(22,543)	(3,338)
Other operating income					847	3,244
Taxation					(4,912)	43,832
					107,268	19,403
8.1 Segment assets	1,549,419	417,921	647,045	376,049	2,990,434	2,993,569
Unallocated segment assets					774,331	775,143
					3,764,765	3,768,712
8.2 Segment liabilities	944,512	-	96,527	68,741	1,109,780	1,150,912
Unallocated segment liabilities					1,685,538	1,748,010
					2,795,318	2,898,922
8.3 Capital expenditure	217,290	-	-	-	217,290	8,190
Unallocated capital expenditure					217,290	8,190
8.4 Depreciation	7,028	7,630	10,995	3,665	29,318	29,236



9 RELATED PARTY TRANSACTIONS

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices determined in accordance with the Comparable Uncontrolled Price Method except for the allocation of expenses such as utilities, repair and maintenance relating to head office, shared with associated companies, which are based on the advices received.

	December 31, 2008	December 31, 2007
	← (Rs. in thousand) →	
Purchases - Cement	970	515
Common sharing expense incurred	1,500	600

10 DATE OF AUTHORIZATION FOR ISSUE

These financial Information were authorized for issue on January 30, 2009 by the Board of Directors of the Company.

11 SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on January 6, 2009 has proposed a final cash dividend of Rs. 1.5 per share i.e 15% for the year ended September 30, 2008.

12 GENERAL

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


Shunaid Qureshi
Chief Executive


Asim Ghani
Director