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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman & Chief Executive
Mr. Imran Qamar	Director
Mr. Momin Qamar	Director
Mr. Bilal Qamar	Director
Mr. Yousaf Kamran Khan	Director
Mrs. Samina Kamran	Director
Mr. Qasim Khan	Director

AUDIT COMMITTEE

Mr. Momin Qamar	Chairman
Mr. Bilal Qamar	Member
Mr. Yousaf Kamran Khan	Member

STATUTORY AUDITORS

M/S. Tahir Siddqi & Co
Chartered Accountants
A member firm of TIAG Limited

COST AUDITORS

M/S. Mumtaz Balouch & Co.
Chartered Accountants

INTERNAL AUDITOR

Imran Matloob Khan

COMPANY SECRETARY

Agha Humayun Khan

CHIEF FINANCIAL OFFICER

Muhammad Basharat Jamil

LEGAL ADVISOR

Mr. Muhammad Atif Amin
Advocate High Court

BANKERS

Askari Bank Limited
The Bank of Punjab
United Bank Limited
AlBaraka Islamic Bank
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited

REGISTERED & HEAD OFFICE

103-Fazal Road, Lahore Cantt. Lahore.
Tel: 042-6674301-05
Fax: 042-6660693
www.flyingcement.com

PRODUCTION FACILITIES

25Km, Lilla Interchange
Lahore-Islamabad Motorway,
Mangowal, Distt. Khushab.

SHARE REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building-III
Dr. Zia Uddin Ahmed Road,
P.O. Box 8533
Karachi 75530
Tel: 021-111-000-322
Fax: 021-5655595

WEBSITE

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DIRECTOR'S REVIEW

1. The Board of Directors is pleased to present their review along with the un-audited accounts of the Company for the first quarter ended 30 September 2008.
2. During the first quarter, the local cement industry witnessed considerable slow down and overall industry wise local sale went down by 15%. However, the export market remained buoyant and during the period under review it showed a robust growth of 60% as compared to the same period last year.
3. During the quarter under review, the company achieved an overall net sales revenue growth of 32%, which is attributed due to increase in sale price of cement bags as compared to the quarter ended 30 September 2007.
4. Despite of increase in sale price of cement bags the company suffered loss because of the Furnace Oil price which kept on increasing, resultantly made our captive power unit uneconomical. We have already applied for WAPDA connection and the work is at advanced stage and expected to complete by the end of this calendar year.
5. Directors of the company are very keen to reduce the cost of production by decreasing energy cost and better performance of the plant.
6. The future outlook, however, looks promising after commissioning of WAPDA Grid station the profitability will improve drastically.
7. Our company has also stepped in export of cement and importers are in contact with their expected substantial demand.
8. We are grateful to our bankers, contractors, suppliers and distributor for their continued cooperation.
9. We also acknowledge the dedication of our employees for putting in their best to achieve optimum results.

For and on behalf of the board




Kamran Khan
Chief Executive

Lahore: 31 October 2008

**BALANCE SHEET (un-audited)
AS AT 30th SEPTEMBER 2008**

	Note	Sep. 2008 (Rupees)	June 2008 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital 200,000,000 ordinary shares of Rs 10/- each.		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid up capital 176,000,000, ordinary shares of Rs. 10/- each.		1,760,000,000	1,760,000,000
Capital Reserve		126,978,994	126,978,994
Un appropriated profit / (Loss)		<u>(112,481,447)</u>	<u>(22,411,187)</u>
Total Equity		1,774,497,547	1,864,567,807
Surplus on revaluation of fixed assets		1,779,754,409	1,788,324,684
NON-CURRENT LIABILITIES			
Long term finance	4	134,441,100	18,055,550
Liabilities against assets subject to finance lease		22,887,164	28,289,618
Long term deposits		16,905,000	17,505,000
Deferred liabilities		<u>1,001,273,350</u>	<u>1,001,273,350</u>
		1,175,506,614	1,065,123,518
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		25,082,503	24,413,490
Current portion of long term finance	4	25,114,454	20,833,338
Short term finance	5	9,851,234	72,138,682
Directors, shareholders & associates loan		353,218,102	381,186,430
Trade and other payables		180,160,245	138,426,500
Provision for taxation		791,491	791,491
		<u>594,218,029</u>	<u>637,789,931</u>
TOTAL LIABILITIES		<u>1,769,724,643</u>	<u>1,702,913,449</u>
Contingencies and commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>5,323,976,599</u>	<u>5,355,805,940</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	7	3,599,056,428	3,617,627,472
Capital work in progress	8	1,102,879,018	1,078,967,741
		4,701,935,446	4,696,595,213
CURRENT ASSETS			
Stores, spares & loose tools		9,217,779	6,513,412
Stock in trade		350,157,723	404,629,135
Trade debts		16,633,981	11,508,033
Advances, deposits, prepayments & other receivables		222,404,407	221,948,171
Cash and bank balances	9	23,627,263	14,611,976
		<u>622,041,153</u>	<u>659,210,727</u>
TOTAL ASSETS		<u>5,323,976,599</u>	<u>5,355,805,940</u>

The annexed notes 1 to 12 form an integral part of these financial statements.


Momin Qamar
Director


Kamran Khan
Chief Executive

**PROFIT AND LOSS ACCOUNT (un-audited)
FOR THE QUARTER ENDED 30th SEPTEMBER 2008**

	Sep. 2008 (Rupees)	Sep. 2007 (Rupees)
Sales	105,159,099	79,341,798
Cost of sales	<u>194,386,418</u>	<u>94,280,248</u>
Gross (Loss)	(89,227,319)	(14,938,450)
Distribution cost	<u>923,755</u>	<u>1,275,777</u>
Administrative expenses	<u>4,038,200</u>	<u>2,650,907</u>
	<u>4,961,955</u>	<u>3,926,684</u>
Operating (Loss)	(94,189,274)	(18,865,134)
Financial cost	4,451,261	4,749,509
Profit / (Loss) Before Taxation	(98,640,535)	(23,614,643)
Taxation	-	(396,709)
Profit / (Loss) After Taxation	(98,640,535)	(24,011,352)
Earning Per Share- Basic	(0.56)	(0.15)

The annexed notes 1 to 12 form an integral part of these financial statements.



Momin Qamar
Director


Kamran Khan
Chief Executive

**CASH FLOW STATEMENT (un-audited)
FOR THE QUARTER ENDED 30th SEPTEMBER 2008**

	Sep. 2008 (Rupees)	Sep. 2007 (Rupees)
Cash Flow From Operating Activities		
Profit/(Loss) for the period - before taxation	(98,640,535)	(23,614,643)
Adjustment for non cash charges and other items		
Depreciation	18,571,044	2,242,295
Financial cost	4,451,261	4,749,509
	<u>23,022,305</u>	<u>6,991,804</u>
Cash Inflow/(Outflow) from operating activities before working capital changes	(75,618,230)	(16,622,839)
Changes In Working Capital		
(Increase) / Decrease in current assets		
Stores, spares & loose tools	(2,704,367)	(2,271,749)
Stock-in-trade	54,471,411	(56,698,037)
Trade debtors	(5,125,948)	(1,759,020)
Advances, deposits, and other receivables	(456,237)	105,570,215
	<u>46,184,859</u>	<u>44,841,409</u>
Increase / (Decrease) in current liabilities		
Creditors, accruals and other liabilities	41,526,106	(154,141,727)
	<u>12,092,735</u>	<u>(125,923,157)</u>
Cash Inflow/(Outflow) from Operating Activities-Before Taxation	12,092,735	(125,923,157)
Taxes Paid	-	-
Cash Inflow/(Outflow) From Operating Activities - After Taxation	12,092,735	(125,923,157)
Cash Inflow/(Outflow) From Investing Activities		
Fixed Capital Expenditures	(23,911,275)	(9,441,800)
Cash Flow From Financing Activities		
Financial charges paid	(4,243,622)	(1,936,916)
Directors, shareholders & associates loan	(27,968,328)	159,617,706
Short term finance	(62,287,448)	-
Liabilities against assets subject to finance lease	(4,733,441)	2,325,750
Long term finance	120,666,666	-
Long term deposits	(600,000)	(23,079)
	<u>20,833,827</u>	<u>159,983,461</u>
Cash Inflow/(Outflow) From Financing Activities	20,833,827	159,983,461
Net Increase / (decrease) in Cash and Cash Equivalents	9,015,287	24,618,504
Cash and Cash Equivalents - at the beginning of the year	14,611,976	29,089,161
Cash and Cash Equivalents - at the end of the quarter	23,627,263	53,707,665

The annexed notes 1 to 12 form an integral part of these financial statements.


Momin Qamar
Director


Kamran Khan
Chief Executive

**STATEMENT IN CHANGES IN EQUITY (un-audited)
FOR THE QUARTER ENDED 30th SEPTEMBER 2008**

	Ordinary Share Capital (Rs.)	Accumulated Profit/(Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
Balance as at June 30, 2007	1,600,000,000	375,195,348	-	1,975,195,348
Bonus shares issue	160,000,000	(160,000,000)	-	-
Loss for the year ended June 30, 2008	-	(272,587,247)	-	(272,587,247)
Capital reserve	-	-	126,978,994	126,978,994
Incremental depreciation	-	34,980,712	-	34,980,712
Balance as at June 30, 2008	1,760,000,000	(22,411,187)	126,978,994	1,864,567,807
Loss for the quarter ended September 30, 2008	-	(98,640,535)	-	(98,640,535)
Incremental depreciation	-	8,570,275	-	8,570,275
Balance as at September 30, 2008	1,760,000,000	(112,481,447)	126,978,994	1,774,497,547

The annexed notes 1 to 12 form an integral part of these financial statements.


Momin Qamar
Director


Kamran Khan
Chief Executive

NOTES TO THE ACCOUNTS (un-audited) FOR THE QUARTER ENDED 30th SEPTEMBER 2008

1 LEGAL STATUS & OPERATIONS

Flying Cement Company Limited was incorporated on December 24, 1992 as a public limited company under the Companies Ordinance, 1984. The shares of the company are quoted on Karachi and Lahore Stock Exchanges in Pakistan. The main objective of the company is to manufacture and sale of cement. The registered office of the company is situated in Lahore and the factory in Khushab.

2 BASIS OF PREPARATION

These financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard (IAS-34) "Interim Financial Reporting". These financial statements are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

The Interim condensed financial statements do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2008.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2008.

	Note	Sep. 2008 (Rupees)	June 2008 (Rupees)
4 LONG TERM FINANCE			
Term Finance		159,555,554	38,888,888
Less: Current Portion of long term finance		25,114,454	20,833,338
		134,441,100	18,055,550

Term Finance of Rs. 158.166 million is availed from Askari Bank Limited. The rate of mark-up is 3 months average (Ask side KIBOR + 3. %) payable in quarterly installments. The finance is secured against 1st charge on present and future current assets of the company, personal guarantees of directors and property owners along with group inter corporate guarantees.

	Note	Sep. 2008 (Rupees)	June 2008 (Rupees)
5 Short Term Finance			
Askari Bank Ltd.	5.1	-	59,282,646
Albaraka Islamic Bank	5.2	9,851,234	12,856,036
		<u>9,851,234</u>	<u>72,138,682</u>

5.1 Short term running finance of Rs. 60 million for opening sight / usance documentary letter of credit is available from Askari Bank Ltd.

5.2 Short term running finance of Rs. 60 million for letter of credit - usance / acceptance and letter of guarantee from Albaraka Islamic Bank. The finance is secured against charge over current assets of the company.

6 CONTINGENCIES AND COMMITMENTS

Letters of Credit other than capital expenditure outstanding amounted to Rs. 94.54 million. (June 2008: 47.27 million).

7 Property, Plant & Equipment

Opening book value	3,617,627,472	3,689,157,310
Add: Additions during the period	-	56,762,674
	<u>3,617,627,472</u>	<u>3,745,919,984</u>
Less Deletion during the year - net off depreciation	-	52,000,000
	<u>3,617,627,472</u>	<u>3,693,919,984</u>
Less: Depreciation charged during the period	18,571,044	76,292,513
Closing book value	<u>3,599,056,428</u>	<u>3,617,627,472</u>
Additions during the period		
Building	-	4,296
Roads	-	2,830
Plant & machinery	-	31,783,940
Electric Installation	-	176,723
Vehicles	-	24,794,885
	<u>-</u>	<u>56,762,674</u>

	Sep. 2008 (Rupees)	June 2008 (Rupees)
8 CAPITAL WORK IN PROGRESS		
Building	162,793,367	162,094,450
Plant & machinery	940,085,651	916,873,291
	<u>1,102,879,018</u>	<u>1,078,967,741</u>
9 CASH AND BANK BALANCES		
In hand	12,337,764	3,243,193
At Banks- current accounts	11,289,499	11,368,783
	<u>23,627,263</u>	<u>14,611,976</u>

10 RELATED PARTIES TRANSACTIONS

Related parties of the company comprise associated undertakings, directors, key employees and management personnel. Detail of transactions with related parties except remuneration and benefits to directors and management personnel under their terms of employment, are as under:

Sales to Associated Companies	-	917,525
Purchases from Associated Companies	6,121,440	10,494,520

Transactions with related parties were made at arm's length prices determined in accordance with the comparable uncontrolled method.

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 31, 2008 by the board of directors of the company.

12 GENERAL

- Figures in the financial statements have been rounded off to the nearest rupee.

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.


Momin Qamar
 Director


Kamran Khan
 Chief Executive