Kuwait Cement Company K.S.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
For the nine months ended 30 September 2011
with review report

Kuwait Cement Company K.S.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
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Kuwait Cement Company K.S.C
State of Kuwait

Independent Auditors' Review Report on Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Cement Company K.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as of 30 September 2011, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Report on other legal and regulatory requirement

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent company. To the extent of information made available to us, we have not become aware of any violations of the Commercial Companies Law of 1960, as amended, or of the Parent Company's Articles of Association during the nine-month period ended 30 September 2011 that might have had a material effect on the business of the Group or on its consolidated financial position.

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BDO Al Nisf & Partners

Kuwait
31 October 2011

Kuwait Cement Company K.S.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As of 30 September 2011
(All amounts are in Kuwaiti Dinars)

	Note	30 September 2011	31 December 2010 (Audited)	30 September 2010
Assets				
Non-current assets				
Property, plant and equipment	3	102,661,854	89,995,827	86,658,767
Intangible assets	4	923,921	-	-
Investment properties		996,729	1,032,069	1,043,850
Investments in associates	5	14,865,037	15,332,644	15,012,333
Available for sale investments	6	68,345,220	93,128,610	97,787,880
		187,792,761	199,489,150	200,502,830
Current assets				
Inventory	7	21,222,593	24,449,255	25,837,436
Receivables and other debit balances	8	11,640,603	9,631,306	8,529,832
Investments at fair value through profit or loss	9	8,998,094	11,566,066	12,291,348
Cash and cash equivalents	10	10,400,756	13,169,982	12,869,744
		52,262,046	58,816,609	59,528,360
Total assets		240,054,807	258,305,759	260,031,190
Equity and liabilities				
Equity				
Share capital	11	63,765,554	60,729,099	60,729,099
Share premium		5,154,935	5,154,935	5,154,935
Treasury shares	12	(13,393,285)	(12,978,814)	(12,978,814)
Gain from sale of treasury shares		445,592	445,592	445,592
Statutory reserve		34,466,326	34,466,326	33,060,865
Voluntary reserve		29,503,837	29,503,837	28,098,376
General reserve		18,930,128	18,930,128	18,930,128
Change in fair value reserve		(17,330,021)	5,534,251	9,968,330
Group's share in associates' reserves		(792,079)	(685,885)	(775,821)
Retained earnings		18,449,314	15,670,397	16,411,713
		139,200,301	156,769,866	159,044,403
Liabilities				
Non-current liabilities				
Loans and bank facilities	13	61,834,056	49,146,997	33,137,194
Provision for employees' end of service indemnity		1,720,600	1,641,881	1,633,172
		63,554,656	50,788,878	34,770,366
Current liabilities				
Loans and bank facilities	13	23,847,531	35,131,838	33,416,239
Payables and other credit balances	14	13,452,319	15,615,177	32,800,182
		37,299,850	50,747,015	66,216,421
Total equity and liabilities		240,054,807	258,305,759	260,031,190

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Rashed Abdulaziz Al-Rashed
Chairman and Managing Director

Sulaiman Khalid Al-Ghunaim
Vice Chairman

Kuwait Cement Company K.S.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)
For the nine months ended 30 September 2011
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2011	2010	2011	2010
Sales		11,596,513	8,907,514	39,138,625	33,904,050
Cost of sales	15	(6,490,965)	(4,747,129)	(23,530,118)	(19,052,189)
Gross profit		5,105,548	4,160,385	15,608,507	14,851,861
Other operating income	16	166,964	(445,253)	1,365,984	1,704,371
Selling, general and administrative expenses		(590,463)	(729,389)	(2,216,592)	(2,326,148)
Operating Profit		4,682,049	2,985,743	14,757,899	14,230,084
Finance charges		(892,184)	(620,792)	(2,510,579)	(1,905,827)
Interest income		20,842	90,037	110,082	451,080
Net losses from investments	17	(610,618)	(48,210)	(38,682)	(1,270,113)
Group's share of associates' results	5	(33,805)	213,786	(31,619)	354,514
Net profit before deductions		3,166,284	2,620,564	12,287,101	11,859,738
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(31,287)	(24,041)	(121,052)	(112,600)
National Labor Support tax (NLST)		(78,930)	(60,102)	(274,446)	(251,936)
Zakat expense		(1,931)	(24,271)	(80,138)	(101,721)
Board of Directors' remuneration		(35,000)	(35,000)	(105,000)	(105,000)
Net profit for the period		3,019,136	2,477,150	11,706,465	11,288,481
Earnings per share (fils)	18	4.88	4.00	18.93	18.25

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Kuwait Cement Company K.S.C
And its subsidiaries
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Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the nine months ended 30 September 2011
(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Net profit for the period	3,019,136	2,477,150	11,706,465	11,288,481
Other comprehensive (expenses) / income for the period				
Net unrealized (losses) / gains from available for sale investments	(4,107,284)	21,855,480	(24,000,119)	13,480,930
Impairment of available for sale investments	72,496	308,125	1,363,799	2,898,163
Transferred to statement of income from sale of available for sale investments	37,476	(10,502)	(227,952)	7,080
Group's share in associates' reserves	(4,691)	(98,466)	(106,194)	(158,254)
Total other comprehensive (expenses) / income for the period	(4,002,003)	22,054,637	(22,970,466)	16,227,919
Total comprehensive (expenses) / income for the period	(982,867)	24,531,787	(11,264,001)	27,516,400

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Kuwait Cement Company K.S.C
And its subsidiaries
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Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the nine months ended 30 September 2011
(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Treasury shares	Gain from sale of treasury shares	Statutory reserve	Voluntary reserve	General reserve	Change in fair value reserve	Group's share in associates ' reserves	Retained earnings	Total equity
Balance at 1 January 2010	57,837,237	5,154,935	(12,978,814)	445,592	33,060,865	28,098,376	18,930,128	(6,417,843)	(617,567)	13,625,659	137,138,568
Total comprehensive income / (expenses) for the period	-	-	-	-	-	-	-	16,386,173	(158,254)	11,288,481	27,516,400
Cash dividends (note 19)	-	-	-	-	-	-	-	-	-	(5,610,565)	(5,610,565)
Bonus shares (note 19)	2,891,862	-	-	-	-	-	-	-	-	(2,891,862)	-
Balance at 30 September 2010	60,729,099	5,154,935	(12,978,814)	445,592	33,060,865	28,098,376	18,930,128	9,968,330	(775,821)	16,411,713	159,044,403
Balance at 1 January 2011	60,729,099	5,154,935	(12,978,814)	445,592	34,466,326	29,503,837	18,930,128	5,534,251	(685,885)	15,670,397	156,769,866
Total comprehensive (expenses) / income for the period	-	-	-	-	-	-	-	(22,864,272)	(106,194)	11,706,465	(11,264,001)
Purchase of treasury shares	-	-	(414,471)	-	-	-	-	-	-	-	(414,471)
Cash dividends (note 19)	-	-	-	-	-	-	-	-	-	(5,891,093)	(5,891,093)
Bonus shares (note 19)	3,036,455	-	-	-	-	-	-	-	-	(3,036,455)	-
Balance at 30 September 2011	63,765,554	5,154,935	(13,393,285)	445,592	34,466,326	29,503,837	18,930,128	(17,330,021)	(792,079)	18,449,314	139,200,301

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Kuwait Cement Company K.S.C
And its subsidiaries
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Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the nine months ended 30 September 2011
(All amounts are in Kuwaiti Dinars)

	Note	Nine months ended 30 September 2011	2010
Cash flows from operating activities			
Net profit for the period		11,706,465	11,288,481
Adjustments:			
Depreciation and amortization		1,324,215	1,165,359
Interest income		(110,082)	(451,080)
Net (gains) / losses from investments		(86,563)	1,156,122
Finance charges		2,510,579	1,905,827
Group's share of associates' results		31,619	(354,514)
Provision for employees' end of service indemnity		78,719	89,580
Net operating profit before working capital changes		15,454,952	14,799,775
Inventory		3,226,662	(1,600,281)
Receivables and other debit balances		(2,009,297)	347,994
Investments at fair value through profit or loss		2,390,091	(714)
Payables and other credit balances		(5,346,731)	(2,604,719)
Net cash generated from operating activities		13,715,677	10,942,055
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,798,501)	(16,123,090)
Purchase of intangible assets		(960,712)	-
Purchase of available for sale investments		(400,316)	(557,529)
Proceeds from sale of available for sale investments		1,264,968	741,622
Dividends received		1,648,704	1,267,578
Interest income received		110,082	451,080
Net cash used in investing activities		(9,135,775)	(14,220,339)
Cash flows from financing activity			
Dividends paid		(5,852,593)	(5,613,280)
Purchase of treasury shares		(414,471)	-
Loans and bank facilities		1,402,752	(14,617,850)
Finance costs paid		(2,484,816)	(1,637,567)
Net cash used in financing activities		(7,349,128)	(21,868,697)
Net decrease in cash and equivalents		(2,769,226)	(25,146,981)
Cash and cash equivalents at the beginning of the period		13,169,982	38,016,725
Cash and cash equivalents at end of the period	10	10,400,756	12,869,744

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Notes to Interim Condensed Consolidated Financial Information (Unaudited)
For the nine months ended 30 September 2011
(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

Kuwait Cement Company K.S.C. ("the Parent Company") is a Kuwaiti Shareholding Company incorporated as per the Amiri Decree issued on 5 November 1968. The Parent Company was listed on the Kuwait Stock Exchange on 29 September 1984. The main objectives of the Parent Company are producing all types of cement products, and trading in all related products, materials and machines; producing and selling precast concrete, and importing all raw materials required for producing concrete; and utilization of the financial surplus available in the financial and real estate portfolios managed by specialists.

The Company's head office is in Al - Sharq, Al Sawaber area, Shuhada Street, P.O. Box 20581, Safat 13066, State of Kuwait.

The interim condensed consolidated financial information includes the financial statements of the Parent Company and the following wholly owned subsidiaries (together referred to as "the Group"):

Company Name	Legal entity	Activity	Incorporation Country
Shuwaikh Cement Company	Company K.S.C. (Closed)	Industrial	Kuwait
Amwaj Real Estate Company	Company K.S.C. (Closed)	Real estate	Kuwait
Kuwait Cement Ready Mix Company	Company K.S.C. (Closed)	Industrial	Kuwait

The Parent Company used financial information prepared by the subsidiaries' management to prepare the interim condensed consolidated financial information for the nine month period ended 30 September 2011. The subsidiaries' total assets amounted to KD 12,912,993 as of 30 September 2011 (KD 8,035,252 as of 31 December 2010 and KD 10,916,135 as of 30 September 2010:) and their net losses amounted to KD 251,169 for the period ended 30 September 2011. (Losses amounting to KD 310,683 for period ended 30 September 2010).

The accompanying interim condensed consolidated financial information was authorized for issue by Parent Company's board of director's on 31 October 2011.

2. Significant accounting policies

Basis of preparation

The Group's interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The operating results for the three months period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the year ending 31 December 2011. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2010.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in preparation of the financial statements for the year ended 31 December 2010, except the amendments to standards as below which are applicable for the Group from 1 January 2011.

IAS 24 Related party disclosures (Revised)

The amended Standard clarified the definition of a related party and laid down additional requirement for disclosure of outstanding commitments to related parties. The adoption of the amendment did not have any impact on the financial position or performance of the Group, but gave rise to additional disclosures in the interim condensed consolidated financial information.

IAS 34 Interim Financial Reporting (Revised)

The amended standard provided clarification about significant events and transactions to be disclosed in the interim financial report and clarifies how to apply this principal in respect of financial instruments and their fair values. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

Find below the policy adopted for the first time:

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. Property, plant and equipment

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Net carrying value at beginning of the period / year	89,995,827	65,770,817	65,770,817
Additions	13,976,332	25,792,886	22,078,931
Foreign currency translation	(58,221)	(28,106)	(21,743)
Depreciation for the period / year	(1,252,084)	(1,539,770)	(1,169,238)
Net carrying value at end of the period / year	102,661,854	89,995,827	86,658,767

During 2008, the Group signed contracts with suppliers and contractors to construct a new kiln. The total value of the contracts signed for constructing and completing the works amounted to KD 97,645,300 till 30 September 2011, and the related an amount of KD 63,876,454 was completed from this contract. Property, plant and equipment are built on lands leased from Government Property for 5 years ending 2014.

During 2009 and 2011, the Group has contracted to purchase spare parts, equipment and plant for the new factory from an external supplier equivalent to amount of KD 27,327,677 as of 30 September 2011 (KD 22,068,498 as of 31 December 2010). It was agreed to repay these amounts by deferred letters of credits which are matured within one year. The value of these deferred letters of credit was recorded as payables and other credit balances till the settlement date. This transaction has been eliminated when preparing the interim condensed consolidated statement of cash flows as it is a non-cash transaction.

4. Intangible assets

This item includes an amount of KD 944,022 paid to acquire the right of utilization of land in the Sulibiya area for 20 years. The utilization right cost is amortized over the period of lease contract signed with the State Properties Management.

5. Investments in associates

	Incorporation Country	Ownership percentage %	30 September 2011	31 December 2010 (Audited)	30 September 2010
Kuwait Rocks Co. K.S.C.C.	Kuwait	30.00	523,868	684,402	639,537
Marine Contracting and Services Co. K.S.C.C	Kuwait	33.38	14,341,169	14,648,242	14,372,796
			14,865,037	15,332,644	15,012,333

The following shows the movement of the investments in associates:

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Balance at beginning of the period / year	15,332,644	14,816,073	14,816,073
Group's share of associates' results	(31,619)	584,889	354,514
Group's share in associates' reserves	(106,194)	(68,318)	(158,254)
Dividends received during the period / year	(329,794)	-	-
Balance at end of the period/year	14,865,037	15,332,644	15,012,333

The Group's share in results from associate companies is recorded based on the unaudited financial statements for the period ended 30 June 2011.

The investment balance in Marine Contracting and Services Company K.S.C.C includes goodwill of KD 493,168 as of 30 September 2011 (KD 493,198 as of 31 December 2010 and 30 September 2010).

6. Available for sale investments

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Quoted shares	60,016,526	84,349,046	88,356,897
Unquoted shares	4,713,154	4,934,276	4,953,588
Foreign funds	3,615,540	3,845,288	4,477,395
	68,345,220	93,128,610	97,787,880

Quoted investments include investments of KD 24,734,728 as of 30 September 2011 in National Industries Holding Group K.S.C., one of the major shareholders of the Group (KD 39,876,079 as of 31 December 2010 and KD 45,077,307 as of 30 September 2010).

Unquoted investments are stated at cost as their fair values could not be reliably determined and there were no active markets for these investments. The available information for these investments do not indicate the existence of any impairment.

Available for sale investments includes investments amounting to KD 3,281,576 as of 30 September 2011 (KD 3,845,288 as of 31 December 2010 and KD 4,269,418 as of 30 September 2010) valued based on the most recent available valuation reports during the period from investment managers as no reports were available for these investments as of the financial information date.

An impairment loss has been recorded of certain available for sale investments of KD 1,363,799 as of 30 September 2011 (KD 2,898,163 as of 30 September 2010) due to the significant decline in value, and this impairment has been recognized in the consolidated statement of income for the current period.

7. Inventory

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Raw materials	20,331,655	23,932,696	25,195,133
Finished goods	781,782	516,559	563,462
Letters of credit for purchase of inventory	109,156	-	78,841
	21,222,593	24,449,255	25,837,436

8. Receivables and other debit balances

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Amounts under collection at banks	1,545,955	752,841	815,974
Receivables against unconditional bank guarantees	3,260,546	3,592,007	3,566,319
Ministry of Commerce – differences from subsidizing cement to the public	1,795,838	2,086,081	1,914,875
Due from related parties (note 20)	1,822,159	1,070,333	1,652,099
Other trade receivables	4,383,806	3,567,731	2,041,954
Total trade receivables	12,808,304	11,068,993	9,991,221
Other debtors	1,040,699	463,642	386,901
	13,849,003	11,532,635	10,378,122
Provision for doubtful debts	(2,705,798)	(2,700,369)	(2,766,098)
	11,143,205	8,832,266	7,612,024
Prepaid expenses	313,182	297,433	390,851
Notes receivable	184,216	501,607	526,957
	11,640,603	9,631,306	8,529,832

9. Investments at fair value through profit or loss

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Local – quoted investments	1,880,275	4,032,351	5,127,416
Foreign investments	7,117,819	7,533,715	7,163,932
	8,998,094	11,566,066	12,291,348

Foreign investments as of 30 September 2011 include investments of KD 6,494,376 as at 30 September 2011 (KD 6,792,167 as of 31 December 2010 and KD 7,163,932 as of 30 September 2010) valued based on the most recent available reports from investment managers during the period.

10. Cash and cash equivalents

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Cash on hand & at banks	3,480,518	4,320,190	3,376,031
Cash at investment portfolios	2,827,081	1,047,807	1,244,078
Deposits at banks	3,879,999	7,738,239	8,200,084
Cheques under collection	213,158	63,746	49,551
	10,400,756	13,169,982	12,869,744

The average interest rate on bank deposits was 2.5% as of 30 September 2011 (3% as of 31 December 2010 and 3% as of 30 September). The deposits mature within three months from the date of deposit.

11. Share capital

By resolution of the Ordinary General Assembly meeting held on 17 April 2011, bonus shares at 5 % of share capital were distributed. Accordingly, the issued and fully paid up capital became KD 63,765,554 divided into 637,655,540 shares as of 30 September 2011 and all the shares are cash (KD 60,729,099 as of 31 December 2010 and 30 September 2010 divided into 607,290,989 shares, at 100 fils per each share). The commercial register was amended by this increase on 25 October 2011.

12. Treasury shares

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Number of shares - share	19,960,729	18,181,647	18,181,647
Percentage of issued shares (%)	3.13	2.99	2.99
Market value (KD)	10,579,186	12,181,703	12,727,153

13. Loans and bank facilities

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Current portion			
Bank facilities	1,000,562	145,668	401,154
Murabaha	3,000,000	-	3,000,000
Loans	19,846,969	34,986,170	30,015,085
	23,847,531	35,131,838	33,416,239
Non-current portion			
Loans	56,834,056	49,146,997	33,137,194
Murabaha	5,000,000	-	-
	61,834,056	49,146,997	33,137,194
Total loans and bank facilities	85,681,587	84,278,835	66,553,433

13.1 The average effective interest rate on loans and bank facilities was 4.25% as at 30 September 2011 (4.5% as of 31 December 2010 and 4.25% as of 30 September 2010).

13.2 Certain loans are secured by the whole factory location and the extension amounted to KD 21,036,903 as of 30 September 2011 (KD 22,063,513 as of 31 December 2010 and KD 22,405,716 as of 30 September 2010) and by available for sale investments of KD 1,786,900 as of 30 September 2011 (KD 2,880,750 as of 31 December 2010 and KD 3,256,500 as of 30 September 2010).

13.3 One of the main loans' covenants is that the Group will not distribute dividends if the ratio of current assets to current liabilities decreases less than (1.5:1) and not to pledge movable and non-movable funds to others before obtaining the written approval from the bank. The covenants also include that the ratio of net debts to operating profit increasing not more than (1:6) as well as the ratio of operating profit on interests is not less than (1:2) and the ratio of net debts to equity increases is not more than (1:0.8) and the ratio of liabilities to equity increases is not more than (1:1.3).

14. Payables and other credit balances

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Suppliers	3,493,939	5,577,893	5,294,318
Deferred letter of credits for purchase of plant	3,177,831	3,854,933	22,394,323
Advance payments	538,781	511,289	473,772
Accrued expenses and interests	1,772,635	2,228,458	2,087,851
Contribution to Kuwait Foundation for the Advancement of Sciences	253,623	131,218	241,376
National Labor Support Tax	274,446	302,967	251,936
Zakat	80,138	122,338	101,721
Dividends	468,910	430,410	444,260
Notes payable	121,480	209,014	109,584
Other	3,270,536	2,246,657	1,401,041
	13,452,319	15,615,177	32,800,182

15. Cost of sales

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Raw material	4,851,354	3,464,106	16,865,282	14,896,879
Change in finished goods	(303,552)	82,484	(265,223)	82,484
Salaries and benefits	339,390	480,749	1,497,263	1,520,907
Rent	209,422	180,083	544,274	610,993
Maintenance and spare parts	508,174	460,713	2,148,377	1,641,118
Others	886,177	78,994	2,740,145	299,808
	6,490,965	4,747,129	23,530,118	19,052,189

16. Other operating income\ (losses)

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Net income from investment properties	12,485	27,213	42,193	78,277
Gains / (losses) from foreign currency differences	80,370	(492,254)	292,093	1,491,486
Other income	74,109	19,788	1,031,698	134,608
	166,964	(445,253)	1,365,984	1,704,371

17. Net losses from investments

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Investments at fair value through profit or loss:				
Unrealized (losses) / profits	(515,715)	236,939	(274,949)	268,142
Cash dividends	-	-	-	85,059
Realized profits	6,859	-	97,068	-
	(508,856)	236,939	(177,881)	353,201
Available for sale investments:				
Impairment	(72,496)	(308,125)	(1,363,799)	(2,898,163)
Realized (losses) / gains	(14,026)	50,087	309,333	201,920
Cash dividends	27,225	-	1,318,910	1,186,920
Portfolio management fees	(42,465)	(27,111)	(125,245)	(113,991)
	(101,762)	(285,149)	139,199	(1,623,314)
	(610,618)	(48,210)	(38,682)	(1,270,113)

18. Earnings per share

Earnings per share are computed on the basis of net profit for the period divided by the weighted average number of ordinary shares outstanding, which is determined based on number of issued shares outstanding during the period, taking into account treasury shares, as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Net profit for the period	3,019,136	2,477,150	11,706,465	11,288,481
Weighted average number of outstanding shares during the period (shares)	618,143,289	618,564,811	618,422,760	618,564,811
Earnings per share (fils)	4.88	4.00	18.93	18.25

Earnings per share for the comparative period has been amended taking into consideration the bonus shares approved in the General Assembly of shareholders held on 17 April 2011.

19. Dividends

On 17 April 2011, the General Assembly of shareholders approved the consolidated financial statements for the year ended 31 December 2010, and approved the following:

Cash dividends of 10 fils per share after deducting treasury shares (2009: 10 fils) in addition to bonus shares of 5% from share capital for the year ended 31 December 2010 (2009: 5%).

Capital increase by 15% of the paid up capital after adding the bonus shares, subject to the regulator's approval, the capital increase by nominal value of 100 fils per share in addition to 225 fils as share premium.

20. Related party transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, other members of the board of directors, key management personnel, and subsidiaries in which the Parent company has representatives on their board. In the ordinary course of business, all related party significant transactions during the period ended 31 March 2011 were carried out in the ordinary course of business at terms approved by the Group's management. Following is the outstanding related parties' balances and transactions:

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Consolidated statement of financial position:			
Receivables and other debit balances	1,822,159	1,070,333	1,652,099
Provision for employees' end of service indemnity	506,181	551,568	494,809

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Consolidated statement of income				
Sales	1,174,807	1,220,401	3,513,998	4,125,989
Senior management benefits				
Executive committees fees	30,000	30,000	90,000	90,000
Salaries and other benefits	171,900	171,900	515,700	515,700

21. Capital liabilities and commitments

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Contingent liabilities			
Letters of guarantee	248,847	248,847	248,847
Capital commitments			
Letters of credit	11,508,873	15,042,994	34,563,898
Uncalled subscription relating to available for sale investments	183,431	183,431	183,431
Uncalled subscription relating to investments in funds	369,948	369,948	369,948
Contracts for importing raw materials	7,582,365	2,566,521	4,112,294
Projects in progress	33,768,755	41,218,072	42,992,857

22. Segment financial information

The primary segments information as follows:

Operating segments

The Group has determined the following two major business segments for internal reporting purposes:

- Manufacturing Sector which includes production and sale of cement
- Investment Sector

Financial information on the business segments for the period ended 30 September is as follows:

	2011			2010		
	Manufacturing Sector	Investment Sector	Total	Manufacturing Sector	Investment Sector	Total
Segments revenues / (expenses)	40,170,323	(28,108)	40,142,215	34,038,659	(837,323)	33,201,336
Total segments profit / (loss)	14,715,706	(28,108)	14,687,598	14,151,808	(837,323)	13,314,485
Segments assets	144,022,646	96,032,161	240,054,807	132,651,701	127,379,489	260,031,190

	30 September 2011	30 September 2010
Settlements		
Total segments profit	14,687,598	13,314,485
Finance charges	(2,510,579)	(1,905,827)
Interest income	110,082	451,080
Total segment's profit before deductions	12,287,101	11,859,738