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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 Int'l

COST AUDITORS

M/S. Mumtaz Balouch & Co.
Chartered Accountants

INTERNAL AUDITOR

Mr. Imran Matloob Khan

COMPANY SECRETARY

Mr. Mubashir Asif

CHIEF FINANCIAL OFFICER

Mr. 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-Fazil Road, Lahore Cantt. Lahore.
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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
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DIRECTOR'S REVIEW

I am pleased to present the un-audited financial results of the company for the third quarter ended March 31, 2009.

INDUSTRY / MARKET REVIEW

Economy of Pakistan with its limited depth has been badly effected due to looming slow down in star performing economies of the world. In addition worsening law and order situation in the country, severe shortage of electricity, booming lending rates and unprecedented inflationary pressure fainted economic indicators of the country to the alarming levels.

PRODUCTION

During the nine month period, the company production of Ordinary Portland Cement increased by 48,622 Metric Tons. The figures show an increase of 97% as compared to the last year's nine month results.

DISPATCHES

Despite the economic slowdown impacting on development activities in the country, the company's sale volume increased by 47,436 Metric Tons reflecting a growth of about 93% as compared with the previous years nine month results.

OPERATING RESULTS

Brief operating results of the company for the third quarter under review are shown below with comparison:

	3rd Quarter ended March 2009 Rs.	3rd Quarter ended March 2008 Rs.
Sales for the 3 rd quarter	222,414,526	26,726,081
Profit / (Loss) after tax for the 3 rd quarter	13,336,096	(36,614,781)

During the quarter under review the turnover of the company increased by Rs. 195,68 millions, which is an increase of about 732% as compared with the previous year's 3rd quarter results. The company was able to earn after tax profit of Rs. 13.34 millions during the 3rd quarter despite the fact that company operated at lower level of production.

FUTURE OUTLOOK

Fiscal constraints resulting from economic slowdown caused reduction in spending on public works by the Government, which adversely affected the domestic demand of cement. Prices of coal and furnace oil are declining in international market which will make positive effect on the cement industry. It is also expected that with the revival of economic activities in the country, Government would increase its spending on development projects which would generate the demand of cement in future.

ONGOING PROJECT

Our own 132 KVA WAPDA Grid Station should be online within three to four months which would reduce the unit cost by 50%. Siemens Pakistan Engineering Company Limited has been contracted for the supply of Grid Station Machinery.

ACKNOWLEDGEMENT

The management is grateful to our bankers, contractors, suppliers and distributors for their continued cooperation. We also acknowledge the spirit and commitment of our employees for putting in their best to achieve optimum results.

For and on behalf of the Board



Kamran Khan
Chairman

Lahore: April 30, 2009

**BALANCE SHEET (un-audited)
AS AT MARCH 31, 2009**

	Note	Mar. 2009 (Rupees)	Jun. 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)		(137,204,444)	(22,411,187)
Total Equity		<u>1,749,774,550</u>	<u>1,864,567,807</u>
Surplus on revaluation of fixed assets		1,762,613,861	1,788,324,684
NON-CURRENT LIABILITIES			
Long term finance	4	142,350,065	18,055,550
Liabilities against assets subject to finance lease		12,676,013	28,289,618
Long term deposits		15,155,000	17,505,000
Long term creditors		94,538,400	-
Deferred liabilities		954,237,832	1,001,273,350
		<u>1,218,957,310</u>	<u>1,065,123,518</u>
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease	4	24,782,608	24,413,490
Current portion of long term finance		15,816,600	20,833,338
Short term finance	5	85,118,449	72,138,682
Directors, shareholders & associates loan		422,443,372	381,186,430
Trade and other payables		205,024,121	138,426,500
Provision for taxation		-	791,491
		<u>753,185,150</u>	<u>637,789,931</u>
TOTAL LIABILITIES		<u>1,972,142,460</u>	<u>1,702,913,449</u>
Contingencies and commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>5,484,530,871</u>	<u>5,355,805,940</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	7	3,631,266,166	3,617,627,472
Capital work in progress	8	1,097,926,474	1,078,967,741
		<u>4,729,192,640</u>	<u>4,696,595,213</u>
CURRENT ASSETS			
Stores, spares & loose tools		8,613,703	6,513,412
Stock in trade		423,415,808	404,629,135
Trade debts		48,496,147	11,508,033
Advances, deposits, prepayments & other receivables		216,475,860	221,948,171
Cash and bank balances	9	58,336,713	14,611,976
		<u>755,338,231</u>	<u>659,210,727</u>
TOTAL ASSETS		<u>5,484,530,871</u>	<u>5,355,805,940</u>

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

Momin Qamar

Momin Qamar
Director

Kamran Khan

Kamran Khan
Chief Executive

**PROFIT AND LOSS ACCOUNT (un-audited)
FOR THE PERIOD ENDED MARCH 31, 2009**

	For the quarter		For the nine months	
	Jan - Mar 2009	Jan - Mar 2008	Jul - Mar 2009	Jul - Mar 2008
	Rupees			
Sales	222,414,526	26,726,081	439,807,254	121,762,245
Cost of sales	224,679,158	56,165,267	587,579,831	196,513,804
Gross Profit / (Loss)	(2,264,632)	(29,439,186)	(147,772,577)	(74,751,559)
Operating Expenses				
Distribution cost	927,435	842,496	2,662,444	3,112,126
Administrative expenses	6,188,100	2,833,675	12,888,250	9,596,137
	7,115,535	3,676,171	15,550,694	12,708,263
Operating Profit / (Loss)	(9,380,167)	(33,115,357)	(163,323,271)	(87,459,822)
Financial cost	(8,085,671)	(3,365,794)	(24,216,329)	(11,674,477)
Profit/(Loss) Before Taxation	(17,465,838)	(36,481,151)	(187,539,600)	(99,134,299)
Taxation	30,801,934	(133,630)	47,035,520	(608,811)
Profit / (Loss) After Taxation	13,336,096	(36,614,781)	(140,504,080)	(99,743,110)
Earning Per Share- Basic	0.08	(0.21)	(0.80)	(0.57)

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 PERIOD ENDED MARCH 31, 2009**

	Mar. 2009 (Rupees)	Mar. 2008 (Rupees)
Cash Flow From Operating Activities		
Loss for the period - before taxation	(187,539,600)	(99,134,299)
Adjustment for non cash charges and other items		
Depreciation	56,696,136	2,242,298
Financial cost	24,216,329	11,674,477
	<u>80,912,465</u>	<u>13,916,775</u>
Cash Inflow from operating activities before working capital changes	(106,627,135)	(85,217,524)
Changes In Working Capital		
(Increase) / Decrease in current assets		
Stores, spares & loose tools	(2,100,290)	(3,654,421)
Stock-in-trade	(18,786,674)	(61,921,582)
Trade debtors	(36,988,114)	(3,442,031)
Advances, deposits, and other receivables	4,680,820	20,208,172
	<u>(53,194,258)</u>	<u>(48,809,862)</u>
Increase / (Decrease) in current liabilities		
Creditors, accruals and other liabilities	69,000,169	(200,788,178)
	<u>(90,821,224)</u>	<u>(334,815,564)</u>
Financial Charges Paid	(26,618,876)	(7,873,360)
Net Cash Inflow/(Outflow) from Operating Activities	(117,440,100)	(342,688,924)
Cash Inflow/(Outflow) From Investing Activities		
Fixed Capital Expenditures	(93,135,561)	(6,439,058)
Sale proceeds of assets	4,700,000	-
Net Cash Inflow/(Outflow) From Investing Activities	(88,435,561)	(6,439,058)
Cash Inflow/(Outflow) From Financing Activities		
Proceeds from directors, shareholders & associates loan	41,256,942	370,908,187
Proceeds from short term finance	12,979,767	-
Repayment of liabilities against assets subject to finance lease	(16,102,488)	(8,697,856)
Proceeds from / (Repayment to) long term finance	119,277,777	(4,166,667)
Proceeds from long term creditors	94,538,400	-
Repayment of long term deposits	(2,350,000)	(23,079)
Net Cash Inflow/(Outflow) From Financing Activities	249,600,398	353,853,918
Net Increase / (decrease) in Cash and Cash Equivalents	43,724,737	4,725,936
Cash and Cash Equivalents - at the beginning of the year	14,611,976	29,089,162
Cash and Cash Equivalents - at the end of the nine months	58,336,713	33,815,098

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 PERIOD ENDED MARCH 31, 2009**

	Ordinary Share Capital	Accumulated Profit/(Loss)	Capital Reserve	Total
	Rupees			
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 3rd quarter ended March 31, 2009	-	(140,504,080)	-	(140,504,080)
Incremental depreciation	-	25,710,823	-	25,710,823
Balance as at March 31, 2009	1,760,000,000	(137,204,444)	126,978,994	1,749,774,550

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 PERIOD ENDED MARCH 31, 2008

1 Status and 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 at Lahore and factory is 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 Jun 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.

4 Long Term Finance

	Mar. 2009	Jun. 2008
	(Rupees)	(Rupees)
Term Finance	158,166,665	38,888,888
Less: Current Portion of long term finance	15,816,600	20,833,338
	<u>142,350,065</u>	<u>18,055,550</u>

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 company, personal guarantees of sponsors / directors along with group inter corporate guarantees.

	Note	Mar. 2009 (Rupees)	Jun. 2008 (Rupees)
5 Short Term Finance			
Askari Bank Ltd.	5.1	78,087,000	59,282,646
Albaraka Islamic Bank	5.2	7,031,449	12,856,036
		<u>85,118,449</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. nil 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	74,176,831	56,762,674
	<u>3,691,804,303</u>	<u>3,745,919,984</u>
Less Deletion during the year - net off depreciation	3,842,000	52,000,000
	<u>3,687,962,303</u>	<u>3,693,919,984</u>
Less: Depreciation charged during the period	56,696,136	76,292,513
Closing book value	<u>3,631,266,166</u>	<u>3,617,627,472</u>
Additions during the period		
Building	-	4,296
Roads	-	2,830
Plant & machinery	71,535,142	31,783,940
Electric Installation	1,075,000	176,723
Tools & Equipments	579,289	-
Vehicles	987,400	24,794,885
	<u>74,176,831</u>	<u>56,762,674</u>

	Mar. 2009 (Rupees)	Jun. 2008 (Rupees)
8 Capital Work in Progress		
Building	163,594,335	162,094,450
Plant & machinery	934,332,139	916,873,291
	<u>1,097,926,474</u>	<u>1,078,967,741</u>
9 Cash and Bank Balances		
In hand	45,435,318	3,243,193
At Banks- current accounts	12,901,395	11,368,783
	<u>58,336,713</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	<u>36,000,000</u>	<u>917,525</u>
Purchases from Associated Companies	<u>29,643,793</u>	<u>10,494,520</u>

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 April 30, 2009 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