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

Interim Condensed Consolidated Financial Information (Unaudited)
For the three months ended 31 March 2011
with review report

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

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

Report on Review of 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 at 31 March 2011, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-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 Memorandum and Articles of Association during the three-month period ended 31 March 2011 that might have had a material effect on the business of the Group or on its consolidated financial position.

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Kuwait
4 May 2011

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

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2011
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	31 March 2011	31 December 2010 (Audited)	31 March 2010
Assets				
Non-current assets				
Property, plant and equipment	3	92,834,453	89,995,827	74,909,446
Intangible assets	4	946,428	-	-
Investment properties		1,020,289	1,032,069	1,067,410
Investments in associates	5	15,282,833	15,332,644	14,542,155
Available for sale investments	6	76,179,341	93,128,610	98,609,861
		186,263,344	199,489,150	189,128,872
Current assets				
Inventory	7	22,124,982	24,449,255	26,240,912
Receivables and other debit balances	8	11,247,258	9,631,306	10,081,123
Investments at fair value through profit or loss	9	11,537,278	11,566,066	12,037,606
Cash and cash equivalents	10	17,902,128	13,169,982	28,392,436
		62,811,646	58,816,609	76,752,077
Total assets		249,074,990	258,305,759	265,880,949
Equity and liabilities				
Equity				
Share capital		60,729,099	60,729,099	57,837,237
Share premium		5,154,935	5,154,935	5,154,935
Treasury shares	11	(12,978,814)	(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 reserves		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		(10,164,697)	5,534,251	8,478,779
Group's share in associates' reserves		(705,407)	(685,885)	(736,211)
Retained earnings		20,549,761	15,670,397	18,615,441
Total equity		145,930,760	156,769,866	156,906,328
Liabilities				
Non-current liabilities				
Loans and bank facilities	12	61,051,948	49,146,997	47,928,900
Provision for employees' end of service indemnity		1,664,420	1,641,881	1,577,795
		62,716,368	50,788,878	49,506,695
Current liabilities				
Loans and bank facilities	12	27,745,550	35,131,838	25,282,400
Payables and other credit balances	13	12,682,312	15,615,177	34,185,526
		40,427,862	50,747,015	59,467,926
Total equity and liabilities		249,074,990	258,305,759	265,880,949

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
For the three months ended 31 March 2011
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March 2011	2010
Sales		13,496,382	12,718,957
Cost of sales	14	(6,326,014)	(6,611,046)
Gross profit		7,170,368	6,107,911
Other operating income	15	259,235	446,249
Selling, general and administrative expenses		(813,717)	(793,279)
Operating profit		6,615,886	5,760,881
Finance charges		(776,580)	(672,128)
Interest income		38,732	151,786
Net (losses)/ gains from investments	16	(718,967)	156,295
Group's share of associates' results		(30,289)	(155,274)
Net profit before deductions		5,128,782	5,241,560
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(51,288)	(50,871)
National Labor Support Tax (NLST)		(116,521)	(118,238)
Zakat expense		(46,609)	(47,669)
Board of Director's remuneration		(35,000)	(35,000)
Net profit for the period		4,879,364	4,989,782
Earnings per share (fils)	17	7.89	8.07

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

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

Interim Condensed Consolidated Statement of Comprehensive Income
For the three months ended 31 March 2011
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Three months ended 31 March	
	2011	**2010**
Net profit for the period	4,879,364	4,989,782
Other comprehensive (expenses)/ income for the period		
Net unrealized (losses) / gains from available for sale investments	(16,904,120)	14,581,811
Transferred to statement of income from sale of available for sale investments	5,700	8,080
Impairment of available for sale investments	1,199,472	306,731
Group's share in associates' reserves	(19,522)	(118,644)
Total other comprehensive (expenses) / income for the period	(15,718,470)	14,777,978
Total comprehensive(expenses) / income for the period	(10,839,106)	19,767,760

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
For the three months ended 31 March 2011
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Treasury shares	Gain from sale of treasury shares	Statutory reserve	Voluntary reserves	General reserve	Change in fair value reserve	Group's share in associates' reserves	Retained earnings	Total equity
Balance as 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	-	-	-	-	-	-	-	14,896,622	(118,644)	4,989,782	19,767,760
Balance as at 31 March 2010	57,837,237	5,154,935	(12,978,814)	445,592	33,060,865	28,098,376	18,930,128	8,478,779	(736,211)	18,615,441	156,906,328
Balance as 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	-	-	-	-	-	-	-	(15,698,948)	(19,522)	4,879,364	(10,839,106)
Balance as at 31 March 2011	60,729,099	5,154,935	(12,978,814)	445,592	34,466,326	29,503,837	18,930,128	(10,164,697)	(705,407)	20,549,761	145,930,760

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
For the three months ended 31 March 2011
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March	
		2011	2010
Cash flows form operating activities			
Net profit for the period		4,879,364	4,989,782
Adjustments:			
Depreciation and amortization		441,476	359,384
Provision for doubtful debts		-	3,215
Finance charges		776,580	672,128
Interest income		(38,732)	(151,786)
Net losses / (gains) from investments		718,967	(221,567)
Group's share of associates' results		30,289	155,274
Provision for employees' end of service indemnity		22,539	34,203
Net operating profit before working capital changes		6,830,483	5,840,633
Inventory		2,324,273	(2,003,757)
Receivables and other debit balances		(1,615,952)	(1,206,512)
Investments at fair value through profit or loss		8,712	(168)
Payables and other credit balances		(3,644,962)	752,537
Net cash generated from operating activities		3,902,554	3,382,733
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,448,094)	(5,360,493)
Purchase of intangible assets		(957,522)	-
Purchase of available for sale investments		(206,183)	(168)
Proceeds from sale of available for sale investments		165,563	337,381
Dividends received		592,050	433,811
Interest income received		38,732	151,786
Net cash used in investing activities		(2,815,454)	(4,437,683)
Cash flows from financing activities			
Dividends paid		-	(9,776)
Net paid for loans and bank facilities		4,518,663	(7,959,983)
Finance charges paid		(873,617)	(599,580)
Net cash generated from / (used in) financing activities		3,645,046	(8,569,339)
Net increase / (decrease) in cash and cash equivalents		4,732,146	(9,624,289)
Cash and cash equivalents at the beginning of the period		13,169,982	38,016,725
Cash and cash equivalents at the end of the period	10	17,902,128	28,392,436

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

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 has been listed on the Kuwait Stock Exchange since 29 September 1984. The main objectives of the Group are producing various kinds of cement products, trading in all cement products, materials and machines which are related to operation. Moreover, manufacturing and selling prefabricated concrete and import of all raw materials of concrete manufacturing and utilization of the surplus available in the financial and real estate portfolios managed by specialized companies.

The Parent Company is domiciled in Kuwait and the address of its head office is at : 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 its following fully-owned subsidiaries (together referred to as "the Group").

Company name	Legal entity	Activity	Country of incorporation
Shuwaikh Cement Co.	K.S.C.C.	Industrial	Kuwait
Amwaj Real Estate Co.	K.S.C.C.	Real estate	Kuwait
Kuwait Cement Readymix Co.	K.S.C.C.	Industrial	Kuwait

The Parent Company used financial information prepared by the subsidiary's management to prepare interim condensed consolidated financial information for the period ended 31 March 2011. The total assets of subsidiaries amounted to KD 11,066,409 as of 31 March 2011 (KD 8,035,252 as of 31 December 2010 and KD 8,772,674 as of 31 March 2010) and their net losses amounted to KD 81,995 for the period then ended (losses of KD 80,443 for the period ended 31 March 2010).

The accompanying interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on 4 May 2011.

2. Significant accounting policies

Basis of preparation

The 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 31 March 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

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Net carrying value at beginning of the period / year	89,995,827	65,770,817	65,770,817
Additions	3,266,564	25,792,886	9,516,436
Foreign currency translation	(9,336)	(28,106)	9,016
Depreciation for the period/year	(418,602)	(1,539,770)	(386,823)
Net carrying value at end of the period / year	92,834,453	89,995,827	74,909,446

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 97,357,485 till 31 March 2011, the value of contracts performed up to 31 March 2011 amounted to KD 57,341,854. 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 24,112,708 as of 31 March 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 in 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 is amortized over the period of lease contract signed with the State Properties Management.

5. Investments in associates

	Incorporation Country	Ownership percentage	31 March 2011	31 December 2010 (Audited)	31 March 2010
Kuwait Rocks Co. K.S.C.C.	Kuwait	30.00 %	674,949	684,402	643,982
Marine Contracting and Services Co. K.S.C.C.	Kuwait	33.38 %	14,607,884	14,648,242	13,898,173
			15,282,833	15,332,644	14,542,155

The following shows the movement of the investments in associates:

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Balance at beginning of the period/year	15,332,644	14,816,073	14,816,073
Group's share of associates' results	(30,289)	584,889	(155,274)
Group's share in associates' reserves	(19,522)	(68,318)	(118,644)
Balance at end of the period/year	15,282,833	15,332,644	14,542,155

The Group's share of results from associate companies is recorded based on their audited financial statements for the year ended 31 December 2010.

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

6. Available for sale investments

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Quoted shares	67,545,460	84,349,046	89,827,128
Unquoted shares	4,844,372	4,934,276	4,935,237
Foreign funds	3,789,509	3,845,288	3,847,496
	76,179,341	93,128,610	98,609,861

6.1 Quoted investments includes investments of KD 28,895,710 as of 31 March 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 44,436,393 as of 31 March 2010).

6.2 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.

6.3 Available for sale investments includes investments amounting to KD 3,605,883 (KD 3,845,288 as of 31 December 2010 and KD 3,285,547 as of 31 March 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 at the financial position date.

6.4 An impairment loss has been recorded on available for sale investments of KD 1,199,472 as of 31 March 2011 (KD 306,731 as of 31 March 2010) as the significant impairment in value, and this has been recognized in the statement of income for the current period.

7. Inventory

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Raw materials	21,645,719	23,932,696	25,693,389
Finished goods	447,150	516,559	482,426
Letter of credit for purchase of inventory	32,113	-	65,097
	22,124,982	24,449,255	26,240,912

8. Receivables and other debit balances

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Amounts under collection at banks	1,292,856	752,841	1,216,155
Receivables against unconditional bank guarantees	3,596,470	3,592,007	3,812,444
Ministry of Commerce – difference from subsidizing cement to the public	2,089,096	2,086,081	2,014,510
Related parties (note 19)	1,405,037	1,070,333	2,400,955
Other trade receivables	3,903,585	3,567,731	1,870,067
Total trade receivables	12,287,044	11,068,993	11,314,131
Other debtors	448,344	463,642	365,696
	12,735,388	11,532,635	11,679,827
Provision for doubtful debts	(2,702,282)	(2,700,369)	(2,759,347)
	10,033,106	8,832,266	8,920,480
Prepaid expenses	652,316	297,433	597,039
Notes receivable	561,836	501,607	563,604
	11,247,258	9,631,306	10,081,123

9. Investments at fair value through profit or loss

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Local - quoted investments	3,910,145	4,032,351	4,759,545
Foreign investments	7,627,133	7,533,715	7,278,061
	11,537,278	11,566,066	12,037,606

Foreign investments as of 31 March 2011 include KD 7,333,875 (KD 6,792,167 as of 31 December 2010 and KD 7,278,061 as of 31 March 2010) valued based on the most recent available reports from investment managers during the period.

10. Cash and cash equivalents

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Cash on hand & at banks	2,626,602	4,320,190	2,658,532
Cash at investment portfolios	1,630,061	1,047,807	1,495,379
Deposits at banks	13,411,219	7,738,239	24,238,525
Checks under collection	234,246	63,746	-
	17,902,128	13,169,982	28,392,436

The average interest rate on bank deposits was 3.25% as of 31 March 2011 (3% as of 31 December 2010 and 3% as of 31 March 2010). The deposits mature within three months from the date of deposit.

11. Treasury shares

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Number of shares - Share	18,181,647	18,181,647	17,315,856
Percentage of issued shares (%)	2.99	2.99	2.99
Market value (KD)	10,908,988	12,181,703	12,813,733

12. Loans and bank facilities

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Current portion			
Bank facilities	224,482	145,668	-
Loans	27,521,068	34,986,170	25,282,400
	27,745,550	35,131,838	25,282,400
Non-current portion			
Loans	61,051,948	49,146,997	47,928,900
Total loans and bank facilities	88,797,498	84,278,835	73,211,300

12.1 The average effective interest rate on loans and bank facilities was 4.5% as of 31 March 2011 (4.5% as of 31 December 2010 and 4.25% as of 31 March 2010).

12.2 Certain loans are secured by the whole office location and extensions of the factory with book value of KD 21,844,432 as of 31 March 2011 (KD 22,063,513 as of 31 December 2010 and KD 23,090,123 as of 31 March 2010) and available for sale investments of KD 2,087,500 as of 31 March 2011 (KD 2,880,750 as of 31 December 2010 and KD 3,214,750 as of 31 March 2010).

12.3 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 unless obtaining the written approval from the bank. The covenants also include that the ratio of net debts to operating profit increases is not more than (1:4) 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 (1:0.6) and the ratio of liabilities to equity increases is not more than (1:1.3).

13. Payables and other credit balances

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Suppliers	3,407,481	5,577,893	6,626,012
Deferred letters of credit against purchase of plant	2,264,758	3,854,933	21,588,689
Accrued interests and expenses	2,743,585	2,228,458	2,507,203
Advance payments	554,095	511,289	576,828
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	182,506	131,218	180,958
National Labor Support Tax (NLST)	116,521	302,967	419,767
Zakat	46,609	122,338	253,334
Dividends payable	430,168	430,410	437,199
Notes payable	167,692	209,014	106,491
Others	2,768,897	2,246,657	1,489,045
	12,682,312	15,615,177	34,185,526

14. Cost of sales

	Three months ended 31 March	
	2011	2010
Raw materials	4,148,477	5,103,196
Change in finished goods	69,409	83,741
Salaries and benefits	517,894	505,366
Lease rentals	257,575	212,126
Maintenance and spare parts	484,841	625,135
Others	847,818	81,482
	6,326,014	6,611,046

15. Other operating income

	Three months ended 31 March	
	2011	2010
Net income from investment properties	22,095	21,920
Foreign currency differences	81,472	327,563
Other income	155,668	96,766
	259,235	446,249

16. Net (losses) / gains from investments

	Three months ended 31 March	
	2011	2010
Investments at fair value through profit or loss:		
Unrealized (losses) / gains	(20,076)	14,946
Cash dividends	98,747	-
	78,671	14,946
Available for sale investments:		
Impairment	(1,199,472)	(306,731)
Realized (losses) / gains	(25,221)	79,541
Cash dividends	493,303	433,811
Portfolios management fees	(66,248)	(65,272)
	(797,638)	141,349
	(718,967)	156,295

17. 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 31 March	
	2011	2010
Net profit for the period	4,879,364	4,989,782
Weighted average number of outstanding shares during the period (share)	618,564,809	618,564,809
Earnings per share (fils)	7.89	8.07

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.

18. 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.

19. 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:

	31March 2011	31 December 2010 (Audited)	31 March 2010
Consolidated statement of financial position:			
Receivables and other debit balances	1,405,037	1,070,333	2,400,955
Provision for employees' end of service indemnity	504,475	551,568	501,068

	Three months ended 31 March	
	2011	2010
Consolidated statement of income		
Sales	1,105,955	1,624,453
Senior management benefits		
Executive committees fees	30,000	30,000
Salaries and other benefits	171,900	171,900

20. Capital liabilities and commitments

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Contingent liabilities			
Letters of guarantee	248,847	248,847	248,847
Capital commitments			
Letters of credit	13,853,025	15,042,994	23,522,324
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	3,373,836	2,566,521	5,595,829
Projects in progress	40,015,631	41,218,072	33,716,910

21. Segment financial information

The primary segment information is 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 31 March is as follows:

	2011			2010		
	Manufacturing Sector	Investment Sector	Total	Manufacturing Sector	Investment Sector	Total
Segments revenues / (expenses)	13,652,050	(727,161)	12,924,889	12,815,723	22,941	12,838,664
Total segments profit / (loss)	6,593,791	(727,161)	5,866,630	5,738,961	22,941	5,761,902
Segment assets	143,425,188	105,649,802	249,074,990	138,128,538	127,752,411	265,880,949

Reconciliation		
Segment's gross profit	5,866,630	5,761,902
Finance charges	(776,580)	(672,128)
Interest income	38,732	151,786
Total segment's profit before deduction	5,128,782	5,241,560