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

Interim condensed consolidated financial information (Unaudited)
For the six months ended 30 June 2010
And 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

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 30 June 2010, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-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 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 accounts of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the six-month period ended 30 June 2010, of the Commercial Companies' Law of 1960, as amended, or the Parent Company's memorandum and articles of association, which might have materially affected the Group's activities or its consolidated financial position.

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Kuwait
25 July 2010

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

Interim condensed consolidated statement of financial position as at 30 June 2010
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	30 June 2010	31 December 2009 (Audited)	30 June 2009
Assets				
Non-current assets				
Property, plant and equipment	3	81,580,299	65,770,817	43,440,370
Investment properties		1,055,630	1,039,971	1,083,142
Investments in associates	4	14,897,013	14,816,073	14,042,543
Available for sale investments	5	75,976,928	84,277,642	116,434,462
		173,509,870	165,904,503	175,000,517
Current assets				
Inventories	6	24,672,590	24,237,155	22,188,300
Property held for trading		-	-	389,004
Receivables and other debit balances	7	10,092,024	8,877,826	9,889,247
Investments at fair value through profit or loss	8	12,053,863	12,022,492	14,593,771
Cash and cash equivalents	9	19,171,052	38,016,725	30,338,500
		65,989,529	83,154,198	77,398,822
Total assets		239,499,399	249,058,701	252,399,339
Equity and liabilities				
Equity				
Share capital	10	60,729,099	57,837,237	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		33,060,865	33,060,865	31,700,720
Voluntary reserves		28,098,376	28,098,376	26,738,231
General reserve		18,930,128	18,930,128	18,930,128
Change of fair value reserve		(12,184,773)	(6,417,843)	16,358,302
Group's share in associates' reserves		(677,355)	(617,567)	(804,999)
Retained earnings		13,934,563	13,625,659	15,844,655
		134,512,616	137,138,568	159,225,987
Liabilities				
Non current liabilities				
Loans and bank facilities	12	39,023,315	54,937,790	29,998,590
Provision for employees' end of service indemnity		1,608,268	1,543,592	1,545,742
		40,631,583	56,481,382	31,544,332
Current liabilities				
Loans and bank facilities	12	32,755,326	26,233,493	53,615,672
Payables and other credit balances		31,599,874	29,205,258	8,013,348
		64,355,200	55,438,751	61,629,020
Total equity and liabilities		239,499,399	249,058,701	252,399,339

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 six months ended 30 June 2010
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 30 June		Six months ended 30 June	
		2010	2009	2010	2009
Sales		12,277,579	15,894,376	24,996,536	32,953,725
Cost of sales	13	(7,694,014)	(10,684,237)	(14,305,060)	(22,372,364)
Gross profit		4,583,565	5,210,139	10,691,476	10,581,361
Other operating income / (loss) and foreign currency		1,703,375	942,257	2,149,624	(1,480,965)
(Provide) / reversal of impairment	14	(6,984)	16,762,945	(6,984)	16,762,945
Selling, general and administrative expenses		(796,496)	(1,249,244)	(1,589,775)	(1,894,669)
Operating Profit		5,483,460	21,666,097	11,244,341	23,968,672
Finance charges		(612,907)	(670,327)	(1,285,035)	(1,966,919)
Interest income		209,257	69,366	361,043	308,737
Net profit /(loss) of investments at fair value through profit or loss	15	101,316	1,021,229	116,262	(1,053,492)
Net gains from available for sale investments	16	803,793	2,721,310	1,251,873	2,882,637
Impairment of available for sale investments	5	(2,283,307)	(3,364,934)	(2,590,038)	(10,498,218)
Group's share of associates' results	4	296,002	433,197	140,728	(704,958)
Net profit before deductions		3,997,614	21,875,938	9,239,174	12,936,459
Contribution to Kuwait foundation for the advancement of sciences (KFAS)		(37,688)	(128,292)	(88,559)	(128,292)
National Labor Support Tax (NLST)		(73,596)	(299,249)	(191,834)	(299,249)
ZAKAT		(29,781)	(196,970)	(77,450)	(196,970)
Board of Director's remuneration		(35,000)	-	(70,000)	-
Net profit for the period		3,821,549	21,251,427	8,811,331	12,311,948
Earnings per share (fils)	17	6.49	36.07	14.96	20.90

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 six months ended 30 June 2010
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Three months ended 30 June		Six months ended 30 June	
	2010	**2009**	**2010**	**2009**
Net profit for the period	3,821,549	21,251,427	8,811,331	12,311,948
Other comprehensive (expenses) / income for the period				
Net unrealized (loss) / gain from available for sale investments	(22,956,361)	40,586,295	(8,374,550)	10,351,784
Impairment of available for sale investments	2,283,307	3,364,934	2,590,038	10,498,218
Transferred to statement of income from sale of available for sale investments	9,502	(1,616,989)	17,582	(1,616,989)
Group's share in associates' reserves	58,856	(153,712)	(59,788)	(314,905)
	(20,604,696)	42,180,528	(5,826,718)	18,918,108
Total comprehensive (expenses) /income for the period	(16,783,147)	63,431,955	2,984,613	31,230,056

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 six months ended 30 June 2010
(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	Fair value reserve	Group's share in associates' reserves	Retained earnings	Total equity
Balance as of 1 January 2009	55,083,083	5,154,935	(12,978,814)	445,592	31,700,720	26,738,231	18,930,128	(2,874,711)	(490,094)	11,630,256	133,339,326
Total comprehensive income / (expenses) for the period	-	-	-	-	-	-	-	19,233,013	(314,905)	12,311,948	31,230,056
Cash dividends	-	-	-	-	-	-	-	-	-	(5,343,395)	(5,343,395)
Bonus shares dividends	2,754,154	-	-	-	-	-	-	-	-	(2,754,154)	-
Balance as of 30 June 2009	57,837,237	5,154,935	(12,978,814)	445,592	31,700,720	26,738,231	18,930,128	16,358,302	(804,999)	15,844,655	159,225,987
Balance as of 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 (expenses) / income for the period	-	-	-	-	-	-	-	(5,766,930)	(59,788)	8,811,331	2,984,613
Cash dividends (Note 18)	-	-	-	-	-	-	-	-		(5,610,565)	(5,610,565)
Bonus shares dividends (Note 18)	2,891,862	-	-	-	-	-	-	-	-	(2,891,862)	-
Balance as of 30 June 2010	60,729,099	5,154,935	(12,978,814)	445,592	33,060,865	28,098,376	18,930,128	(12,184,773)	(677,355)	13,934,563	134,512,616

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 cash flows for the six months ended 30 June 2010
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	Six months ended 30 June	
		2010	2009
Cash flows form operating activities			
Net profit for the period		8,811,331	12,311,948
Adjustments:			
Depreciation and amortization		858,332	281,078
Provide / (reversal) of impairment		6,984	(16,762,945)
Interest income		(361,043)	(308,737)
Net (profits) / losses of investments at fair value through profit or loss		(116,262)	1,053,492
Net gains from available for sale investments		(1,251,873)	(2,882,637)
Impairment in value of available for sale investments		2,590,038	10,498,218
Finance charges		1,285,035	1,966,919
Group's share of associates' results		(140,728)	704,958
Provision for employees' end of service indemnity		64,676	47,361
Net operating profit before working capital changes		11,746,490	6,909,655
Inventories		(435,435)	2,538,972
Receivables and other debit balances		(1,221,182)	1,169,296
Investments at fair value through profit or loss		(168)	2,077,369
Payables and other credit balances		(1,639,358)	1,009,302
Net cash generated from operating activities		8,450,347	13,704,594
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,708,844)	(6,683,611)
Purchase of available for sale investments		(557,529)	(4,111,564)
Proceeds from sale of available for sale investments		566,228	5,946,584
Dividends received		1,271,979	966,485
Interest income received		361,043	308,737
Net cash used in investing activities		(11,067,123)	(3,573,369)
Cash flows from financing activities			
Payment of dividends		(5,595,850)	(5,262,560)
Net paid for loans and bank facilities		(9,392,642)	(13,539,228)
Finance charges paid		(1,240,405)	(2,506,901)
Net cash used in financing activities		(16,228,897)	(21,308,689)
Net decrease in cash and cash equivalent		(18,845,673)	(11,177,464)
Cash and cash equivalents at the beginning of the period		38,016,725	41,515,964
Cash and cash equivalents at the end of the period	9	19,171,052	30,338,500

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

Notes to interim condensed consolidated financial information for the six months ended 30 June 2010 (Unaudited)
(All amounts are in Kuwaiti Dinar 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 has been listed on the Kuwait Stock Exchange since 29 September 1984. The main objectives of the Parent Company are producing various kinds of cement products, trading in all cement products, materials and machines which are related to operation 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 subsidiaries (together referred to as "the Group").

Company name	Shareholding percent	Country of incorporation	Legal entity
Shuwaikh Cement Company	100 %	Kuwait	Company K.S.C. (Closed)
Amwaj Real Estate Company	100 %	Kuwait	Company K.S.C. (Closed)

The Parent Company used financial information prepared by the subsidiary's management to prepare interim condensed consolidated financial information for the period ended 30 June 2010. The total assets of subsidiaries amounted to KD 6,778,115 as at 30 June 2010 (KD 8,094,769 as of 31 December 2009 and KD 9,073,797 as of 30 June 2009) and their net losses amounted to KD 243,266 for the period then ended (profit amounted to KD 52,550 for the period ended 30 June 2009).

The accompanying interim condensed consolidated financial information was authorized for issue by Parent Company's board of director's on 25 July 2010.

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 six months period ended 30 June 2010 are not necessarily indicative of the results that may be expected for the year ending 31 December 2010. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2009.

The same accounting policies and methods of computation are followed in the interim condensed consolidated financial information as those followed in the latest financial statements as of 31 December 2009 prepared according to International Financial Reporting Standards, except for changes resulting from the amendments to the IFRS.

During the period, the Group has applied all the standards effective as of 1 January 2010.

The principal changes to the Group's accounting policies are related to the following.

- IFRS 3 (revised), *'Business Combinations'*
- IAS 27, 'Consolidated and Separate Financial Statements'
- Amendments to IAS 28: 'Investments in Associates'

There is no effect on the interim condensed consolidated financial information for the period ended 30 June 2010 as a result of adopting the standards mentioned above.

3. Property, plant and equipment

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Net carrying value at beginning of period/year	65,770,817	12,807,223	12,807,223
Additions	16,660,315	29,946,911	6,683,611
Foreign currency translation	23,158	58,171	70,710
Recovery of impairment	-	24,116,733	24,116,733
Depreciation for the period/year	(873,991)	(1,158,221)	(237,907)
Net carrying value at end of period/year	81,580,299	65,770,817	43,440,370

During 2008, the Group signed a contract with suppliers and contractors to construct a new kiln, the total value of the contracts made for constructing and completing works amounted to KD 91,627,602 till 30 June 2010, and the total paid amounted to KD 45,867,862 till 30 June 2010. These constructions are built on leased lands for 25 years ending 2020.

During 2009, the Group has entered in a contract with an external supplier for the purchase of spare parts, equipment, and machinery for the new factory. It has been agreed to pay an amount of KD 20,517,354 (equivalent to Euro 57,327,052) as of 30 June 2010 (KD 17,432,746 as of 31 December 2009) by deferred payment documentary credits as agreed with the supplier and the banks. The value of deferred documentary credits is recognized under payables and other credit balances. This transaction was eliminated when preparing the interim condensed consolidated statement of cash flows as it is a non-cash transaction.

4. Investments in associates

	Percentage of ownership interest	30 June 2010	31 December 2009 (Audited)	30 June 2009
Kuwait Rocks Company K.S.C.C.	30.00 %	642,220	884,799	920,294
Marine Contracting and Services Company K.S.C.	33.38 %	14,254,793	13,931,274	13,122,249
		14,897,013	14,816,073	14,042,543

The following shows the movement of the investments balances of the associates during the period/ year:

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Balance at beginning of the period/year	14,816,073	15,062,406	15,062,406
Group's share of associates results	140,728	(118,860)	(704,958)
Group's share in associates' reserves	(59,788)	(127,473)	(314,905)
Balance at end of the period/year	14,897,013	14,816,073	14,042,543

The Group's share of results from associate companies is recorded based on their unaudited financial statements for the period ended 31 March 2010.

The investment Marine Contracting and Services Company K.S.C includes goodwill of KD 493,168 as of 30 June 2010 (KD 493,168 as of 31 December 2009 and 30 June 2009).

5. Available for sale investments

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Quoted shares	66,489,295	75,511,232	106,718,210
Unquoted shares	5,058,266	4,944,985	4,087,509
Foreign funds	4,429,367	3,821,425	5,628,743
	75,976,928	84,277,642	116,434,462

5.1 Quoted investments include investments in National Industries Group K.S.C. amounting to KD 28,433,378 as of 30 June 2010 in which is one of the major shareholders of the Group (KD 34,674,851 as of 31 December 2009 and KD 52,012,277 as of 30 June 2009).

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

5.3 As of 30 June 2010, the available for sale investments amounting to KD 4,421,649 (KD 2,015,489 as of 31 December 2009 and KD 4,321,467 as of 30 June 2009) valued based on the most recent available valuation reports from the investment managers as no reports were available for these investments as of the financial position date.

5.4 During the period ended 30 June 2010, the management of the Group estimated impairment losses on available for sale investments based on the prepared studies to be KD 2,590,038 (KD 10,498,218 for the period ended 30 June 2009) and this has been recognized in the interim condensed consolidated statement of income for the period.

6. Inventories

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Raw materials (net)	24,070,478	23,636,990	21,620,124
Finished Goods	566,166	566,166	531,056
Letter of credit for purchase of inventories	35,946	33,999	37,120
	24,672,590	24,237,155	22,188,300

7. Receivables and other debit balances

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Amounts under collection at banks	1,102,354	1,746,130	1,667,160
Receivable against unconditional bank guarantees	3,511,524	3,247,783	3,870,101
Ministry of commerce – cement support difference delivered to people	2,304,625	1,998,051	2,621,216
Related parties	1,276,675	2,054,592	1,656,687
Trade receivables	3,158,855	1,820,708	1,157,133
Total trade receivables	11,354,033	10,867,264	10,972,297
Other receivables	402,277	391,781	290,755
	11,756,310	11,259,045	11,263,052
Provision for doubtful debts	(2,762,385)	(2,755,401)	(1,740,531)
	8,993,925	8,503,644	9,522,521
Prepaid expenses	468,145	208,457	346,185
Notes receivables	629,954	165,725	20,541
	10,092,024	8,877,826	9,889,247

8. Investments at fair value through profit or loss

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Local - quoted investments	4,660,499	4,743,680	7,979,846
Foreign investments	7,393,364	7,278,812	6,613,925
	12,053,863	12,022,492	14,593,771

As of 30 June 2010, the foreign investments of KD 7,393,364 (KD 5,638,674 as of 31 December 2009 and KD nil as of 30 June 2009) were valued based on recent available reports from investment managers during the period.

9. Cash and cash equivalents

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Cash on hand & at banks	1,644,061	5,160,239	2,202,206
Cash at investment portfolios	1,196,055	1,374,889	8,048,742
Deposits at banks	16,292,936	31,361,642	20,037,548
Cheques under collection	38,000	119,955	50,004
	19,171,052	38,016,725	30,338,500

The average interest rate on bank deposits was 3% as of 30 June 2010 (3% as of 31 December 2009 and 3.25% as of 30 June 2009). These deposits mature within three months from the date of deposit.

10. Share capital

On 26 April 2010, the ordinary General Assembly approved to the distribution of bonus shares of 5% from share capital. Accordingly, the issued and fully paid up share capital consists of KD 60,729,099 distributed over 607,290,989 shares as of 30 June 2010 and fully paid in cash (KD 57,837,237 distributed over 578,372,372 shares as of 31 December 2009 and 30 June 2009 with a nominal value of 100 fils per share). The commercial register was amended by this increase on 9 June 2010.

11. Treasury shares

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Number of shares - Share	18,181,647	17,315,856	17,315,856
Percentage of issued shares (%)	2.99	2.99	2.99
Market value (KD)	11,090,805	8,831,087	9,696,879

12. Loans and bank facilities

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Current portion			
Bank facilities	1,124,242	13,493	5,148,472
Loans	31,631,084	26,220,000	48,467,200
	32,755,326	26,233,493	53,615,672
Non-current portion			
Loans	39,023,315	54,937,790	29,998,590
Total loans and bank facilities	71,778,641	81,171,283	83,614,262

12.1 The average effective interest rate on loans and bank facilities was 4.25% as of 30 June 2010 (4.5% as of 31 December 2009 and 4.15% as of 30 June 2009).

12.2 Certain loans are secured by the whole office location and extensions of the factory with book value of KD 22,747,919 as of 30 June 2010 (KD 23,432,326 as of 31 December 2009 and KD 24,116,733 as of 30 June 2009) and by available for sale investments of KD 2,054,100 as of 30 June 2010 (KD 2,505,000 as of 31 December 2009 and KD 3,757,500 as of 30 June 2009).

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 after obtaining written approval from the bank. The loans' covenant also includes that the ratio of net debts to operations profit increases more than (1:4) as well as the ratio of operating profit on interests not less than (1:4) and the ratio of net debts to equity increases more than (1:6).

13. Cost of sales

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Raw materials	6,329,577	8,492,828	11,432,773	18,233,326
Change in the finished goods	(83,741)	265,357	-	285,682
Salaries and benefits	534,792	618,779	1,040,158	1,148,353
Lease rentals	218,784	97,967	430,910	196,802
Maintenance and spare parts	555,270	695,928	1,180,405	1,827,509
Other	139,332	513,378	220,814	680,692
	7,694,014	10,684,237	14,305,060	22,372,364

14. (Provide) / reversal of impairment

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Reversal of impairment of properties, plant and equipment	-	24,116,733	-	24,116,733
Impairment of inventory	-	(6,226,893)	-	(6,226,893)
Provision for doubtful debts	(6,984)	(1,126,895)	(6,984)	(1,126,895)
	(6,984)	16,762,945	(6,984)	16,762,945

15. Net profit / (loss) of investments at fair value through profit or loss

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Unrealized gain /(loss)	16,257	1,021,526	31,203	(1,049,082)
Cash dividends	85,059	-	85,059	2,258
Portfolios management fees	-	(297)	-	(6,668)
	101,316	1,021,229	116,262	(1,053,492)

The unrealized gain / (loss) includes gain from change in fair value of derivatives amounting to KD nil as of 30 June 2010 (KD 63,404 as of 30 June 2009).

16. Net gain from available for sale investments

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Realized gain	72,292	2,343,273	151,833	2,000,498
Cash dividends	753,109	425,618	1,186,920	964,227
Portfolios management fees	(21,608)	(47,581)	(86,880)	(82,088)
	803,793	2,721,310	1,251,873	2,882,637

17. Earnings per share

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

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Net profit for the period (KD)	3,821,549	21,251,427	8,811,331	12,311,948
Weighted average number of outstanding shares during the period (share)	589,109,342	589,109,342	589,109,342	589,109,342
Earnings per share (fils)	6.49	36.07	14.96	20.90

Bonus shares approved in the General Assembly for shareholders held on 26 April 2010 have been considered for the calculation of earnings per share for current period and also for the comparative period.

18. Dividends

On 26 April 2010, the General Assembly of shareholders approved the consolidated financial statements for the year ended 31 December 2009, and approved cash dividends of 10 fils per share after deducting treasury shares (2008: 10 fils) in addition to bonus shares of 5% from share capital (2008: 5%).

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 30 June 2010 were carried out in the ordinary course of business at terms approved by the Group's management.

Following is a summary of significant related party transactions:

	30 June	
	2010	2009
Consolidated statement of financial position:		
Due from related party	1,276,675	1,656,687
Provision for employees' end of service indemnity	492,493	490,571

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
Consolidated statement of income				
Sales	1,281,135	1,240,559	2,905,588	2,483,639
Senior management benefits				
Fees for executive committees	30,000	30,000	60,000	60,000
Salaries and other benefits	171,900	171,900	343,800	343,800

20. Capital liabilities and commitments

	30 June 2010	31 December 2009 (Audited)	30 June 2009
Contingent liabilities			
Letters of guarantee	248,847	248,847	248,847
Capital commitments			
Letters of credit	21,589,244	25,026,712	26,669,616
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	700,797
Contracts for importing raw materials	4,030,994	7,976,985	7,677,787
Projects in progress	45,759,740	27,454,529	50,169,901

21. 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
- Investment Sector

Financial information about business segments for the period ended 30 June is as follows:

	2010			2009		
	Manufacturing Sector	Investment Sector	Total	Manufacturing Sector	Investment Sector	Total
Segments revenues / (expenses)	25,111,356	(1,030,111)	24,081,245	57,206,868	(9,350,503)	47,856,365
Total segments profit / (loss)	11,193,277	(1,030,111)	10,163,166	23,945,144	(9,350,503)	14,594,641
Segment assets	134,319,910	105,179,489	239,499,399	97,807,675	154,591,664	252,399,339

Reconciliation	30 June 2010	30 June 2009
Segment's gross profit	10,163,166	14,594,641
Finance cost	(1,285,035)	(1,966,919)
Interest income	361,043	308,737
Total segment's profit before deduction	9,239,174	12,936,459