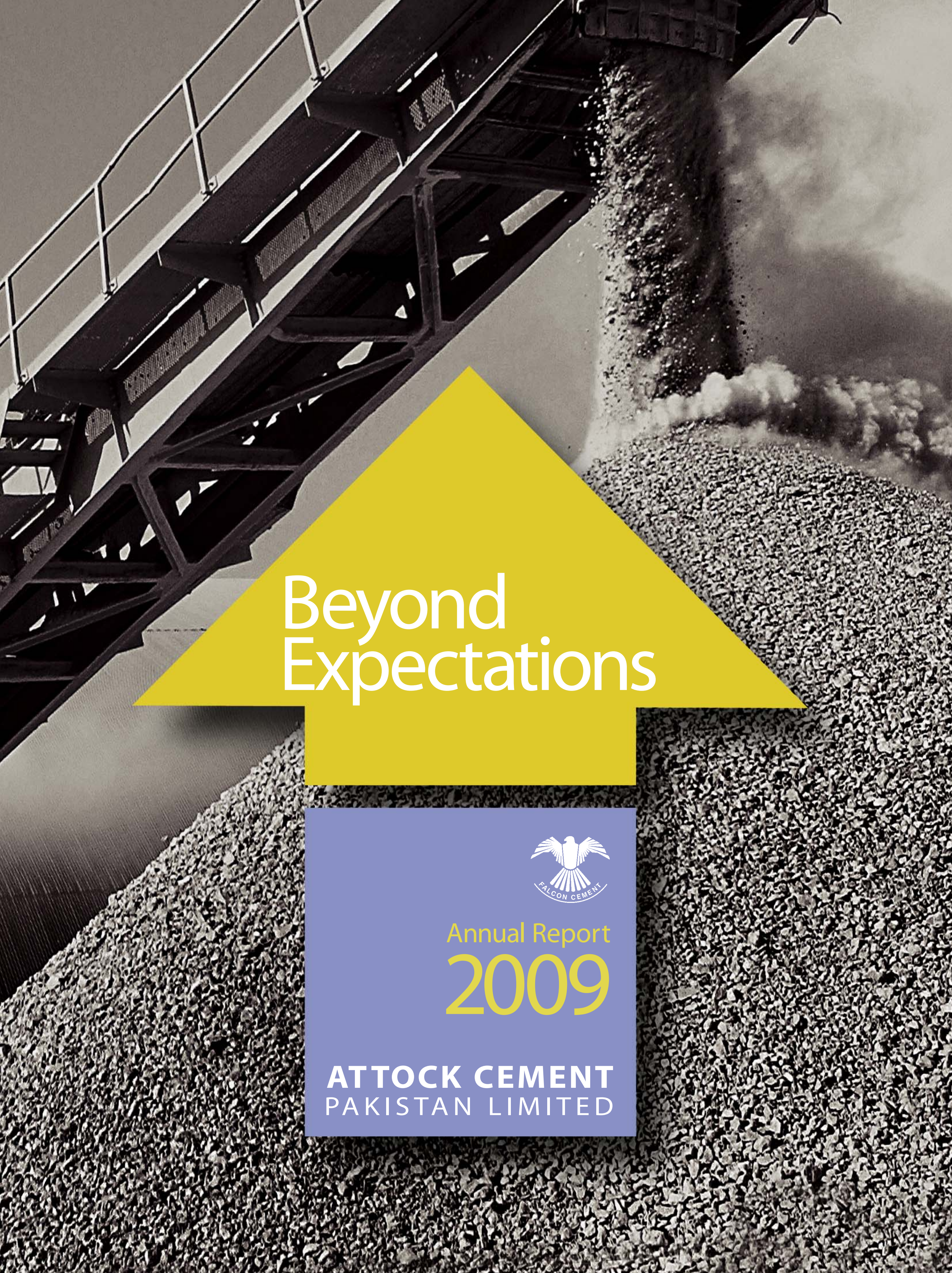
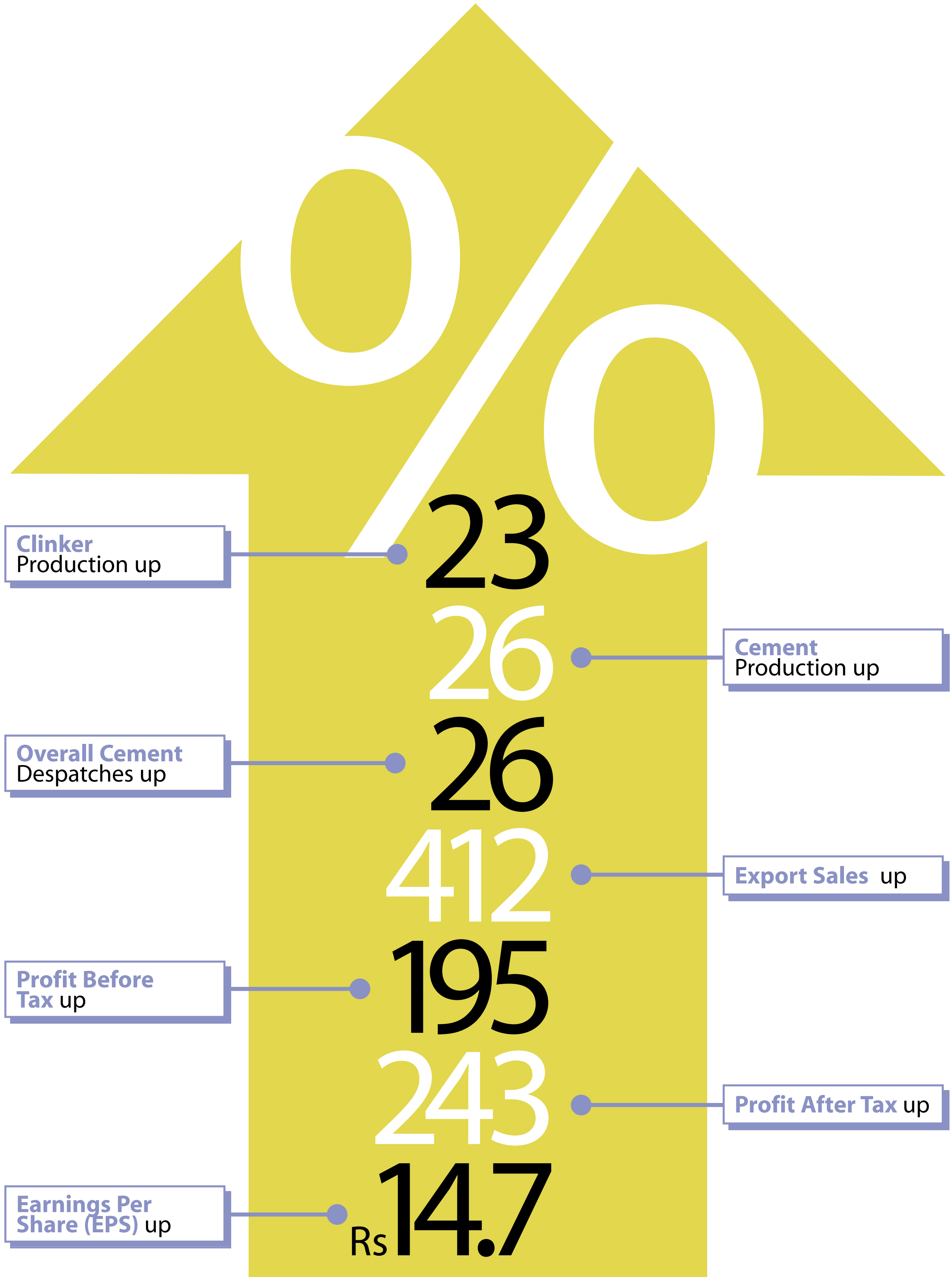


Beyond Expectations

FALCON CEMENT

Annual Report
2009

ATTOCK CEMENT
PAKISTAN LIMITED



%
Clinker Production up
23
Cement Production up
26
Overall Cement Despatches up
26
Export Sales up
412
Profit Before Tax up
195
Profit After Tax up
243
Earnings Per Share (EPS) up
Rs 14.7

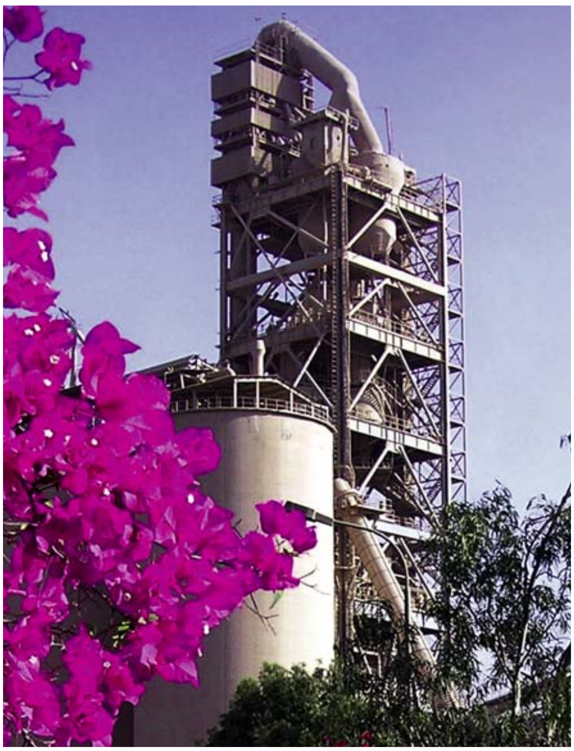
Record Performance

During the year, the company achieved the best financial results of its history.

The Company„s profit of Rs. 1,493 million, up by 243% over last year, was the highest ever in its history.

► **Net Sales Revenue** (Rs. in million)	**8,510**
► **Profit after Tax** (Rs. in million)	**1,493**
► **Earnings per share** (Rs. per share)	**20.69**

VISION



To be the leading organization continuously providing high quality cement, excelling in every aspect of its business and to remain market leader in Cement Industry.

MISSION

To be a premier and reputable cement manufacturing company dedicated to become an industry leader by producing quality products, providing excellent services, enhancing customer satisfaction and maximizing shareholders' value through professionalism and dedicated teamwork.

CONTENTS

BOARD OF DIRECTORS

Dr. Ghaith R. Pharaon
Chairman

Laith G. Pharaon

Wael G. Pharaon

Shuaib A. Malik

Abdus Sattar

Bashir Ahmad

Babar Bashir Nawaz

COMPANY INFORMATION

Board of Directors

Dr. Ghaith R. Pharaon (Chairman)
Laith G. Pharaon
Wael G. Pharaon
Shuaib A. Malik
Abdus Sattar
Bashir Ahmad
Babar Bashir Nawaz

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Fakhrul Islam Baig
Irfan Amanullah

Audit Committee of the Board

Abdus Sattar	Chairman
Bashir Ahmad	Member
Fakhrul Islam Baig	Member

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors

Siddiqi & Co
Cost & Management Accountants

Company Secretary

Irfan Amanullah

Bankers

Faysal Bank Limited
MCB Bank Limited
Habib Bank Ltd.
National Bank of Pakistan Ltd.
Bank Al-Falah Ltd.
Allied Bank Ltd.
KASB Bank Ltd.
Pak Kuwait Investment Co. (Pvt) Ltd.
Bank of Punjab
Bank Al-Habib
First Women Bank Ltd.
First Credit & Investment Bank Ltd.
JS Bank Limited
NIB Bank Limited
United Bank Limited
Pak Libya Holding Co. (Pvt) Limited

Plant

Hub Chowki Lasbella
Baluchistan

Legal Advisor

Sattar & Sattar
Attorneys at Law

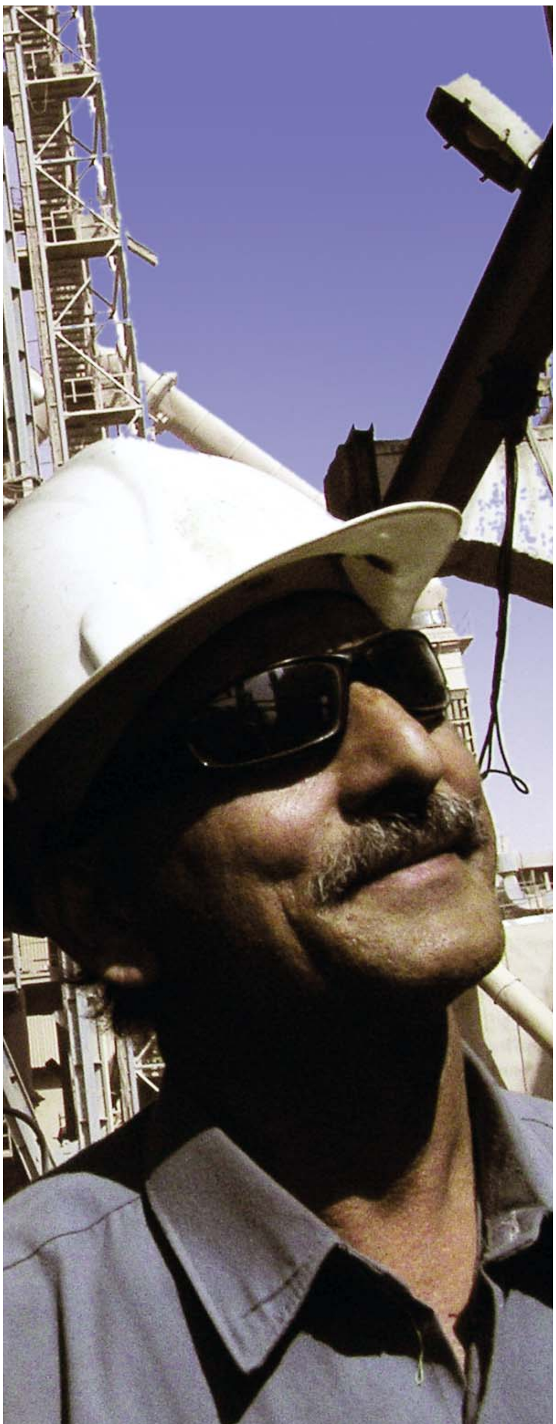
Registered Office

D-70, Block-4, Kehkashan-5, Clifton, Karachi-75600
Tel: (92-21) 35309773-4 UAN: (92-21) 111-17 17 17 Fax: (92-21) 35309775
Email: acpl@attockcement.com Website: www.attockcement.com

Share Registrar

Technology Trade (Pvt) Limited
Dagia House 241-C, Block-2, PECHS, Off: Shahrah-e-Quaideen, Karachi.
Tel : (92-21) 34391316-17
Fax : (92-21) 34391318

CORE VALUES



Our core values shape our corporate culture. They are the fundamentals in developing our corporate strategy. They lead us in building relationships with our customers, shareholders, policy makers and other business networks.

Ethics

The Company follows highest standards of ETHICS with special reference to business integrity and process transparency. All our standards and processes can stand the test of scrutiny. We maintain the highest level of integrity both as individuals and as a corporate organization.

Quality

The Company is committed to provide its customers QUALITY products that provide them best value for their money. We promote high standard and timely delivery of quality products.

People

The Company ensures that it operates in a safe environment conducive to efficient productivity. The Company is committed to provide an environment free from discrimination for its people. Open communication, participative decision making approach and nurturing of the leadership qualities are the values followed by the Company. An employee reward system has been developed guided by a transparent system of recognition. We encourage and respect team spirit among our human resources.

Business Excellence

The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired results.

QUALITY POLICY

- We are committed to produce high quality, FALCON CEMENT which not only meets but exceeds the international quality standards.
- We aim to maintain leadership of our Cement Industry providing premium quality products and excellent services to our consumers.
- We work as a team of dedicated Professionals who achieve excellence through training, development and continuous technological up-gradation.
- We aim to implement and continually improve the effectiveness of our Quality Management System.
- We provide safe and conducive work environment to our staff by ensuring stringent standards of safety and health.
- We make a contribution towards the uplift of our environment and inhabitants of the surroundings.

ENVIRONMENTAL POLICY

ACPL is committed to produce premium quality cement while maintaining minimal environmental impact.

Every endeavor will be made to effectively maintain and continually improve our processes/activities with respect to environment and maintain greenery within and around plant premises.

As a responsible organization, ACPL will fulfill all the applicable legal, social and moral obligations related to environmental control.

ACPL aims at contributing generously towards mitigating pollution effects and thus save this world for future generations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We define Corporate Social Responsibility (CSR) as our commitment to work as partners with all our stakeholders to effectively improve the quality of life of the members of our workforce, their families and the local communities around our facilities.

CSR is locally managed and specific responsibilities have been assigned for coordinating local projects, communicating CSR activities internally and to external stakeholders, establishing stakeholders' dialogue and relations, as well as participating in corporate monitoring, evaluation and reporting.

Our CSR approach focuses on six main pillars - business conduct, employment practices, occupational health and safety (OH&S), community involvement, customer and supplier relations, and monitoring and reporting.

Employment practices

Attock Cement counted 715 employees as at June 30, 2009. A large share of this number live in Communities where we are a major employer and source of income.

We pay competitive wages and offer employees numerous benefits, including professional development opportunities through internal training and payment of tuition for approved external programs.

Occupational Health & Safety

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety

During this reporting period, “Safety First· became our rallying cry. Significant improvements were recorded in our lost time

injury frequency rate and we continued to outperform our industry in this important matrix. During the year, by virtue of strict compliance of our policy, we have crossed 3.8 million hours without a lost time.

The Company operates a 6 beds hospital in the area near its factory premises. The treatment is free for the local communities.

Community relations

We are committed to be responsible neighbours. This means operating in compliance with applicable regulations and being an integral part of the life of our communities. We accomplish this through support for local non-profit organizations, providing access to our properties and engaging in constant dialogue with residents to inform them of our activities and listen and respond to their concerns.

Through these and other actions, we seek to make a difference in our community.

Our presence has a measurable positive economic impact on our community.

Our products are essential to the construction industry, a key driver of economic activity that generates significant direct and indirect benefits early in the value chain. Because our cement is generally consumed in proximity to their source, their utilization benefits local communities.

Combined with the salaries and benefits, direct and indirect taxes that we pay annually, as well as our capital expenditures, our presence has a measurable positive economic impact not only on our communities but also on the country as a whole.

Education

The Company currently operates a Primary level school that imparts education to children of both plant employees and also those from neighbouring villages.

The company has also signed an agreement with The Citizen Foundation (TCF) a non-profit organization for the construction of standard two unit TCF primary and secondary school located near to factory premises, which is in close proximity to the surrounding villages.

The school will have 24 classrooms with capacity of 600 students and will be equipped with all modern facilities.

The first phase i.e the construction of primary school building has mostly been completed and the progress of the project is on track as per the schedule. The school would commence its academic activities from April 2010.

While second phase of the project i.e. secondary classes would commence by August 2012.

CORPORATE STRATEGY

The Company follows a duly approved Corporate Strategy, which consists of the following main points.

Corporate Objectives

1 To maintain its position as a leading manufacturer of quality products that surpass both national and international standards.

2 Growth, expansion and sustained profitability are the guiding principles of ACPL's business model. Focusing on the strategic plans to grow the business beyond the borders, while enhancing the market share locally in South.

3 To retain its lines of processes at highest level of operational efficiency.

4 To achieve competitive operating margins with continuous growth both in productivity and profitability.

5 To provide competitive rate of return to its shareholders on their investments.

6 To remain committed in delivering quality and value to its customers and providing high quality cement products suitable for all construction purposes. To embrace consistency in high standards of service delivery.

7 To continue with the commitment to provide a secure and innovative workplace for all its human resources.

8 To remain committed by producing products in an environmentally and socially responsible manner.

To achieve these strategic corporate objectives, the Company generally follows the following broad and approved strategy.

Corporate Strategy

The Company would continue to invest in the product quality by enhancing and upgrading its production and quality facilities through strategic investments in its plant operations and ensure that such investment results in cost-effective operations. The company would also invest in continuous product development pegged on changing global and national market trends, industrial and hi-tech progression and dynamic customer needs. The company is dedicated to discover and implement change to achieve continuous customer satisfaction.

The Company would supply its products in diverse markets to achieve a healthy and growth oriented sales mix, focus towards a strong presence of its products in all the markets to achieve dynamic financial results, with maximum returns to all the stakeholders. The Company would continue to invest in projects which ensure a healthy and safer environment for its employees. It would also continue to demonstrate its commitment to better and brighten lives for the community by sponsoring a wide range of community development projects. ACPL has played a major role and it will continue its contribution in building the nation.

MANAGEMENT

Various committees have been constituted to look after the operational and financial matters of the Company. A brief description of the composition and terms of reference of the various committees are as follows:

Management Committee

The Committee meets under the chairmanship of the Group Regional Chief Executive to coordinate the activities and operations of the Company.

Executive Committee

CEO leads the Executive Committee; the Committee is responsible for preparing the strategic plan for the future growth of the Company. The Committee also reviews major projects and formulates recommendations after evaluation from technical and commercial aspects.

Procurements Committee

The Procurement Committee is responsible for ensuring that procurement of assets, goods and services is made in accordance with Company policies and procedures on competitive and transparent terms.

Risk Management Committee

The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

System and Technology Committee

The System and Technology Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of process and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee

The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee

The Safety Committee reviews and monitors company wide safety practices. It oversees the safety planning function of the Company and is responsible for safety training and awareness initiatives.

CHAIRMAN'S REVIEW

Dr. Ghaith R. Pharaon
Chairman

بسم الله الرحمن الرحيم

I welcome you all in the 30th Annual General Meeting of the Company.

Overview of the Economy

The year 2008-2009 was a difficult year for global economies and Pakistan was no exception. The collapse of the US sub prime market and worst ever global financial crisis has had extremely serious repercussions for both developed and developing economies all over the Globe. This fall out created serious credit crunch through out the world as all the global financial markets are closely interlinked. In the emerging markets like Pakistan the financial melt down resulted in flight of capital and corresponding steep fall in the local currency against US $.

Pakistan„s economy is not only affected due to this global meltdown but also due to the country„s active involvement in war on terror and therefore registered GDP growth of only 2%. The Country„s economy continues to remain exposed against the vagaries of international crisis coupled with local security environment. Though Pakistan was able to obtain timely support from IMF but still the economy remain exposed to various uncertainties foremost among them are internal security threats, higher food inflation and increased cost of borrowings. It is anticipated that these threats to economy would continue in near future also.

Business Review

The year 2008-2009 was a significant year for the cement industry in Pakistan. The strength of the industry was globally recognized and for the first time the country has come in the list of top 20 cement consuming nations of the world. Moreover for the first time Pakistan has entered into the top six cement exporting nations with exports crossing well over 11 million tonnes, which itself is a milestone for the industry.

The industry continues to expand at a feverish pace and total installed capacity reached at 44.1 million tones, higher by 18% as compared to previous year. Though traditionally Pakistan has seen impressive consumption growth of 7% in terms of CAGR but the period commencing from 2002 through 2008 witnessed average growth of around 15%, which was un-precedent. However in 2008-09 the local demand registered a negative growth of 14%, which was mainly attributable to political uncertainties coupled with global turmoil. The only encouraging sign was the robust growth in exports with local manufacturers„ efforts to find new markets that paid the dividends and exports showed a robust increase of 47% over the comparative period. The performance is commendable keeping in view the global turmoil and collapse of real estate business in the regional markets.

Operational and Financial Performance

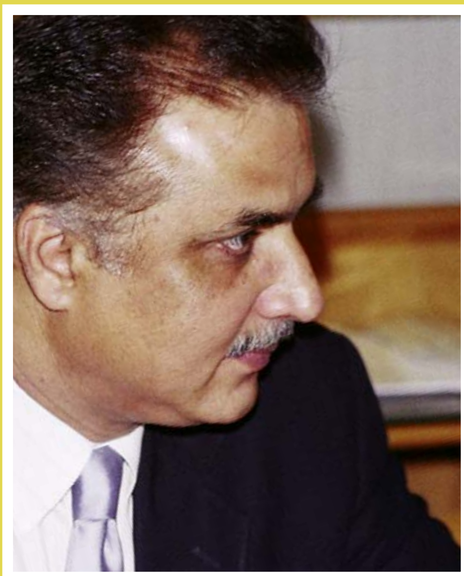
The year 2008-2009 is by far the most successful year in the history of the Company in terms of production, sales and profitability. Despite global recession and uncertain local environment your company was able to achieve results BEYOND EXPECTATIONS and not only out performed the industry in all the numbers but also set some new standards and records for itself. This was the first year after the successful commissioning of Line 2 that the Company was able to achieve 100% production from its new line. Accordingly it fully utilized available production by marketing the product in both local and regional markets with innovative logistic support. The company was able to export 462,505 tonnes of cement both in bag and bulk to different regional markets, which shows growth of 412% over the corresponding period. FALCON as a brand has got immense popularity in the markets of Iraq, Somalia and Djibouti and every effort is now being made to consolidate our brand position in these markets. As far as local sales are concerned, your company has also shown consistency, despite the fact that the overall local demand had shown negative growth of around 14%. This also contributed significantly towards the bottom line of the Company.

I, therefore, congratulate the management of the Company for achieving excellent results and also take this opportunity to thank the Government, our customers, bankers, suppliers and shareholders for their continued support, cooperation and patronage.

Dr. Ghaith R. Pharaon
Chairman

August 19, 2009
Damascus, Syria

DIRECTORS' REPORT



Babar Bashir Nawaz
Chief Executive

In the name of Allah, The Most Gracious,
The Most Benevolent & The Most Merciful.

The Directors of your Company have pleasure to present before you an annual report of the Company with audited financial statements for the year ended June 30, 2009.

Production & Sales

During the year 2008-2009, your Company achieved all time record volume of production and sales. The detailed data is enumerated in the table below:

	2008 - 2009	2007 - 2008	Increase / (Decrease)	Increase / (Decrease)
	Tons			%
Clinker Production	1,678,619	1,359,766	318,853	23.45%
Cement Production	1,721,665	1,364,511	357,154	26.17%
Cement Dispatches	1,719,162	1,359,487	359,675	26.46%
Clinker Dispatches	17,990	35,000	(17,010)	-48.60%

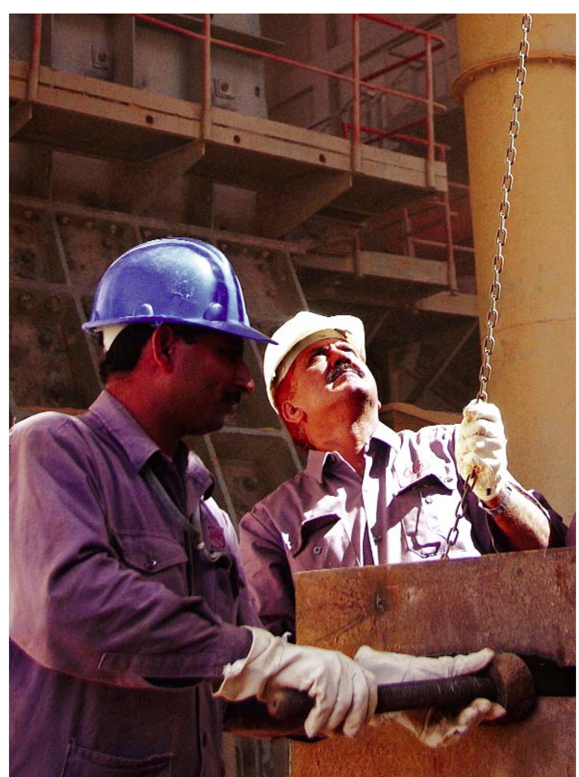
During the year under review the Company achieved overall clinker capacity utilization of 98% as compared to 80% achieved in the preceding year. This significant increase in the clinker production was achieved due to full utilization of line 2 capacity. During the year the Management was able to achieve much needed reliability from Line 2 operations and despite some technical problems the overall performance of Line 2 remained satisfactory.

A comparative analysis of sales volume of the cement industry (South) vis-à-vis your Company is as follows:

Particulars	Jul-08 to Jun-09	Jul-07 to Jun-08	Growth	
	(Tons)			%
Cement / Clinker Sales - South				
Local	**3,461,718**	3,338,501	123,217	4%
Export	**3,763,351**	2,605,013	1,158,338	44%
Total	**7,225,069**	5,943,514	1,281,555	22%
Cement / Clinker Sales - ACPL				
Local	**1,256,657**	1,269,165	(12,508)	-1%
Exports - Cement				
Bag	**334,559**	90,322	244,237	
Bulk	**127,946**	–	127,946	
	462,505	90,322	372,183	412%
Export - Clinker	**17,990**	35,000	(17,010)	-49%
Total	**1,737,152**	1,394,487	342,665	25%

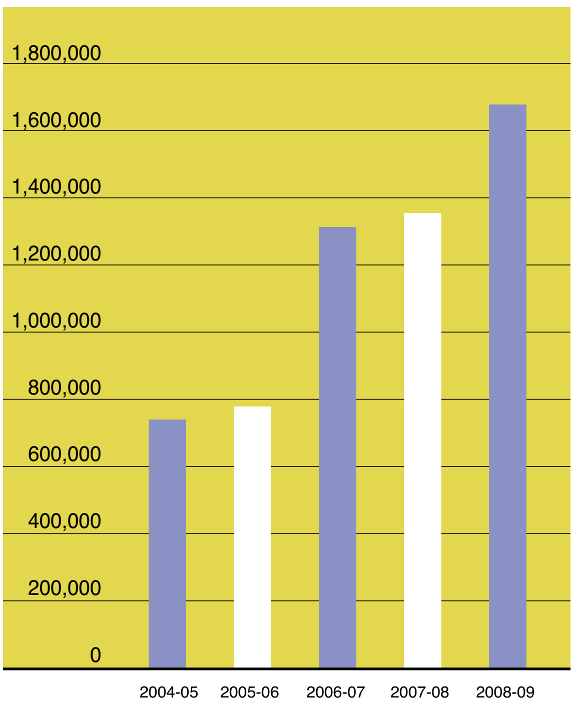
FALCON continued to remain the market leader in the market of South with overall market share of 36%. With added production from Line 2 Company aggressively penetrated in the regional export markets both through bag and bulk cement and redefined its strategy by exploring new export markets. In few of the markets like Iraq and Somalia the company was able to build a good brand image with relatively higher net retention as compared to brands from other regional competitors. The business philosophy of the Company of 100% production and 100% sales effectively worked and during the year Company exported both bag and bulk cement to the following regional markets:

- Iraq
- Qatar
- U.A.E
- Kuwait
- Somalia
- Tanzania
- Mauritius
- Sudan
- Bahrain
- India
- Yemen
- Djibouti



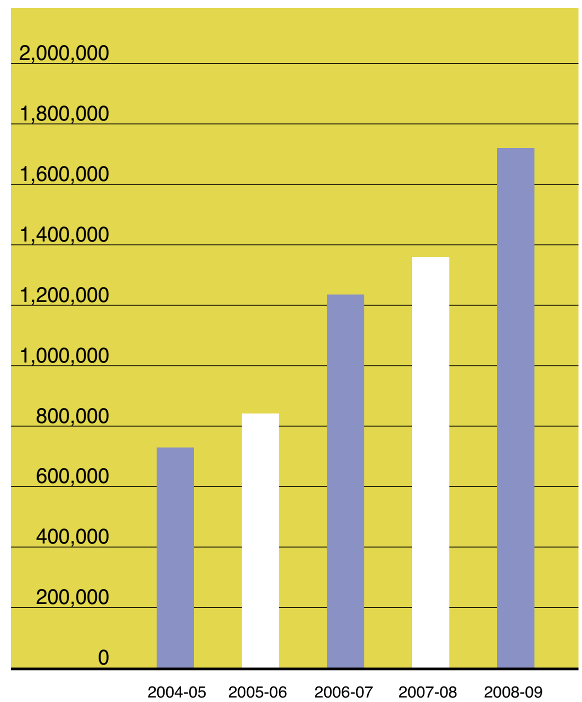
Clinker Production

M Tonnes



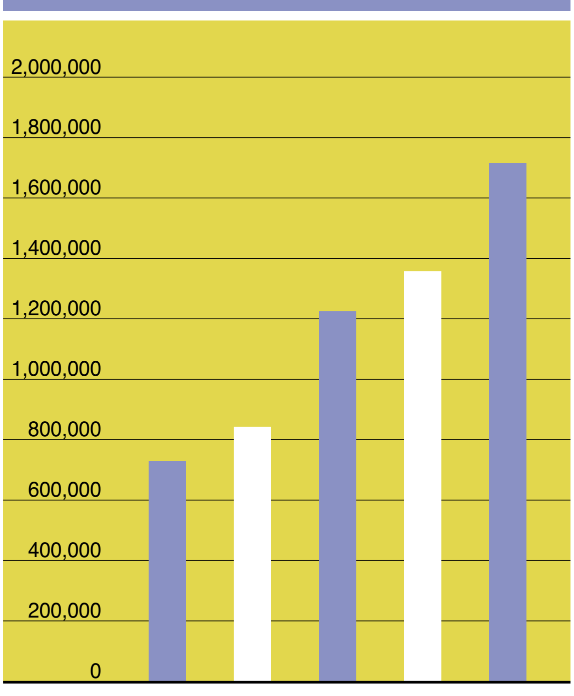
Cement Production

M Tonnes



Cement Sales

M Tonnes



Financial Performance

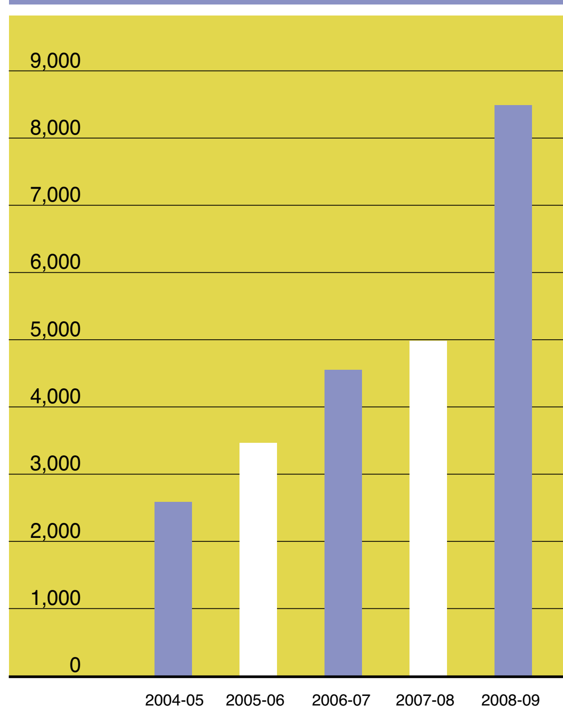
A comparison of the key financial results of your Company for the year ended June 30, 2009 with the same period last year is as under:

	2008 - 2009	2007 - 2008	Increase	Increase
	←	Rs. in million	→	%
Net Sales	**8,510**	5,001	3,509	70%
Gross Profit	**2,709**	1,114	1,595	143%
Profit Before Tax	**1,989**	675	1,314	195%
Profit After Tax	**1,493**	435	1,058	243%
EPS in Rupees	**20.69**	6.03	14.66	243%

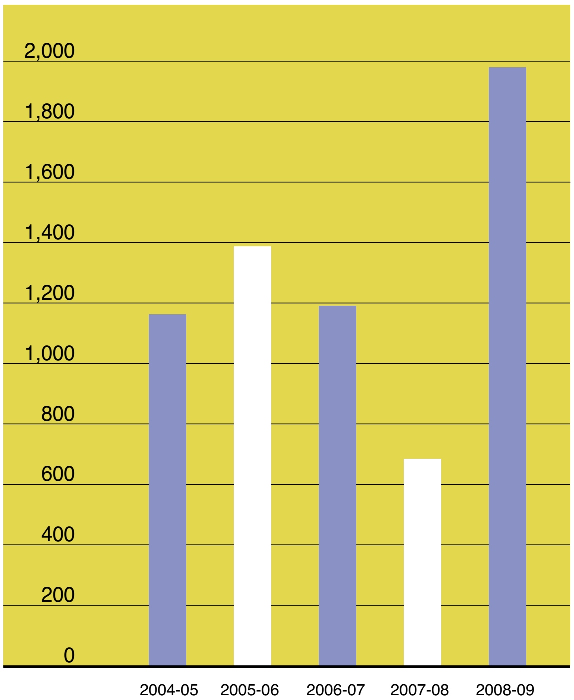
(i) Sales Performance

During the year under review your Company achieved an overall net sales revenue growth of 70% as compared to same period last year. Increase in revenue was attributed both to increase in volume and net retention. The volume increased by 25% and net retention by 37%. The domestic sales registered a negative growth of 1% because of higher exports made by the company, which increased by 412%. The ratio of sales revenue from exports was 29% as compared to 11% in the preceding year. Local sales accounted for 71% of total volume during the current year as compared to 89% in previous year. So the Company was able to shift its market mix effectively without disturbing the local market and therefore achieved a significant growth both in terms of volume and value. Despite international recession and global meltdown, the Company„s strategy to market its products in countries, which were least effected proved extremely beneficial and Company was able to achieve comparatively better prices in the international markets. The overall net retention of the Company, therefore, increased by Rs.1,330 (37%) per ton during the year under review.

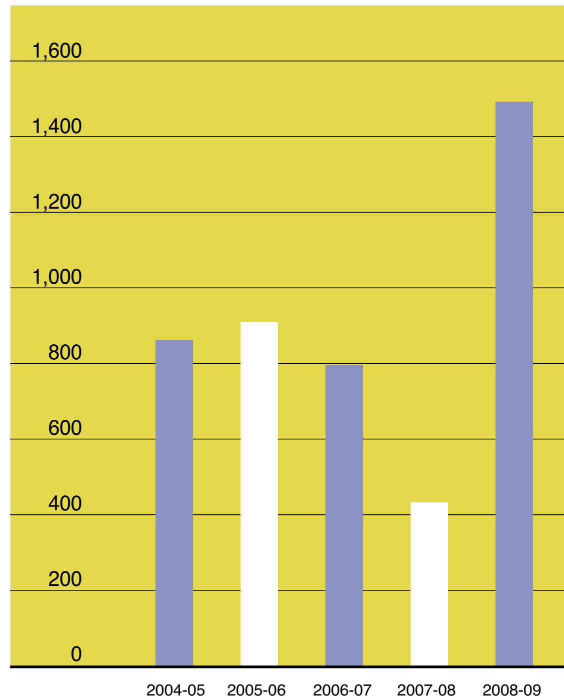
Net Sales Revenue Rs. in Million



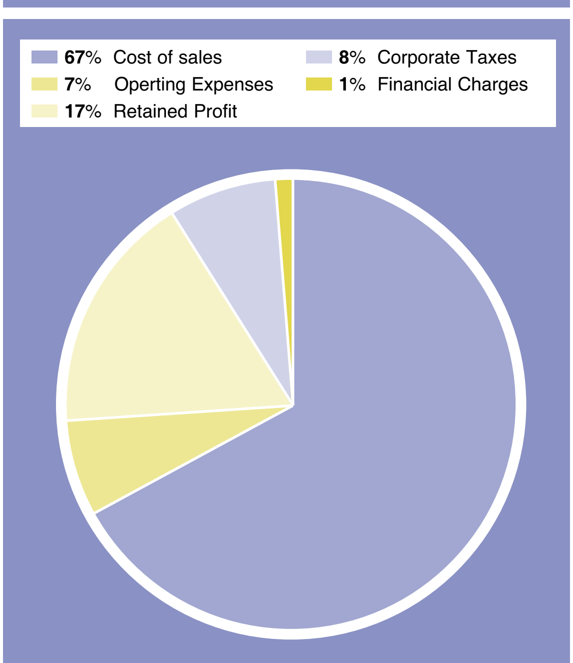
Profit Before Tax
Rs. in Million



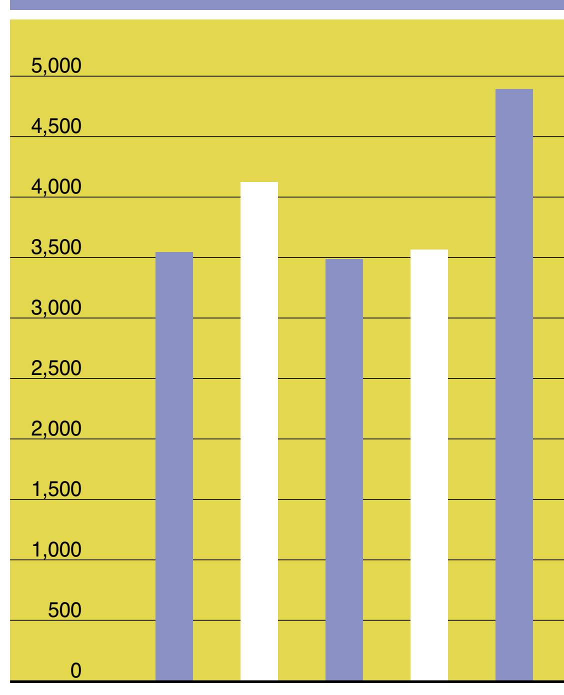
Profit After Tax
Rs. in Million



Distribution of Total Revenue



Net Retention per Ton
Rupees



(ii) Profitability

In terms of profitability, the year 2008-2009 was a record breaking year and the Company set some new records in this period. Company earned net profit after tax of Rs. 1,493.0 million as compared to Rs. 435.0 million earned during the corresponding period, showing a significant increase of Rs. 1,058 million (243%). This significant increase in net profit is due to the following main reasons:

- Overall capacity utilization increased by 18% resulting in improved fuel and power efficiencies and higher absorption of fixed overheads which contributed positively towards gross margins;

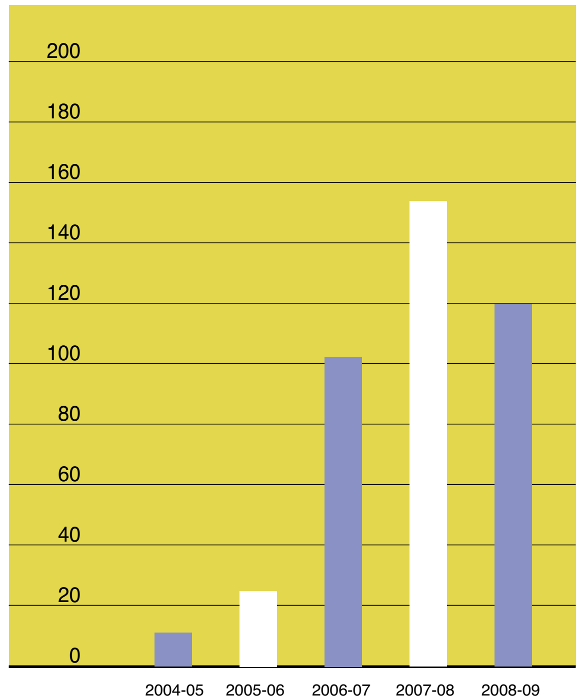
- The average combined net retention improved by Rs.1,330 (37%) over corresponding period last year mainly due to higher net retention achieved in both local market as well as rupee based export sales, which were sold at improved prices without pressurizing local sales prices. Significant decline in PKR against US$ also contributed towards this major jump in net retention;

- The finance costs also reduced substantially from Rs.113 per ton last year to Rs.70 per ton during the year ended June 30, 2009 mainly because of interest rates hedging executed by the Company by entering into interest rate swap agreements with a bank. These hedging transactions allowed the company to offset effects of higher interest rates witnessed during the year 2008-2009.

- Because of significant increase in export sales, the effective tax rate diluted to 25% from 36% in preceding year, resulting in record profit after tax.

Finance Cost

Rs. in Million



(iii) Appropriation

The financial results for theyear under review are as follows:

Rupees '000

	2009	2008
Profit after tax	1,492,951	435,025
Un-appropriated profit b/f	2,784,754	2,674,462
Profit available for appropriation	4,277,705	3,109,487
Appropriation:		
Final Cash Dividend paid for the year 2008: Rs.1.50 per share (2007:Rs.4.50 per share)	108,244	324,733
Interim Cash Dividend paid for the year 2009: Rs. 1.75 per share (2008:Rs. Nil per share)	126,285	–
Un-appropriated profit c/f	**4,043,176**	**2,784,754**

For the year ended June 30, 2009 the Board in its meeting held on August 19, 2009 has proposed a final cash dividend of Rs. 3.25 per share (32.5%) amounting to Rs. 235 million. This is in addition to interim dividend of Rs. 1.75 per share (17.5%) amounting to Rs. 126.3 million.

Further the Board has also recommended bonus shares at the ratio of 1 share for every 5 shares (20%).

Contribution to the National Exchequer

The Company contributed Rs. 2,646 million during the year to the national exchequer on payments towards Sales Tax, Income tax, Excise duty and statutory levies. An amount of approximately Rs. 105 million was also paid as withholding income tax deducted by the company from shareholders, employees, suppliers and contractors. In addition to that your Company earned precious foreign exchange of approximate US$ 31 million during the year under review from exports.

Marketing

The year 2008-2009 was a big challenge for the Company in terms of marketing of its product both in local and regional markets. With higher supplies in the local markets and collapse of real estate sector in the regional markets, a real challenge was hovering for the management to sell 100%. By the grace of Almighty Allah and with the support of our customers the Company was able to sell 100% of its production and accordingly almost 27% of its total production was exported to the regional markets. The brand further consolidated its position in the market of South as market leader with 36% share in the local market. The Sales & Marketing team continued to focus on having ‚FALCON BRAND„ presence in each area of Karachi and thus further consolidating its leadership position in the market of South. The brand remained as a symbol of excellence in the minds of customers, owing to its superior quality.

In the export markets, the Company has provided all kind of logistic solutions to its customers whether it is in the form of 50kg bag or in 1 ton bag. Besides the Company has also given the solution of supply of cement in bulk, which has generated considerable interest among the players in regional markets.

The Company„s direct connectivity with Karachi Port has played a significant role in terms of logistic support and this location advantage played a vital role in excelling in exports.

Human Resources

The Company as part of its core HR policies continued to focus on recruiting the quality man power and paid special attention on their training and development. The staff was also nominated on numerous local courses and workshops organized by various technical and professional organizations for various disciplines. The Company also arranged

46 in house workshops on topics of professional interests.

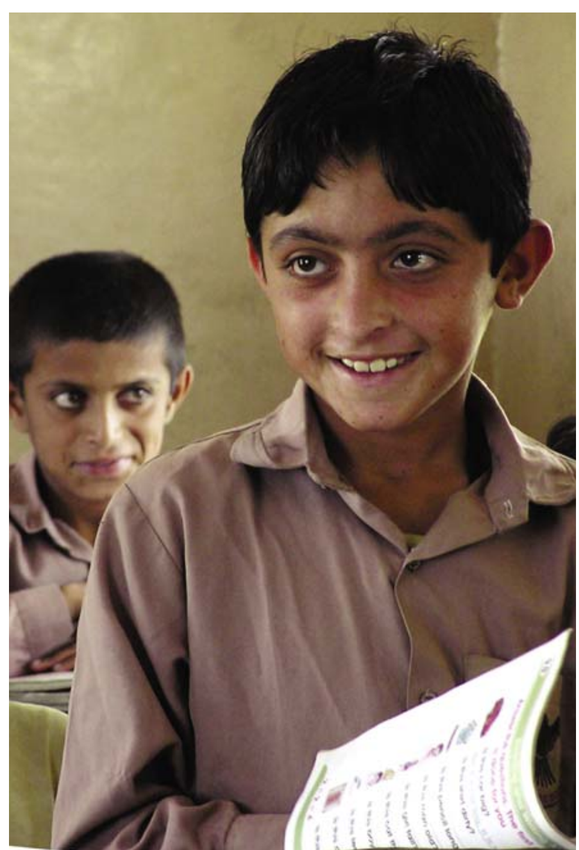
Besides this the Company during the year launched a unique programme of Management development for the youth belonging to Baluchistan province and total number of 32 graduates were recruited under this programme. They are now being imparted both theoretical and practical training. During the year the Company also established its own technical library with internet facility where management trainees and other staff can refer books of professional interest.

Similarly an apprenticeship programme introduced last year to provide quality training to local youths and sons of company„s employees, is also working efficiently and through this programme lot of talented youth have been inducted in various technical disciplines.

We term ATTOCK as a community rather than an organization. The growth of the Company as well as its people goes sideways. The Management has always given priority to its cordial relations with the CBA and has always taken prosperous steps to benefit the workers in the most effective manner. The productivity achieved during the year under review clearly reflects the sincere efforts on the part of both CBA and the management.

Corporate Social Responsibility

The Management„s policy of continuing and improving the Corporate Social Sector saw an increased activity in supporting the uplift of local community considering them as an integral part of ACPL. Basic education facilities, medical treatment and provision of potable water remained the focus of activity during the year. Medical Camps were organized in



nearby Goths giving general medical treatment and medication to sick and needy destitute. The attendance of these Camps was well over 3,000 cases. Additionally, various Hepatitis Awareness Programs were held in different Goths. In these indoctrination lectures were held regarding awareness about causes of Hepatitis B & C and precautionary measures to be adopted.

In addition to this the company also provides OPD facilities to the residents of nearby Goths free of cost from company's medical center besides sponsoring a medical dispensary in Sakran.

Being a responsible corporate citizen, the Company, contributed Rs. 2.5 million towards the financial assistance of Internally Displaced Persons of Swat, Buner and other surrounding areas. Moreover, the Company also distributed free medicines and other utility items to the victims of Baluchistan earthquake by distributing food items and medicines at various designated camps.

As reported earlier, the Board of Directors approved the construction of a school in the area of SAKRAN at a total cost of Rs. 40 million. The school shall be operated under the management of The Citizen Foundation (TCF) a renowned NGO working to provide quality education in under developed areas of the country. This school would comprise of 2 primary secondary units. With the completion of this school atleast 1,000 children of this highly under developed area will get quality education free of cost. The structure of the primary school building has been completed and the progress of the project is on track as per the schedule. The school would commence its academic activities from April 2010.

Safety, Health and Environment (SHE)

We, at ATTOCK believe in providing a safe, healthy and accident free working environment to its workforce. The Management carries ultimate accountability for health and safety of not only its employees, but also of other people of the area. The company crossed 3.8 million hours without a lost time accident. In order to meet safety standards of highest level the Company procured one fire tender for its Industrial Safety department to meet emergency situations.

Compliance with Code of Corporate Governance

The Directors hereby confirm that:

a) The annexed financial statements present fairly the state of the affairs of the Company, the result of its operations, cash flows and changes in equity;

During the year under review your Company achieved excellent sales volume of

1,737,152 tonnes

(2007-2008: 1,394,487 tonnes)

b) Proper books of accounts have been maintained by the Company;

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

e) The system of internal control is sound in design and has been effectively monitored and implemented;

f) There are no significant doubts upon the Company„s ability to continue as a going concern;

g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations;

h) The following is the value of investments of terminal benefit schemes based on their respective latest accounts:

	Rupees	Year Ended
Provident Fund (audited)	175,154,175	Dec 2008
Gratuity Funds (unaudited)	80,019,309	Jun 2009
Pension Funds (unaudited)	131,854,358	Jun 2009

i) During the year five (5) meetings of the Board of Directors were held. Attendance of Directors and Chief Executive is as follows:

Name of the Director / Chief Executive	No. of meetings attended
Dr. Ghaith R. Pharaon	5
Mr. Laith G. Pharaon	4
Mr. Wael G. Pharaon	5
Mr. Shuaib A. Malik	5
Mr. Abdus Sattar	5
Mr. Bashir Ahmad	3
Mr. Babar Bashir Nawaz	5

Leave of absence was granted to those Directors who could not attend some of the Board Meetings due to their other preoccupations.

j) The details of shares transacted by Directors, Chief Executive, Chief Financial Officer and Company Secretary and their spouses and minor children during the year 2008-2009 have been given on page 73.

k) The key operating and financial data for the last 6 years is set out on page 71.

Pattern of Shareholding

The pattern of shareholding of the Company as at June 30, 2009 is given on page 72.

Auditors

The retiring auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 30th Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended their reappointment.

Audit Committee

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance with the following members:

Abdus Sattar	Chairman	Non-Executive Director
Bashir Ahmad	Member	Non-Executive Director
F. I. Baig	Member	Executive Alternate Director

Terms of Reference

1. Determination of appropriate measures to safeguard the assets.
2. Review of preliminary announcements of results prior to publication.
3. Review of quarterly, half yearly and annual financial statements prior to the approval by the Board of Directors with major focus on:

- Judgmental areas;
- Significant adjustments resulting from the audit;
- Going concern assumption;
- Changes in accounting policies and practices;
- Compliance with applicable accounting standards; and
- Compliance with the listing regulations and other statutory and regulatory requirements.

4. Review of management letter issued by external auditors and management response thereto.
5. Ensuring coordination between the internal and external auditors.
6. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed.
7. Consideration of major findings of internal investigations and management„s response thereto
8. Ascertaining that the internal control system includes financial and operational controls, accounting system and reporting structure are adequate and effective.
9. Review of statement on internal control systems prior to the endorsement by the Board of Directors.
10. Instituting special projects, value for money studies or other investigations on any matters specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
11. Determination of compliance with relevant statutory requirements.
12. Consideration of any other issue or matter as may be assigned by the Board of Directors.

External Auditors

- Recommendations regarding the appointment of External Auditors.
- Resignation and removal of External Auditors.
- Audit fees.
- Provision by external auditors of any services to the company in addition to the audit of the Financial Statements.
- Facilitating external audit and discussion with external auditors of major observations arising from interim and final audits and any other matter that auditor wish to highlight.

Show Cause Notice from Competition Commission of Pakistan (CCP)

On October 29, 2008 the Company received Show Cause notice from CCP under section 30 of the Competition Ordinance, 2007 alleging that the Company along with other Companies in the Sector is involved in cartel like activities and has violated the Competition Ordinance, 2007.

The Company had filed a detailed reply to the CCP in response to show cause notice. Further the Company also filed a writ petition before the Honorable High Court of Islamabad, which had very kindly restrained the CCP from passing the final order.

Subsequent to year-end, on July 30, 2009 the Honorable Islamabad High Court has dismissed the above referred petition as pre-mature and advised the appellant to take up the matter before CCP.

The matter was again referred to Honorable Lahore High Court, which has very kindly restrained the CCP from passing the final order.

Future Outlook

During the year under review, country„s economy lost significant growth momentum owing to massive contraction in the industrial sector. The real GDP growth rate of 2 percent attained during the year was lowest in the last eight years. This is due to major disruptions of extraordinary nature like political uncertainty hovering around most part of the year, intensification of war on terror, acute energy shortage and extremely high inflation.

During the year under review, cement industry witnessed growth of only 1.6 % as compared to 25% same period last year. This marginal growth was achieved due to higher exports. The local demand registered negative growth of 14% as compared to positive growth of 7% in the preceding year. Exports registered growth of 47% as compared to previous year. The ratio of export in comparison with overall sales of entire industry increased from 25% to 37% during the year under review.

A visible slowdown has been observed in the local demand The main reasons behind this slowdown was the poor law and order situation and political turmoil in the country. Another significant reason for this slowdown is increase in overall construction cost due to higher inflation and interest rates.

Though the overall coal prices in international markets have also shown declining trend, however, their positive effects were not fully realized due to the significant depreciation of Pakistan rupee against US $.

It is anticipated that the local demand would continue to remain under pressure because of higher interest rates and poor law and order situation currently prevailing in the country. The export markets, in terms of prices, would remain sensitive because of stiff competition from regional capacities. Given cement status as commodity in the regional countries, it can be assumed that any struggle for market share will have to be conducted in term of prices.

Though the Government has announced a very ambitious Public Sector Development Programme but because of poor law and order situation and the current financial constraints of the government, the spending may not be materialized to its fullest extent.

The industry is in dire need of government assistance, particularly with reduction in overall indirect tax burden which is highest in the region, support in the development of local coal mines and thereby reduce the dependence on imports, cement / clinker export terminals, along with provision of freight subsidies and increase in export rebate, to help producers compete on an international level.

The key strategic factor is to sustain the business growth and to explore more and more new markets for our products. The geographic location of our country is ideal for export in the region and with the availability of surplus capacity we have potential for earning sizeable foreign exchange. We have seen a tremendous export growth that has recognized Pakistan as potential cement exporting country. With the availability of infrastructure facilities at port the Country has the potential to export 15 million tonnes of cement and clinker.

The management is keen to make further in-roads in international markets with particular reference to the markets of African region and every effort is being made to widen the market mix.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

Date: August 19, 2009
Place: Damascus, Syria

NOTICE OF THE THIRTIETH (30TH) ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of Attock Cement Pakistan Limited will be held on Monday, October 19, 2009 at 3:00 p.m. at Sheraton Hotel & Towers, Karachi to transact the following business:

1. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2009 together with the Report of Auditors and the Directors thereon.

2. To consider and if thought fit, approve final cash dividend of 32.5% (Rs. 3.25 per share) as recommended by the Board of Directors for the year ended June 30, 2009. This is in addition to the interim cash dividend of 17.5% (Rs. 1.75 per share) already paid during the year.

3. To appoint auditors for the financial year 2009-2010 and to fix their remuneration.

Special Business

4. To approve the issue of bonus shares in the ratio of one (01) bonus share for every five (05) ordinary shares (20%) held by the shareholders as recommended by the Board of Directors. To give effect to the above, the Directors have recommended to consider and if thought fit, pass with or without modification the following resolution as an ordinary resolution,

   "RESOLVED THAT a sum of Rs. 144,325,732 (Rupees One Hundred Fourty Four Million Three Hundred Twenty Five Thousand Seven Hundred Thirty Two Only) be capitalized out of the unappropriated profit of the company and applied towards the issue of 14,432,573 ordinary shares of Rs. 10/- each as fully paid bonus shares to be allocated to the shareholders in proportion of one (01) share for every five (05) existing ordinary shares held by the members of the Company who are registered on the books of the company on October 09, 2009 and that, after allotment, such new shares shall rank pari passu in all respect with the existing ordinary shares of the Company. These bonus shares will not be eligible for the final cash dividend of 32.5% for the year ended June 30, 2009.

   Fraction shares to be allotted as a result of distribution of Bonus Shares be consolidated with the Company Secretary for sale in the open market in due course and proceeds be donated to any recognized charitable trust.

   For the purpose of giving effect to the foregoing, the Chief Executive and the Company Secretary be and are hereby authorised to take all necessary actions under the law and to settle any questions or difficulties that may arise in the distribution of the said Bonus Shares or in the disposal of fractions and payment of proceeds thereof."

5. The Company in its 28th Annual General Meeting had obtained approval of the shareholders for investments under Section 208 of the Companies Ordinance, 1984 and accordingly the shareholders of the Company are presented with the statement under Section 160(1)(b) of the Companies Ordinance, 1984 in compliance with the SRO 865(I)/2000 dated December 06, 2000 in case of decisions to make investments that have been made by the shareholders previously and have not yet been implemented.

   A statement under SRO 865(I)/2000 dated December 06, 2000 is being enclosed with this notice.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 25, 2009

Notes:

1. The Register of members and share transfer books of the Company will remain closed from Saturday October 10, 2009 to Monday October 19, 2009 (both days inclusive).
2. Only those members whose names appear in the register of members of the Company as on October 09, 2009 are entitled to attend and vote at the meeting.
3. A member entitled to attend and vote may appoint any other person as his / her proxy to attend and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.
4. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law.
5. Members are requested to provide by mail or fax their computerised National Identity Card (CNIC) number or passport number, if foreigner (unless it has been provided earlier) to enable the Company to comply with relevant laws.

5\. Members are requested to notify any changes in their addresses immediately.

CDC Account Holders will have to further follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For attending the meeting:

i) In case of individuals, the account holder or sub-account holder shall authenticate his / her Computerized National Identity Card (CNIC) at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirements.

ii) The proxy from shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.

iv) The proxy shall produce his / her original CNIC or original Passport at the time of meeting.

v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

STATEMENT UNDER SRO 865(I)/2000 DATED DECEMBER 06, 2000

In the 28th Annual General Meeting held on October 22, 2007 shareholders approved investments in following associated companies:

- **Pakistan Oilfields Ltd. (POL)**
- **Attock Refinery Ltd. (ARL)**
- **Attock Petroleum Ltd. (APL)**
- **National Refinery Ltd. (NRL)**

No investment so far has been made in any of the above-mentioned associated concern.

1. **Reasons for not making investment**
   The company is considering few more investment proposals which would constitute favourably towards its cost of production.
2. **Major Change in financial position of investee companies since the date of last resolution**
   There has been no major change in financial position of the POL, ARL, APL and NRL.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE Year ended June 30, 2009

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulation of the Karachi Stock Exchange in Pakistan for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the Board includes six non-executive directors and one executive director.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board of Directors during the year ended June 30, 2009.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company had arranged orientation course for its resident directors to apprise them of their duties and responsibilities.

10. The Board has approved appointment of CFO, who is also Company Secretary, including his remuneration and terms and conditions of employment, as determined by the CEO. The Company believes that there are reasonable grounds that the same person can act as CFO and Company Secretary.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises of three members, of whom two are non-executive directors including the Chairman of the committee.

16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has outsourced the internal audit function to Ford Rhodes Sidat Hyder & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a full time basis.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the person associated with them has not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. The related party transactions have been placed before the audit committee and approved by the Board of Directors alongwith pricing methods. The transactions were carried out on terms equivalent to those that prevail in the arm's length transactions.

21. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

Dated: August 19, 2009

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Attock Cement Pakistan Limited to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal controls covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
Dated: September 15, 2009

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Attock Cement Pakistan Limited as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984.

(b) in our opinion:

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  (ii) the expenditure incurred during the year was for the purpose of the company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

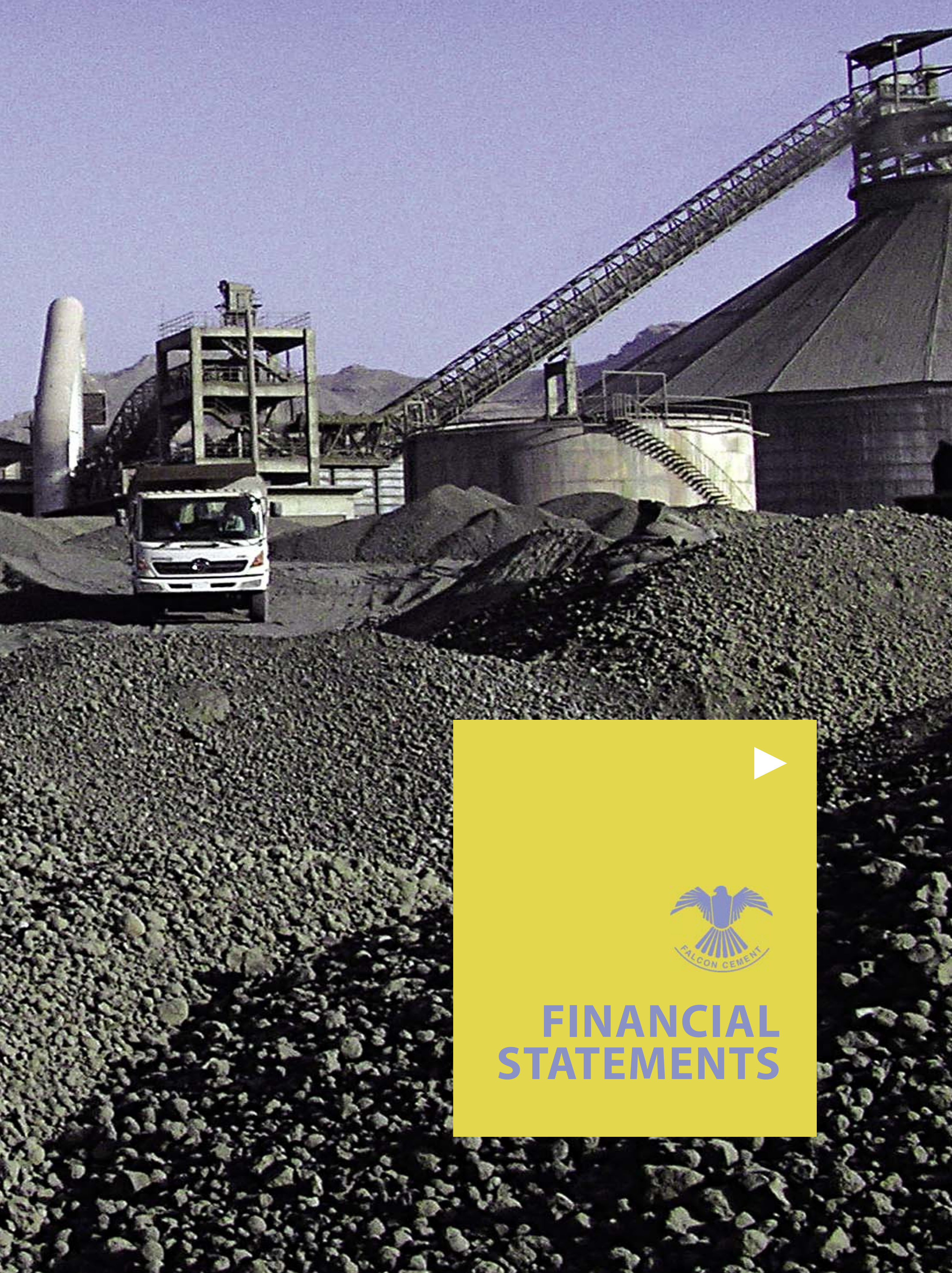
(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2009 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
Dated: September 15, 2009

Name of the engagement partner: Ali Muhammad Mesia



FINANCIAL STATEMENTS

BALANCE SHEET As at June 30, 2009

Rupees '000

	Note	2009	2008
SHARE CAPITAL AND RESERVES			
Authorised capital			
125,000,000 ordinary shares of Rs 10 each		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital	3	**721,629**	721,629
Unappropriated profit		**4,043,176**	2,784,754
Hedging reserve		**13,062**	25,196
		4,777,867	3,531,579
NON-CURRENT LIABILITIES			
Long term murabaha	4	**422,500**	622,500
Deferred taxation	5	**636,870**	736,449
		1,059,370	1,358,949
CURRENT LIABILITIES			
Trade and other payables	6	**856,330**	767,579
Accrued markup		**8,914**	12,731
Current maturity of liability against asset subject to finance lease		**–**	109
Taxation		**70,320**	–
Current maturity of long term murabaha	4	**200,000**	200,000
		1,135,564	980,419
CONTINGENCIES AND COMMITMENTS	7 & 35		
		6,972,801	5,870,947

Rupees '000

	Note	2009	2008
NON-CURRENT ASSETS			
Fixed assets	8	**4,143,534**	4,333,363
Long-term investment	9	**4,500**	4,500
Long-term loans and advances	10	**19,438**	9,775
Long-term deposits	11	**42,980**	42,980
		4,210,452	4,390,618
CURRENT ASSETS			
Stores, spares and loose tools	12	**599,605**	622,758
Stock-in-trade	13	**613,934**	409,498
Trade debts - considered good		**46,485**	49,799
Loans and advances	14	**26,208**	21,213
Short-term deposits and prepayments	15	**12,362**	10,351
Accrued interest		**7,676**	2,154
Other receivables	16	**26,988**	49,403
Taxation		**–**	183,950
Investments	17	**557,265**	20,246
Cash and bank balances	18	**871,826**	110,957
		2,762,349	1,480,329
		6,972,801	5,870,947

The annexed notes 1 to 37 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

PROFIT AND LOSS ACCOUNT For the year ended June 30, 2009

Rupees '000

	Note	2009	2008
Net sales	19	**8,510,071**	5,001,350
Cost of sales	20	**(5,801,099)**	(3,887,147)
Gross profit		**2,708,972**	1,114,203
Distribution cost	21	**(437,194)**	(124,744)
Administrative expenses	22	**(182,420)**	(133,582)
Other operating expenses	23	**(147,402)**	(54,841)
Other operating income	24	**166,533**	27,840
Operating profit		**2,108,489**	828,876
Finance cost	25	**(119,763)**	(153,909)
Profit before taxation		**1,988,726**	674,967
Taxation	26	**(495,775)**	(239,942)
Profit after taxation		**1,492,951**	435,025
Earnings per share - Basic and diluted	27	**Rs 20.69**	Rs 6.03

The annexed notes 1 to 37 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CASH FLOW STATEMENT For the year ended June 30, 2009

Rupees '000

	Note	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	**2,397,639**	727,872
Finance cost paid		**(123,580)**	(155,591)
Income tax paid		**(341,084)**	(134,583)
(Increase) / decrease in long-term loans and advances		**(9,663)**	137
Net cash from operating activities		**1,923,312**	437,835
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(286,642)**	(302,993)
Proceeds on disposal of fixed assets		**6,043**	8,184
Purchase of open ended mutual fund units		**(1,360,000)**	(95,000)
Proceeds from sale of open ended mutual fund units		**955,501**	287,362
Purchase of certificate of investment		**(100,000)**	–
Interest received		**57,177**	12,817
Net cash used in investing activities		**(727,921)**	(89,630)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term murabaha		**(200,000)**	(177,500)
Payments made under finance lease		**(109)**	(1,076)
Dividend paid		**(234,413)**	(324,448)
Net cash used in financing activities		**(434,522)**	(503,024)
Net increase / (decrease) in cash and cash equivalents		**760,869**	(154,819)
Cash and cash equivalents at the beginning of the year		**110,957**	265,776
Cash and cash equivalents at the end of the year	18	**871,826**	110,957

The annexed notes 1 to 37 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2009

Rupees '000

	Share capital	Unappropriated profit	Hedging Reserve	Total
Balance as at July 1, 2007	721,629	2,674,462	(47)	3,396,044
Final dividend for the year ended June 30, 2007	–	(324,733)	–	(324,733)
Net gain arising on change in fair value of interest rate swap under cash flow hedge	–	–	25,243	25,243
Profit after taxation for the year ended June 30, 2008	–	435,025	–	435,025
Balance as at June 30, 2008	721,629	2,784,754	25,196	3,531,579
Final dividend for the year ended June 30, 2008	–	(108,244)	–	(108,244)
Interim dividend for the year ended June 30, 2009	–	(126,285)	–	(126,285)
Net loss arising on change in fair value of interest rate swap under cash flow hedge	–	–	(12,134)	(12,134)
Profit after taxation for the year ended June 30, 2009	–	1,492,951	–	1,492,951
Balance as at June 30, 2009	721,629	4,043,176	13,062	4,777,867

The annexed notes 1 to 37 form an integral part of these financial statements.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

1. The Company and its Operations

The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Karachi Stock Exchange. Its main business activity is manufacturing and sale of cement. The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are provision for taxation, deferred taxation, provision for slow moving and obsolete stores and spares and provision for staff retirement benefits.

Accounting standards, amendments and interpretations effective in current period

IFRS 7, 'Financial instruments: Disclosures' introduces new disclosures relating to financial instruments. Adoption of the standard has extended the disclosures presented in the note 32 of the financial statements.

IFRIC 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from January 1, 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the company's financial statements.

The other new standards, amendments and interpretations are considered not relevant or have no significant effect on the company's financial statements.

New standards and amendments to the published, approved accounting standards that are relevant but not yet effective

Following amendments to existing standards have been published that are mandatory for the company's accounting periods beginning on the dates mentioned below:

IAS 1, 'Presentation of Financial Statements', issued in September 2007 revises the existing IAS 1 and requires, apart from changing the name of certain components of financial statements, presentation of transactions with owners in statement of changes in equity and with non-owners in the comprehensive income statement. The revised standard will be effective from January 1, 2009. Adoption of this standard will only impact the presentation of the financial statements.

IAS 23 (Amendment) - 'Borrowing Cost' effective for the periods beginning from or after January 1, 2009, requires an entity to mandatorily capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of cost of that asset. Previously it was allowed alternative treatment. Adoption of this standard will not have any effect on company's financial statements.

IFRS 8, 'Operating Segments' (effective from January 1, 2009) replaces IAS 14 Segment Reporting. It requires company to disclose in financial statements the information in respect of products and services, geographical areas and major customers.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except where stated otherwise in the accounting policies below.

2.3 Staff retirement benefits

Defined benefit plans

The company operates approved funded gratuity and pension schemes for its management and non-management employees. Contributions to the schemes are based on actuarial valuation.

The latest actuarial valuation of the schemes have been carried out as at June 30, 2009 using the Projected Unit Credit method. Cumulative net unrecognised actuarial gains and losses at the beginning of the year which exceed 10% of the greater of the present value of the obligations and the fair value of the respective fund's assets are amortised over the average remaining working lives of the employees.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

Defined contribution plan

The company also operates an approved provident fund for its permanent employees. Equal monthly contributions are made, both by the company and the employees, at the rate of 10% of basic salary.

2.4 Trade and other payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid for goods and services.

2.5 Provisions

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of past events. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.6 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit and loss account.

2.7 Fixed Assets

These are stated at cost less accumulated depreciation / amortisation and impairment losses (if any) except freehold land, capital work-in-progress and stores held for capital expenditures which are stated at cost.

Up to the previous year depreciation had been charged to income applying the reducing balance method, whereas in the current year the method for providing depreciation has been changed to straight line method in order to better reflect the pattern in which the economic benefits of the assets are consumed by the company. The depreciation rates have also been revised to reflect the useful lives of assets after the change in the depreciation method. Had these changes in accounting estimates not been made, the depreciation for the year would have been lower by Rs 93 million and profit before tax for the year would have been higher by the same amount.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Company accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in income currently.

2.8 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

2.9 Finance leases

The company accounts for fixed assets acquired under finance leases by recording the assets and related liability at amounts determined on the basis of discounted value of minimum lease payments. Finance charges are allocated to the accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Finance cost is charged to the profit and loss account.

2.10 Investments

The company determines the appropriate classification of its investment at the time of purchase as follows:

2.10.1 Long-term investments

The investment in associated company is stated at cost. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in income currently. The equity method of accounting has not been followed as the effect of applying this method is immaterial.

2.10.2 Investments - held to maturity

These are investments with fixed or determinable payments and fixed maturity with the company having positive intent and ability to hold till maturity. These are stated at amortised cost.

2.10.3 Investments - at fair value through profit or loss

Investments held for trading are classified at fair value through profit or loss account. These are measured at fair value which is re-assessed at each reporting date. In the case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company. Changes in fair value are recognised in profit and loss account.

2.11 Stores, spares and loose tools

These are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Items in transit are stated at cost.

2.12 Stock-in-trade

Stocks are valued at the lower of cost and net realisable value except goods-in-transit which is stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

2.13 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at original invoice amount less a provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

2.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprised of cash and cheques in hand and in transit, balances with banks on current and deposit accounts and finance under mark-up arrangements.

2.15 Foreign currencies

Transactions in foreign currencies are recorded in rupees at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees using the exchange rates approximating those prevailing at the balance sheet date. Exchange differences are included in income currently.

The financial statements are presented in Pakistan Rupees, which is the company's functional and presentation currency.

2.16 Revenue recognition

Sales are recorded on despatch of goods to customers and in case of export when the goods are shipped.

Return on deposits and investment is recognised using the effective interest method.

Dividend is recognised as income when the right of receipt is established.

2.17 Derivative financial instruments and hedging activities

Company uses derivative financial instruments for hedging purposes only. Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently re-measured at their fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised directly in equity through statement of changes in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

2.18 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

Financial assets and liabilities are off set and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared.

3. Issued, Subscribed and Paid Up Capital

Ordinary shares of Rs 10 each

Rupees '000

2009	2008		2009	2008
29,747,965	29,747,965	Shares allotted for consideration paid in cash	**297,480**	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	**41,325**	41,325
38,282,391	38,282,391	Shares allotted as bonus shares	**382,824**	382,824
72,162,866	72,162,866		**721,629**	721,629

As at June 30, 2009 and 2008 Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 60,662,866 ordinary shares of Rs 10 each.

Rupees '000

	Note	2009	2008
Murabaha finance	4.1 - 4.4	**622,500**	822,500
Less: Current maturity of long term murabaha		**(200,000)**	(200,000)
		422,500	622,500

4.1 This represents balance of the murabaha finance obtained from various banks and other financial institutions under syndicate murabaha finance agreement for Rs 2.5 billion.

4.2 Each murabaha obtained is repayable in quarterly instalments by August 2012. Mark-up is payable quarterly at the rate of 1.4% above six months KIBOR, at the date of disbursement and will subsequently be revised on semi-annual basis. The finance is secured by way of hypothecation against present and future fixed assets of the company to the extent of Rs 3.50 billion, equitable mortgage over land and building of the company to the extent of Rs 300 million and lien over all balances in collection accounts.

4.3 The company has entered into two 5 years interest rate swap agreements aggregating Rs 1 billion with a bank for notional amount of Rs 500 million each. Under the agreements, the company will receive 1.40% above six months KIBOR on notional amounts of Rs 500 million of each agreement and will pay 11.10% and 12.32% respectively on notional amounts which will be settled semi-annually. Parties to the agreements have option to unwind the swap transaction with prior notice.

4.4 The loss on change in fair valuation of above swap as at June 30, 2009 of Rs 12.13 million has been taken to hedging reserve in statement of changes in equity and other receivables.

5. Deferred Taxation

Rupees '000

	Note	2009	2008
Credit balances arising in respect of:			
- Accelerated tax depreciation allowances		**642,263**	738,279
- Finance lease arrangement		**–**	164
		642,263	738,443
Debit balances arising in respect of provision for:			
- Slow moving and obsolete stores and spares		**(5,315)**	(1,916)
- Doubtful other receivables		**(78)**	(78)
		(5,393)	(1,994)
		636,870	736,449

6. Trade and other Payables

	Note	2009	2008
Creditors	6.1	**176,370**	243,195
Accrued liabilities		**287,187**	171,227
Sales tax payable		**26,815**	3,053
Excise duty payable		**96,135**	88,437
Advances from customers		**86,154**	76,135
Retention money		**6,650**	116,796
Security deposits		**6,210**	6,994
Workers' Profits Participation Fund	6.2	**106,816**	36,288
Workers' Welfare Fund		**57,634**	17,048
Payable to Gratuity Funds	16.1	**70**	–
Unclaimed dividend		**604**	488
Others	6.1	**5,685**	7,918
		856,330	767,579

6.1 Creditors and other liabilities include Rs 5.51 million (2008: Rs 2.27 million) and Rs 3.74 million (2008: Rs 6 million) respectively in respect of amounts due to related parties.

6.2 Workers' Profits Participation Fund

Rupees '000

	Note	2009	2008
At the beginning of the year		**36,288**	64,107
Allocation for the year	23	**106,816**	36,288
		143,104	100,395
Interest on funds utilised in company's business	25	**194**	51
		143,298	100,446
Less: Amount paid to the Fund		**36,482**	64,158
		106,816	36,288

7. Contingencies and Commitments

7.1 Contingencies

The Taxation Officer while finalising the re-assessment for the assessment year 1999-2000 had raised additional demand of Rs 35.77 million on account of enhanced gross profit. Upon company's appeal, the Commissioner of Income Tax (Appeals) (CITA) maintained the additional demand. The company has filed an appeal to the Income Tax Appellate Tribunal (ITAT) against the order of the CITA. The company's tax consultant and the management are hopeful that the ultimate decision will be in favour of the company, therefore, no provision has been made, in respect of aforementioned additional tax demand in these financial statements.

7.2 Commitments

Commitments for capital expenditure outstanding as at June 30, 2009 amounted to Rs 5.97 million (2008: Rs 27.89 million).

8. Fixed Assets

Rupees '000

	Note	2009	2008
Property, plant and equipment	8.1	**3,830,953**	4,054,932
Capital work-in-progress		**2,009**	1,025
Stores held for capital expenditures		**310,572**	277,406
		4,143,534	4,333,363

8.1 Property, plant and equipment

Rupees '000

	Cost as at July 1, 2008	Additions / (Disposals)	Cost as at June 30, 2009	Accumulated depreciation as at July 1, 2008	Depreciation for the year / (on disposals)	Accumulated depreciation as at June 30, 2009	Book value as at June 30, 2009	Rate of depreciation %
Freehold land	4,554	–	4,554	–	–	–	4,554	–
Buildings and roads on freehold land	970,167	18,258	988,425	143,257	72,269	215,526	772,899	5
Plant and machinery	5,485,450	206,876	5,692,326	2,413,511	354,044	2,767,555	2,924,771	5
Quarry transport and equipments	199,306	3,392 (14,579)	188,119	128,931	13,248 (14,288)	127,891	60,228	10
Furniture and fittings	13,534	7,003	20,537	5,646	2,504	8,150	12,387	20
Office equipments	61,054	5,110	66,164	26,570	20,410	46,980	19,184	25
Vehicles	74,599	11,853 (8,970)	77,482	35,817	11,964 (7,229)	40,552	36,930	20
June 30, 2009	**6,808,664**	**252,492 (23,549)**	**7,037,607**	**2,753,732**	**474,439 (21,517)**	**3,206,654**	**3,830,953**	
June 30, 2008	6,677,440	159,590 (28,366)	6,808,664	2,369,246	401,189 (16,703)	2,753,732	4,054,932	

8.2 Reconciliation of opening and closing Net Book Value (NBV)

Rupees '000

	Cost	Accumulated depreciation	NBV	Additions	NBV of disposals	Depreciation for the year	NBV as at June 30, 2009
	As at July 1, 2008						
Freehold land	4,554	–	4,554	–	–	–	4,554
Buildings and roads on freehold land	970,167	143,257	826,910	18,258	–	72,269	772,899
Plant and machinery	5,485,450	2,413,511	3,071,939	206,876	–	354,044	2,924,771
Quarry transport and equipments	199,306	128,931	70,375	3,392	(291)	13,248	60,228
Furniture and fittings	13,534	5,646	7,888	7,003	–	2,504	12,387
Office equipments	61,054	26,570	34,484	5,110	–	20,410	19,184
Vehicles	74,599	35,817	38,782	11,853	(1,741)	11,964	36,930
June 30, 2009	**6,808,664**	**2,753,732**	**4,054,932**	**252,492**	**(2,032)**	**474,439**	**3,830,953**

8.3 The details of operating assets sold, having net book value in excess of Rs 50,000 each are as follows:

Rupees '000

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Mode of disposal	Particulars of purchaser
Vehicles	1,245	862	383	670	Tender	Mr. Abdus Samad D-4, Umer Manzil, Kharadar, Karachi.
	1,219	693	526	511	Tender	Mr. Karim Bux Jamot House No.34, Muhalla Umer Baloch, Block-L, Munawara Masjid, North Nazimabad, Karachi.
	1,138	872	266	765	Tender	Syed Muhammad Hashim Hussain A-450, Ashraf Nagar Nazimabad, Karachi.
	849	764	85	627	Tender	Mr. Wali ur Rehman R-1045, Block-9, Dastagir Society, Karachi.
	785	707	78	382	Tender	Col. (Retd) Rashid Hussain Khan House No.11-B-5, Commercial Street, Phase IV, D.H.A, Karachi.
	670	603	67	417	Tender	Mr. Muhammad Yameen 875/3, Block-3, F.B. Area, Hussainabad, Karachi.
	523	470	53	383	Tender	Mr. Affan H. Malik 168, Lane 4, Sector A, Askari 10, Lahore Cant,Lahore.
	1,195	1,076	119	242	Company Policy	Mr. Fakhrul Islam Baig Alternate Director
	785	707	78	175	Company Policy	Dr. S.M.Zafar Iqbal Executive
	518	466	52	85	Company Policy	Mr. Shabbir Ahmed Executive
Quarry transport and vehicles	9,777	9,582	195	675	Tender	Mr. Abdul Razaq Lasi Sakran Road, Haji Chatta Goath, District Hub, Lasbella Balochistan, Lasbella.

9. Long-Term Investment

Rupees '000

	2009	2008
Investment in related party (associated company)		
Attock Information Technology Services (Private) Limited - 450,000 (2008: 450,000) fully paid ordinary shares of Rs 10 each - at cost	**4,500**	4,500
	4,500	4,500

9.1 The Company holds 10% (2008: 10%) of the investee's total equity.

10. Long-Term Loans And Advances - Considered Good

Rupees '000

	Note	2009	2008
Chief executive		**6,403**	294
Director		**1,944**	–
Executives		**8,957**	2,931
Other employees		**24,087**	18,790
		41,391	22,015
Recoverable within one year	14	**(21,953)**	(12,240)
Long term portion		**19,438**	9,775

10.1 Reconciliation of the carrying amount of loans and advances to Chief Executive, Director and Executives:

Rupees '000

	Chief Executive		Director		Executives	
	2009	2008	**2009**	2008	**2009**	2008
Opening balance	**294**	1,468	**–**	804	**2,931**	1,560
Disbursements	**7,684**	–	**2,592**	–	**10,987**	4,209
Repayments	**(1,575)**	(1,174)	**(648)**	(804)	**(4,961)**	(2,838)
	6,403	294	**1,944**	–	**8,957**	2,931

10.2 Amounts receivable from Chief Executive, Director and Executives represent house rent advances given according to the company's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly instalments and are interest free.

10.3 The maximum amount due from Chief Executive, Director and Executives at the end of any month during the year was Rs 7.47 million (2008: Rs 1.37 million), Rs 2.48 million (2008: Rs 0.76 million) and Rs 10.29 million (2008: Rs 2.93 million) respectively.

11. Long-Term Deposits

These are security deposits held with The Karachi Electric Supply Company Limited (KESC) and carry interest at the rate of 5% (2008: 5%) per annum.

12. Stores, Spares and Loose Tools

Rupees '000

	2009	2008
Bricks	**28,160**	30,543
Stores and spares	**465,172**	472,507
Loose tools	**1,061**	995
Stores-in-transit	**123,242**	124,572
	617,635	628,617
Less: Provision for slow moving and obsolete items	**18,030**	5,859
	599,605	622,758

13. Stock-In-Trade

Raw and packing materials	**143,974**	116,511
Work-in-process	**368,670**	215,161
Finished goods	**101,290**	77,826
	613,934	409,498

14. Loans and Advances - Considered Good

Current portion of long-term loans and advances		
Chief Executive, Director and Executives	**9,271**	2,581
Other employees	**12,682**	9,659
	21,953	12,240
Other advances - employees	**351**	507
Advances to suppliers	**3,904**	8,466
	26,208	21,213

15. Short-Term Deposits and Prepayments

Deposits - considered good	**2,850**	4,465
Prepayments	**9,512**	5,886
	12,362	10,351

16. Other Receivables

Rupees '000

	Note	2009	2008
Due from pension funds	16.1	**7,937**	12,737
Due from provident fund		**398**	2,288
Due from gratuity funds	16.1	–	1,277
Insurance claim receivable		–	5,431
Export rebate receivable		**4,814**	–
Fair value of interest rate swap	4.4	**13,062**	25,196
Due from related parties		**695**	2,223
Less: Provision against doubtful receivables		**(223)**	(223)
		472	2,000
Others		**305**	474
		26,988	49,403

16.1 Retirement benefits

16.1.1 Movement in (asset) / liability

Rupees '000

	2009		2008	
	Pension funds	Gratuity funds	Pension funds	Gratuity funds
Balance at July 1	**(12,737)**	**(1,277)**	(17,858)	1,954
Charge for the year - note - 16.1.4	**4,800**	**6,806**	5,121	6,178
Payments to the fund	**–**	**(5,459)**	–	(9,409)
Balance at June 30	**(7,937)**	**70**	(12,737)	(1,277)

16.1.2 Balance sheet reconciliation as at June 30

Present value of obligations	**121,278**	**108,733**	107,665	89,322
Less: Fair value of assets	**(143,619)**	**(80,393)**	(127,091)	(82,557)
	(22,341)	**28,340**	(19,426)	6,765
Unrecognised actuarial gain / (loss)	**20,580**	**(28,270)**	5,436	(8,124)
Unrecognised past service cost	**(6,176)**	**–**	1,253	82
	(7,937)	**70**	(12,737)	(1,277)

16.1.3 Movement in the present value of defined benefit obligations and fair value of plan assets

Rupees '000

	2009		2008	
	Pension funds	**Gratuity funds**	Pension funds	Gratuity funds
The movement in the present value of defined benefit obligations during the year is as follows:				
Balance at July 1	**107,665**	**89,322**	110,439	82,287
Current service cost	**7,475**	**6,197**	6,838	5,395
Past service cost - vested	**1,113**	**–**	–	–
Past service cost - unvested	**6,144**	**–**	–	–
Interest cost	**11,823**	**9,188**	11,044	8,229
Actuarial (gains) / losses	**(9,889)**	**18,003**	(18,741)	16
Benefits paid	**(3,053)**	**(13,977)**	(1,915)	(6,605)
Balance at June 30	**121,278**	**108,733**	107,665	89,322
The movement in the fair value of plan assets during the year is as follows:				
Balance at July 1	**127,091**	**82,557**	118,460	73,643
Expected return on plan assets	**13,980**	**9,081**	11,846	7,364
Actuarial gains / (losses)	**5,601**	**(2,727)**	(1,300)	(1,254)
Employer contributions	**–**	**5,459**	–	9,409
Benefits paid	**(3,053)**	**(13,977)**	(1,915)	(6,605)
Balance at June 30	**143,619**	**80,393**	127,091	82,557

16.1.4 Charge for the year

Current service cost	**7,475**	**6,197**	6,838	5,395
Interest cost	**11,823**	**9,188**	11,044	8,229
Expected return on assets	**(13,980)**	**(9,081)**	(11,846)	(7,364)
Net actuarial (gain)/loss recognised	**(346)**	**584**	370	–
Past service cost recognised	**(172)**	**(82)**	(1,285)	(82)
	4,800	**6,806**	5,121	6,178
16.1.5 Actual return on plan assets	**19,581**	**6,354**	10,546	6,110

16.1.6 Principal actuarial assumptions

Rupees '000

	2009		2008	
	Pension funds	**Gratuity funds**	Pension funds	Gratuity funds
Expected return on plan assets (% per annum)	**13**	**13**	11	11
Expected rate of increase in salaries (% per annum)	**11**	**11**	9	9
Discount factor used (% per annum)	**13**	**13**	11	11
Retirement age (years)	**60**	**60**	60	60

As per actuarial recommendation, the expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

16.1.7 Plan assets

Rupees '000

	2009		2008	
	Pension funds %	**Gratuity funds %**	Pension funds %	Gratuity funds %
Plan assets are comprised of the following:				
Equity	**24.57**	**36.45**	26.60	27.01
Bonds	**32.90**	**19.77**	45.39	34.90
Others	**42.53**	**43.78**	28.01	38.09
	100	**100**	100	100

16.1.8 Based on actuarial advice for the year ending June 30, 2010 expected contribution to pension funds would be Rs 2.8 million and expected contribution to gratuity funds would be Rs 12.4 million.

16.1.9 Comparison for five years

Rupees '000

	2009	2008	2007	2006	2005
Pension funds					
Fair value of plan assets	**143,619**	127,091	118,460	96,953	87,838
Present value of defined benefit obligation	**(121,278)**	(107,665)	(110,439)	(104,004)	(85,773)
Surplus / (Deficit)	**22,341**	19,426	8,021	(7,051)	2,065
Experience gain / (loss) on plan liabilities	**9,889**	18,741	(9,554)	(4,897)	12,941
Experience gain / (loss) on plan assets	**5,601**	(1,300)	2,847	(1,333)	(3,700)
Gratuity funds					
Fair value of plan assets	**80,393**	82,557	73,643	62,738	53,756
Present value of defined benefit obligation	**(108,733)**	(89,322)	(82,287)	(67,052)	(52,570)
(Deficit) / Surplus	**(28,340)**	(6,765)	(8,644)	(4,314)	1,186
Experience loss on plan liabilities	**(18,003)**	(16)	(13,202)	(7,435)	(3,853)
Experience gain / (loss) on plan assets	**(2,727)**	(1,254)	1,028	1,373	(1,649)

The above information is based on actuarial advice.

17. Investments

Rupees '000

	Note	2009	2008
Investments - at fair value through profit or loss	17.1	**457,265**	20,246
Held to maturity - Certificate of Investment of financial institution	17.2	**100,000**	–
		557,265	20,246

17.1 These represent investments in open ended mutual funds (quoted). The details of investments are as follows:

Units 2009	Units 2008		Rupees '000 2009	Rupees '000 2008
–	393,720	AKD income fund	**–**	20,246
15,602,890	–	ABL income fund	**156,288**	–
1,700,185	–	Faysal savings growth fund	**175,051**	–
1,495,446	–	Pakistan cash management fund	**75,759**	–
471,076	–	IGI income fund	**50,165**	–
23	–	MCB dynamic cash fund	**2**	–
			457,265	20,246

17.1.1 The fair value of these investments is the Net Asset Value (NAV) as at June 30, 2009 as quoted by the respective Asset Management Company.

17.2 The certificate of investment carries mark up at 13.35% per annum and this will realise by August 2009.

18. Cash and Bank Balances

Rupees '000

	Note	2009	2008
Cash at bank			
- On deposit accounts	18.1	**650,000**	–
- On current accounts	18.2	**160,050**	74,413
- On PLS savings accounts	18.1	**61,637**	36,372
Cash and cheques in hand		**139**	172
		871,826	110,957

18.1 At June 30, 2009 the mark-up rates on PLS savings accounts range from 5% to 13% per annum (2008: 1.5% to 7.5%) and on deposit accounts range from 12% to 13.25%.

18.2 This includes Rs 10.92 million (2008: Rs 7 million) placed in a separate bank account in respect of security deposits obtained, as required under section 226 of the Companies Ordinance, 1984.

19. Net Sales

Rupees '000

	Note	2009	2008
Local sales		**8,326,673**	6,234,458
Export sales		**2,489,209**	546,191
		10,815,882	6,780,649
Less: Excise duty and sales tax		**(2,305,811)**	(1,779,299)
		8,510,071	5,001,350

20. Cost of Sales

	Note	2009	2008
Raw materials consumed		**580,717**	371,432
Packing materials consumed		**501,149**	340,157
Cement packaging and loading charges		**13,457**	10,516
Salaries, wages and benefits	20.1	**513,333**	351,431
Fuel		**2,382,407**	1,487,462
Electricity and water		**1,058,377**	729,174
Stores and spares consumed		**263,656**	154,819
Repairs and maintenance		**55,619**	66,139
Insurance		**34,594**	22,196
Vehicle running and maintenance		**53,037**	42,229
Travelling and entertainment		**4,369**	3,186
Communication		**1,065**	785
Printing and stationery		**2,784**	3,120
Security expenses		**35,083**	12,478
Depreciation		**463,580**	395,937
Provision for slow moving and obsolete stores, spares and loose tools			**12,171** 721
Other expenses		**2,674**	2,822
		5,978,072	3,994,604
Add: Opening work-in-process		**215,161**	129,824
Less: Closing work-in-process		**(368,670)**	(215,161)
Cost of goods manufactured		**5,824,563**	3,909,267
Add: Opening stock of finished goods		**77,826**	55,706
		5,902,389	3,964,973
Less: Closing stock of finished goods		**(101,290)**	(77,826)
		5,801,099	3,887,147

20.1 Salaries, wages and benefits include Rs 8.42 million and Rs 10.33 million (2008: Rs 8.38 million and Rs 8.49 million) in respect of defined benefit plans and contributory provident fund respectively.

21. Distribution Cost

Rupees '000

	Note	2009	2008
Salaries, wages and benefits	21.1	**32,725**	20,959
Export expenses		**311,071**	78,947
Commission on export sales		**43,548**	9,899
Advertisement and sales promotion		**1,364**	2,083
PSI marking fee		**27,275**	3,984
Carriage outward		**16,376**	6,285
Travelling and entertainment		**1,783**	357
Vehicle running and maintenance		**747**	688
Depreciation		**819**	597
Printing and stationery		**458**	480
Communication		**284**	167
Other expenses		**744**	298
		437,194	124,744

21.1 Salaries, wages and benefits include Rs 0.67 million and Rs 0.83 million (2008: Rs 0.77 million and Rs 0.63 million) in respect of defined benefit plans and contributory provident fund respectively.

22. Administrative Expenses

Salaries, wages and benefits	22.1	**114,926**	79,779
Travelling and entertainment		**5,836**	4,216
Vehicle running and maintenance		**6,293**	5,446
Depreciation		**10,040**	4,655
Rent, rates and taxes		**6,758**	7,158
Utilities		**3,676**	2,654
Communication		**3,402**	2,565
Insurance		**3,601**	2,696
Repairs and maintenance		**5,621**	7,910
Printing and stationery		**3,004**	3,318
Advertising		**1,053**	2,330
Subscription		**1,376**	1,265
Legal and professional charges		**5,856**	5,608
Auditors' remuneration	22.2	**1,600**	1,455
Donations	22.3	**6,856**	204
Training		**195**	407
Other expenses		**2,327**	1,916
		182,420	133,582

22.1 Salaries, wages and benefits include Rs 2.52 million and Rs 2.79 million (2008: Rs 2.14 million and Rs 2.12 million) in respect of defined benefit plans and contributory provident fund respectively.

22.2 Auditors' remuneration

Rupees '000

	Note	2009	2008
Audit fee		**885**	750
Fee for limited review of half yearly financial statements and special certifications		**575**	575
Out-of-pocket expenses		**140**	130
		1,600	1,455

22.3 None of the Directors or their spouses had any interest in donees.

23. Other Operating Expenses

	Note	2009	2008
Workers' Profits Participation Fund	6.2	**106,816**	36,288
Workers' Welfare Fund		**40,586**	14,453
Loss of fixed assets due to fire		**–**	4,100
		147,402	54,841

24. Other Operating Income

		2009	2008
Income from financial assets			
Interest income on:			
- deposit accounts		**23,449**	10,668
- PLS savings account		**35,821**	–
- investment in certificate of investment		**1,280**	–
- security deposit with KESC		**2,149**	2,149
		62,699	12,817
Gain on sale of open ended mutual fund units		**25,255**	8,860
Gain on re-measurement of fair value of open ended mutual fund units		**7,265**	246
		32,520	9,106
Income from non-financial assets			
Gain on disposal of fixed assets		**4,011**	621
Others			
Retention money no longer payable written back		**52,696**	–
Scrap sales		**5,772**	4,626
Export rebate		**8,348**	639
Others		**487**	31
		166,533	27,840

25. Finance Cost

Rupees '000

	2009	2008
Mark-up on long term murabaha	**94,016**	109,468
Mark-up on short term loan	**–**	10,270
Mark-up on running finance	**–**	3,557
Finance lease charges	**–**	44
Bank charges and commission	**14,596**	6,207
Exchange loss	**10,957**	24,312
Interest on Workers' Profits Participation Fund	**194**	51
	119,763	153,909

26. Taxation

Current	**595,354**	57,706
Deferred	**(99,579)**	182,236
	495,775	239,942

26.1 Relationship between tax expense and accounting profit

Profit before taxation	**1,988,726**	674,967
Tax at the applicable rate of 35%	**696,054**	236,238
Effect of final tax regime	**(194,479)**	5,507
Tax effect of permanent differences	**5,582**	1,384
Tax effect of income exempt from tax	**(11,382)**	(3,187)
	495,775	239,942

27. Earnings Per Share - Basic and Diluted

Profit after taxation	**1,492,951**	435,025
Number of ordinary shares outstanding at the end of year (in thousands)	**72,163**	72,163
Basic and diluted earnings per share	**Rs. 20.69**	Rs. 6.03

28. Credit Facilities

28.1 The facilities for short term loan amounted to Rs 800 million (2008: Rs 1.3 billion). The rate of mark-up is three months KIBOR plus 1% (2008: three months KIBOR plus 1%). The arrangement is secured by equitable mortgage over factory land and building.

28.2 The facilities for short term running finance available amounted to Rs 500 million (2008: Rs 800 million). The rates of mark-up is three months KIBOR plus 1.25 % (2008: three months KIBOR plus 0.9%) per annum. The arrangement is secured by way of first pari-passu charge over stocks and book debts of the company.

28.3 The facilities for opening letters of credit and guarantee as at June 30, 2009 amounted to Rs 1.5 billion (2008: Rs 1.47 billion) of which unutilised balance at year end amounted to Rs 1.22 billion (2008: Rs 1.17 billion).

29. Cash Generated from Operations

Rupees '000

	2009	2008
Profit before taxation	**1,988,726**	674,967
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	**474,439**	401,189
Gain on disposal of fixed assets	**(4,011)**	(621)
Loss of fixed assets due to fire	**–**	4,100
Gain on re-measurement of fair value of open ended mutual fund units	**(7,265)**	(246)
Gain on sale of open ended mutual fund units	**(25,255)**	(8,860)
Mark-up income	**(62,699)**	(12,817)
Finance cost	**119,763**	153,909
	494,972	536,654
Profit before working capital changes	**2,483,698**	1,211,621
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	**23,153**	(274,044)
Stock-in-trade	**(204,436)**	(133,070)
Trade debts	**3,314**	(29,902)
Loans and advances	**(4,995)**	13,886
Short term deposits and prepayments	**(2,011)**	(7,457)
Other receivables	**10,281**	(718)
	(174,694)	(431,305)
Increase / (Decrease) in current liabilities		
Trade and other payables	**88,635**	(52,444)
	(86,059)	(483,749)
Cash generated from operations	**2,397,639**	727,872

30. Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in these financial statements for remuneration to the Chief Executive Officer, Directors and Executives are as follows:

Rupees '000

	Chief Executive		Directors		Executives	
	2009	2008	**2009**	2008	**2009**	2008
Managerial remuneration	**8,538**	6,599	**8,096**	7,895	**47,264**	32,174
Housing allowance	**2,988**	2,310	**3,241**	2,859	**17,841**	12,026
Utility allowance	**1,138**	880	**667**	545	**3,602**	2,388
Bonus	**2,779**	2,607	**3,490**	2,999	**15,923**	11,209
Retirement benefits	**1,087**	1,210	**550**	1,497	**6,879**	6,566
Others	**863**	739	**1,229**	930	**6,526**	4,852
	17,393	14,345	**17,273**	16,725	**98,035**	69,215
Number of person(s)	**1**	1	**2**	2	**38**	28

The Chief Executive, working Directors and certain executives are provided with free use of company maintained cars and are also provided with medical facilities in accordance with their entitlements.

A sum of Rs 0.92 million (2008: Rs 0.92 million) was paid to two non-executive Directors in respect of advisory services.

31. Transactions with Related Parties

Rupees '000

	2009	**2008**
Transactions with related parties during the year are as follows:		
Holding company		
Recovery of expenses from holding company	**808**	3,344
Dividend paid	**90,994**	272,983
Associated companies		
Purchases of goods	**153,063**	80,563
Reimbursement of expenses to related parties	**1,445**	6,803
Reimbursement of staff cost on secondment to related party	**362**	327
Recovery of expenses from related parties	**21,433**	10,044
Recovery of staff cost on secondment from related party	**1,762**	1,485
Payment made to Prime Minister Relief Fund through		
The Attock Oil Company Limited	**2,500**	–
Other related parties		
Sale of vehicle to an alternate director	**242**	–
Payment made to retirement benefit funds	**19,410**	20,652

31.1 Key management compensation

Rupees '000

	2009	2008
Salaries and other short-term employee benefits	**40,806**	28,362
Post-employment benefits	**2,169**	2,707

The related party status of outstanding balances as at June 30, 2009 is included in other receivables, loans and advances and trade and other payables.

32. Financial Instruments and Related Disclosures

32.1 Financial risk factors

The company's activities expose it to variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

32.2 Financial assets and liabilities by category and their respective maturities

Rupees '000

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
Financial assets							
Loans and receivables							
Loans and advances	–	–	–	22,304	19,438	41,742	41,742
Deposits	–	42,980	42,980	2,850	–	2,850	45,830
Trade debts	–	–	–	46,485	–	46,485	46,485
Interest accrued	–	–	–	7,676	–	7,676	7,676
Other receivables	–	–	–	5,591	–	5,591	5,591
Cash and bank balances	711,637	–	711,637	160,189	–	160,189	871,826
Long term investment	–	–	–	–	4,500	4,500	4,500
Fair value through profit or loss							
Investments	–	–	–	457,265	–	457,265	457,265
Held to maturity							
Investments	100,000	–	100,000	–	–	–	100,000
Derivatives used for hedging							
Fair value of interest rate swap	–	–	–	13,062	–	13,062	13,062
June 30, 2009	811,637	42,980	854,617	715,422	23,938	739,360	1,593,977
June 30, 2008	36,372	42,980	79,352	176,401	9,775	186,176	265,528
Financial liabilities							
At amortised cost							
Murabaha finance	200,000	422,500	622,500	–	–	–	622,500
Trade and other payables	–	–	–	470,626	–	470,626	470,626
Accrued markup	–	–	–	8,914	–	8,914	8,914
June 30, 2009	200,000	422,500	622,500	479,540	–	479,540	1,102,040
June 30, 2008	200,109	622,500	822,609	542,046	–	542,046	1,364,655
On balance sheet date gap							
June 30, 2009	611,637	(379,520)	232,117	235,882	23,938	259,820	491,937
June 30, 2008	(163,737)	(579,520)	(743,257)	(365,645)	9,775	(355,870)	(1,099,127)

a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2009, the company is not exposed to interest rate risk as company's significant interest bearing assets and liabilities are on fixed interest rates.

(ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. At June 30, 2009, trade and other payables of Rs 26 million and trade debts of Rs 14 million only are exposed to foreign currency risk.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund, or its management company.

The company limits price risk by maintaining a diversified portfolio and by continuous monitoring of developments in open ended income funds. In addition, the company actively monitors the key factors that affect the open ended income funds. The maximum exposure to price risk as at June 30, 2009 amounts to Rs 457 million.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs 1.59 billion the financial assets exposed to the credit risk amounts to Rs 1.58 billion. The carrying values of financial assets which are neither past due nor impaired are as under:

Rupees '000

	2009	2008
Trade debts	**46,485**	49,799
Deposits, loans, advances and other receivables	**100,978**	80,026
Investments at fair value through profit or loss	**457,265**	20,246
Held to maturity invetments - Certificate of investment	**100,000**	–
Bank balances	**871,687**	110,957
	1,576,415	261,028

Trade debts of the company are not exposed to significant credit risk as the company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2009 there is no past due or impaired balance and the carrying amount of trade debts relates to number of independent customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs 43 million are maintained with The Karachi Electric Supply Company Limited (KESC) and advances to employees amounting to Rs 42 million (2008: Rs 23 million) that are secured against their retirement benefits.

The fair value through profit and loss investments represent investments in open ended mutual funds. The company manages its credit and price risk by investing in income based diversified mutual funds.

The cash and bank balances and certificate of investments represent low credit risk as they are placed with banks and other financial institutions having good credit ratings assigned by credit rating agencies.

c) **Liquidity risk**

Liquidity risk reflects the company's inability in raising funds to meet commitments. The company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. As at June 30, 2009 there are no maturity mismatch between financial assets and liabilities that expose the company to liquidity problems as described in maturity table.

d) **Fair values of the financial instruments**

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

32.3 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to equity ratios at June 30, 2008 and at June 30, 2009 were as follows:

Rupees '000

	2009	2008
Total Borrowings	**622,500**	822,500
Cash and bank	**(871,826)**	(110,957)
Net debt	**–**	711,543
Equity	**4,777,867**	3,531,579
Debt to equity ratio	**–**	0.20

33. Capacity and Production

(Metric tons)

	2009	2008
Production capacity		
- Clinker	**1,710,000**	1,710,000
- Cement	**1,795,500**	1,795,500
Actual production		
- Clinker	**1,678,619**	1,359,766
- Cement	**1,721,665**	1,364,511

Actual production is almost reaching plant maximum capacity due to higher demand of cement during the year.

34. Dividend and Bonus Issue

The Board of Directors in their meeting held on August 19, 2009 proposed a cash dividend of Rs 3.25 per share (2008: Rs 1.5 per share) amounting to Rs 234.53 million (2008: Rs 108.24 million). Further, the Board of Directors proposed a transfer of Rs 144.33 million (2008: Nil) from unappropriated profit to "Reserve for issuance of bonus shares" for issuance of 1 bonus share for every 5 shares held (2008: Nil) subject to the approval of the cash dividend and bonus issue by the members in the forthcoming annual general meeting.

35. Event after the Balance Sheet Date

Following the authorisation of these financial statements for issue by the Board of Directors on August 19, 2009, the Competition Commission of Pakistan (CCP) has passed an order on August 27, 2009 and levied penalty of Rs 374 million on the company alleging that it was involved with other cement manufacturing companies in price fixing arrangements, which contention the company has disputed. In the meantime, on the company's writ petition alongwith other cement manufacturers, the Honourable Lahore High Court has passed an order restraining the CCP from taking any adverse action against the cement manufacturers. No provision has been made in these financial statements for the said penalty as the company's legal advisers are hopeful that the ultimate outcome of the matter will be in favour of the company.

36. Corresponding Figures

Corresponding figures have been reclassified for the purpose of comparison and better presentation. There have been no significant reclassifications in these financial statements except for commission on export sales of Rs 9.9 million which has been disclosed separately under distribution cost, previously this was netted-off with sales.

37. Date of Authorisation for Issue

These financial statements, except for note 35 above, were approved and authorised for issue on August 19, 2009 by the Board of Directors. Note 35 was inserted following the occurrence of the event after the balance sheet date which required the disclosure in these financial statements and was approved by the Board of Directors through a circular resolution dated September 7, 2009.

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

SIX YEARS AT A GLANCE

Rupees in million unless otherwise stated

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Production and Sales						
Clinker Production (In Tonnes)	**1,678,619**	1,359,766	1,314,666	780,014	740,476	658,924
Capacity Utilization %	**98%**	79%	77%	108%	103%	92%
Cement Production (In Tonnes)	**1,721,665**	1,364,511	1,234,878	842,296	728,487	607,130
Cement Sales (In Tonnes)	**1,719,162**	1,359,487	1,228,793	843,137	730,704	603,888
Profit & Loss						
Net Sales	**8,510**	5,001	4,560	3,473	2,587	1,882
Cost Of Sales	**5,801**	3,887	3,006	1,808	1,560	1,269
Gross Profit	**2,709**	1,114	1,555	1,665	1,027	613
Other Income	**167**	28	23	9	385	33
Operating Profit	**2,108**	829	1,295	1,419	1,172	466
Profit Before Tax	**1,989**	675	1,193	1,393	1,161	457
Profit After Tax	**1,493**	435	796	909	862	280
Balance Sheet						
Paid-Up Capital	**722**	722	722	722	722	722
Unappropriated Profit	**4,043**	2,785	2,674	2,239	1,420	649
Long Term & Deferred Liabilities	**1,059**	1,359	1,377	1,173	731	198
Current Liabilities	**1,136**	980	1,012	745	554	281
Fixed Assets Less Depreciation	**4,144**	4,333	4,443	4,236	2,547	1,109
Other Long Term Assets	**66**	58	57	61	23	22
Current Assets	**2,762**	1,480	1,285	575	837	719
Key Financial Ratios						
Gross Profit %	**31.83**	22.27	34.10	47.90	39.70	32.60
Operating Profit %	**24.77**	16.58	28.40	40.90	45.30	24.80
Net Profit %	**17.54**	8.70	17.46	26.20	33.30	14.90
Return On Equity %	**31.24**	12.32	23.45	30.77	40.61	20.45
Return On Capital Employed %	**36.12**	16.95	27.13	34.62	41.08	30.90
No. Of Days In Inventory	**38.63**	38.40	33.57	33.76	37.97	56.77
No. Of Days In Receivables	**1.97**	3.58	1.59	2.43	0.55	1.18
Fixed Assets Turnover Ratio (Times)	**2.05**	1.15	1.03	0.82	1.02	1.70
Current Ratio (Times)	**2.43**	1.51	1.27	0.74	1.50	2.60
Acid Test Ratio (Times)	**1.35**	0.45	0.69	0.19	0.37	0.65
Price Earning Ratio (Times)	**3.38**	12.77	11.07	7.22	5.70	12.89
Dividend Yield Ratio %	**7.14**	1.95	3.69	5.49	1.84	2.50
Dividend Payout Ratio %	**24.17**	24.88	40.77	39.71	10.47	32.19
Dividend Cover Ratio (Times)	**4.15**	4.02	2.45	2.52	9.55	3.11
Debt: Equity Ratio	**0.13**	0.23	0.29	0.44	0.27	0.02
Interest Cover Ratio (Times)	**17.60**	5.38	12.69	56.76	106.55	51.78
Shares and Earnings						
Market Value/Share As At June 30 (Rs.)	**70**	77	122	91	68	50
Earnings Per Share (Rs.)	**20.69**	6.03	11.02	12.59	11.94	3.88
Cash Dividend Per Share	**5**	1.5	4.5	5	1.25	1.25
Bonus Shares Issued %	**20**	0	0	0	0	0
Break-Up Value Per Share	**66.21**	48.99	47.06	40.92	29.41	17.74

PATTERN OF SHAREHOLDING As at June 30, 2009

No. of Shareholders	Shareholdings				Total Shares Held
89	Shareholding From	1	To	100	5,562
312	Shareholding From	101	To	500	133,081
127	Shareholding From	501	To	1000	120,021
174	Shareholding From	1001	To	5000	495,168
40	Shareholding From	5001	To	10000	336,200
13	Shareholding From	10001	To	15000	170,479
8	Shareholding From	15001	To	20000	149,900
9	Shareholding From	20001	To	25000	206,900
9	Shareholding From	25001	To	30000	260,238
1	Shareholding From	30001	To	35000	35,000
3	Shareholding From	35001	To	40000	115,300
2	Shareholding From	50001	To	55000	108,662
1	Shareholding From	55001	To	60000	60,000
3	Shareholding From	60001	To	65000	181,700
2	Shareholding From	65001	To	70000	134,200
1	Shareholding From	70001	To	75000	70,500
1	Shareholding From	80001	To	85000	81,000
1	Shareholding From	85001	To	90000	87,500
2	Shareholding From	120001	To	125000	246,500
1	Shareholding From	130001	To	135000	132,100
1	Shareholding From	135001	To	140000	139,200
1	Shareholding From	155001	To	160000	160,000
1	Shareholding From	170001	To	175000	175,000
1	Shareholding From	190001	To	195000	193,800
1	Shareholding From	245001	To	250000	250,000
1	Shareholding From	265001	To	270000	266,600
1	Shareholding From	280001	To	285000	280,200
1	Shareholding From	335001	To	340000	336,700
1	Shareholding From	465001	To	470000	466,500
2	Shareholding From	485001	To	490000	978,000
1	Shareholding From	495001	To	500000	500,000
1	Shareholding From	505001	To	510000	508,000
1	Shareholding From	720001	To	725000	723,200
1	Shareholding From	760001	To	765000	764,000
1	Shareholding From	845001	To	850000	845,700
1	Shareholding From	850001	To	855000	852,900
1	Shareholding From	930001	To	935000	930,200
1	Shareholding From	60660001	To	60665000	60,662,855
818					72,162,866

Categories of Shareholders	Shares Held	Percentage %
1. Directors, Chief Executive Officer, and their Spouse and minor children	8	0.00
2. Associated Companies / Undertaking and Related Parties	0	0.00
3. NIT and ICP	80,500	0.11
4. Banks Development Financial Institutions, Non-Banking Financial Institutions	479,300	0.66
5. Insurance Companies	1,728,500	2.40
6. Modarabas and Mutual Funds	3,675,300	5.09
7. Shareholders holding 10% or more	60,662,855	84.06
8. Others	5,536,403	7.67
Total	72,162,866	100.00

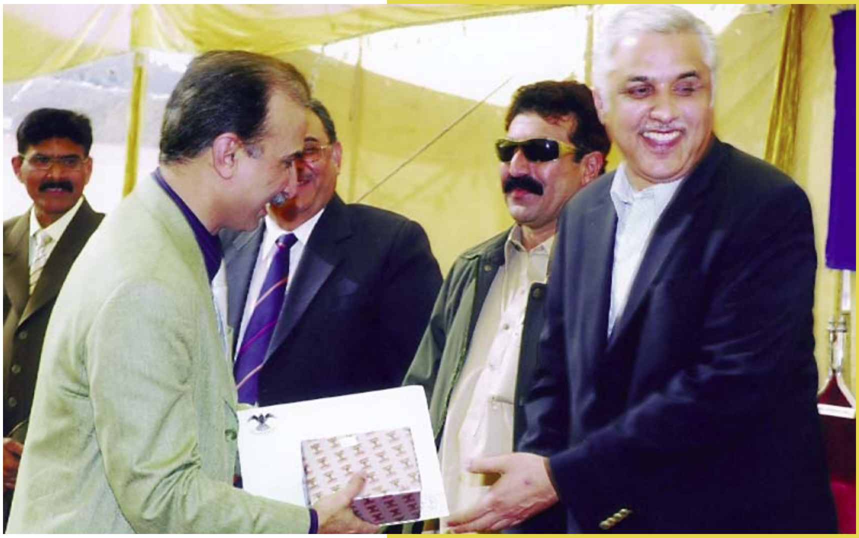
Shareholders holding Ten Percent or more voting interest in the listed Company

Total Paid-up Capital of the Company	72,162,866 Shares
10% of the paid-up Capital of the Company	7,216,286 Shares

Name of Shareholders	Description	No. of shares held	Percentage
Pharaon Investment Group Limited Holding S.A.L. Beirut, Lebanon	Falls in Category # 7	60,662,855	84.06

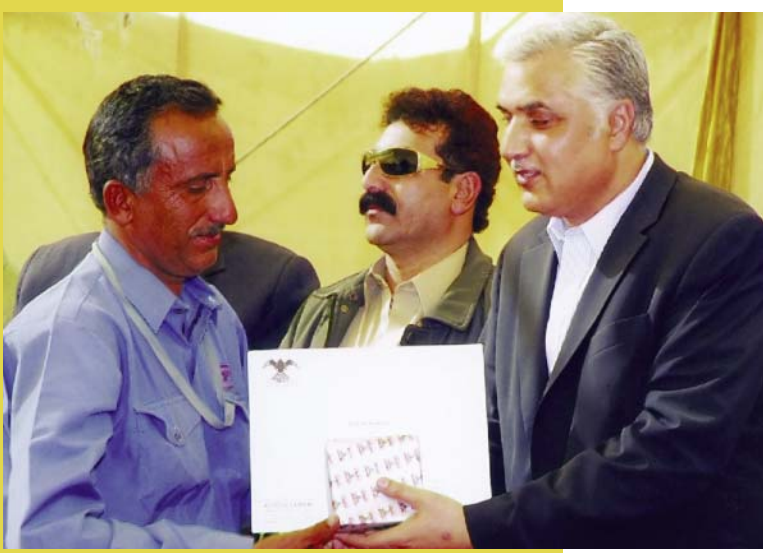
No shares were transacted by the Chief Executive, Directors, Executives and their spouses and minor children from July 01, 2008 to June 30, 2009 in the shares of the Company.

EVENTS OF THE YEAR



LONG SERVICE AWARD


ATTOCK



FORM OF PROXY

30th Annual General Meeting of Attock Cement Pakistan Limited

I / We ____

of ____

being a member(s) of Attock Cement Pakistan Limited holding ____________________

ordinary shares as per share register folio No. ______________ or CDC participant ID No. and

sub-account No. ____

hereby appoint ____

of ______________________ Or failing him / her ______________________

of ______________________________ as my / our Proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 30th Annual General Meeting of the Company to be held on October 19, 2009 and at any adjournment thereof.

Signed this ____________ day of ____________ 2009.

____
Signature
(Signature must agree with the specimen registered with the Company)

Witness:

1. Name: ____
   Address: ____
   CNIC / Passport No. ____

2. Name: ____
   Address: ____
   CNIC / Passport No. ____

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, D-70, Block-4, Kehkashan-5, Clifton, Karachi, not less than 48 hours before the time of holding the meeting and must be duly signed and witnessed.
2. A Proxy need not be a member of the Company.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original passport at the time of the meeting.
4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

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