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

Interim condensed consolidated financial information (unaudited)
and review report for the six months ended 30 June 2011

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State of Kuwait

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Kuwait Cement Company K.S.C
State of Kuwait

Independent auditor's 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 2011, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months 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 accounts of the Parent Company. To the extent of information made available to us, We further report that nothing have come to our attention indicating any contravention during the six months period ended 30 June 2011, of the Commercial Companies' Law of 1960, as amended, or the Parent Company's Articles of Association, which might have materially affected the Group's activities or its consolidated financial position.

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Kuwait: 8 August 2011

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

Interim condensed consolidated statement of financial position (unaudited)
As at 30 June 2011

	Note	30 June 2011	31 December 2010 (Audited)	30 June 2010
Assets		KD	KD	KD
Non-current assets				
Property, plant and equipment	3	95,777,782	89,995,827	81,580,299
Intangible assets	4	936,831	-	-
Investment properties		1,008,509	1,032,069	1,055,630
Investments in associates	5	14,903,533	15,332,644	14,897,013
Available for sale investments	6	72,659,738	93,128,610	75,976,928
		185,286,393	199,489,150	173,509,870
Current assets				
Inventory	7	21,615,814	24,449,255	24,672,590
Receivables and other debit balances	8	12,284,742	9,631,306	10,092,024
Investments at fair value through profit or loss	9	9,958,123	11,566,066	12,053,863
Cash and cash equivalents	10	11,203,521	13,169,982	19,171,052
		55,062,200	58,816,609	65,989,529
Total assets		240,348,593	258,305,759	239,499,399
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	(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 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		(13,332,709)	5,534,251	(12,184,773)
Group's share in associates' reserves		(787,388)	(685,885)	(677,355)
Retained earnings		15,430,178	15,670,397	13,934,563
		140,597,639	156,769,866	134,512,616
Liabilities				
Non-current liabilities				
Loans and bank facilities	13	52,620,031	49,146,997	39,023,315
Provision for employees' end of service indemnity		1,689,027	1,641,881	1,608,268
		54,309,058	50,788,878	40,631,583
Current liabilities				
Loans and bank facilities	13	33,872,738	35,131,838	32,755,326
Payables and other credit balances	14	11,569,158	15,615,177	31,599,874
		45,441,896	50,747,015	64,355,200
Total equity and liabilities		240,348,593	258,305,759	239,499,399

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 six months ended 30 June 2011

		Three months ended 30 June		Six months ended 30 June	
		2011	2010	2011	2010
	Note	KD	KD	KD	KD
Sales		14,045,730	12,277,579	27,542,112	24,996,536
Cost of sales	15	(10,713,139)	(7,694,014)	(17,039,153)	(14,305,060)
Gross profit		3,332,591	4,583,565	10,502,959	10,691,476
Other operating income	16	939,785	1,703,375	1,199,020	2,149,624
Selling, general and administrative expenses		(812,412)	(803,480)	(1,626,129)	(1,596,759)
Operating Profit		3,459,964	5,483,460	10,075,850	11,244,341
Finance costs		(841,815)	(612,907)	(1,618,395)	(1,285,035)
Interest income		50,508	209,257	89,240	361,043
Net gains/(losses) from investments	17	1,290,903	(1,378,198)	571,936	(1,221,903)
Group's share of associates' results		32,475	296,002	2,186	140,728
Net profit before deductions		3,992,035	3,997,614	9,120,817	9,239,174
Contribution to Kuwait Foundation for the Advancement of Sciences		(38,477)	(37,688)	(89,765)	(88,559)
National Labor Support tax		(78,995)	(73,596)	(195,516)	(191,834)
Zakat		(31,598)	(29,781)	(78,207)	(77,450)
Board of directors' remuneration		(35,000)	(35,000)	(70,000)	(70,000)
Net profit for the period		3,807,965	3,821,549	8,687,329	8,811,331
Earnings per share (fils)	18	6.16	6.18	14.04	14.24

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 (unaudited)
For the six months ended 30 June 2011

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Net profit for the period	3,807,965	3,821,549	8,687,329	8,811,331
Other comprehensive expenses for the period				
Unrealized losses from available for sale investments	(2,988,715)	(22,956,361)	(19,892,835)	(8,374,550)
Transferred to statement of income from sale of available for sale investments	(271,128)	9,502	(265,428)	17,582
Impairment of available for sale investments	91,831	2,283,307	1,291,303	2,590,038
Group's share in associates' reserves	(81,981)	58,856	(101,503)	(59,788)
Total other comprehensive expenses for the period	(3,249,993)	(20,604,696)	(18,968,463)	(5,826,718)
Total comprehensive income / (expenses) for the period	557,972	(16,783,147)	(10,281,134)	2,984,613

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 changes in equity(unaudited)
For the six months ended 30 June 2011

	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
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
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 (expenses)/income for the period	-	-	-	-	-	-	-	(5,766,930)	(59,788)	8,811,331	2,984,613
Cash dividends (note 19)	-	-	-	-	-	-	-	-		(5,610,565)	(5,610,565)
Bonus shares (note 19)	2,891,862	-	-	-	-	-	-	-	-	(2,891,862)	-
Balance at 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
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	-	-	-	-	-	-	-	(18,866,960)	(101,503)	8,687,329	(10,281,134)
Bonus shares (note 19)	3,036,455	-	-	-	-	-	-	-	-	(3,036,455)	-
Cash dividends (note 19)	-	-	-	-	-	-	-	-	-	(5,891,093)	(5,891,093)
Balance at 30 June 2011	63,765,554	5,154,935	(12,978,814)	445,592	34,466,326	29,503,837	18,930,128	(13,332,709)	(787,388)	15,430,178	140,597,639

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 (unaudited)
For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 KD	Six months ended 30 June 2010 KD
Cash flows from operating activities			
Net profit for the period		8,687,329	8,811,331
Adjustments:			
Depreciation and amortization		862,512	858,332
Provision for doubtful debts		5,048	6,984
Net (gains)/losses from investments		(571,936)	1,221,903
Finance costs		1,618,395	1,285,035
Interest income		(89,240)	(361,043)
Group's share of associates' results		(2,186)	(140,728)
Provision for employees' end of service indemnity		47,146	64,676
Net operating profit before working capital changes		10,557,068	11,746,490
Inventory		2,833,441	(435,435)
Receivables and other debit balances		(2,658,484)	(1,221,182)
Investments at fair value through profit or loss		1,938,918	(168)
Payables and other credit balances		(4,732,570)	(1,639,358)
Net cash generated from operating activities		7,938,373	8,450,347
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,782,929)	(12,708,844)
Purchase of intangible assets		(960,712)	-
Purchase of available for sale investments		(206,183)	(557,529)
Proceeds from sale of available for sale investments		757,371	566,228
Dividends received		1,621,479	1,271,979
Interest income received		89,240	361,043
Net cash used in investing activities		(4,481,734)	(11,067,123)
Cash flows from financing activity			
Dividends paid		(5,839,224)	(5,595,850)
Loans and bank facilities		2,213,934	(9,392,642)
Finance costs paid		(1,797,810)	(1,240,405)
Net cash used in financing activities		(5,423,100)	(16,228,897)
Net decrease in cash and equivalents		(1,966,461)	(18,845,673)
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	11,203,521	19,171,052

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

The Parent Company used financial information prepared by the subsidiaries' management to prepare the interim condensed consolidated financial information for the six month period ended 30 June 2011. The subsidiaries' total assets amounted to KD 12,345,548 as at 30 June 2011 (31 December 2010: KD 8,035,252, 30 June 2010: KD 6,778,115) and their net losses amounted to KD 173,549 for the period ended 30 June 2011. (Losses amounting to KD 243,266 for period ended 30 June 2010).

The accompanying interim condensed consolidated financial information was authorized for issue by Parent Company's board of director's on 8 August 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 disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. Management believes that all adjustments representing normal recurring accruals considered necessary for a fair presentation have been included. The operating results for the six month period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2010.

2. Significant accounting policies (continued)

Basis of preparation (continued)

The accounting policies applied in this interim condensed consolidated financial information are the same as those applied in the preparation of consolidated financial statements for the year ended 31 December 2010 except for the amendments to standards which are to be applied to the Group as of 1 January 2011 as follows:

IAS 24 (revised): Related Party Disclosures
The standard clarifies the definition of related parties and provides additional requirements for disclosing the outstanding liabilities of related parties. The adoption of this amendment will not have any impact on the financial position of the Group or on its financial performance, but results in additional disclosures in the interim financial information.

IAS 34 (revised): "Interim Financial Reporting"
The standard provides clarification of the significant events and transactions to be disclosed in the interim financial reporting. It also clarifies how to apply the amendment related to the financial instruments and their fair values. The adoption of this amendment will not have any impact on the financial position or performance of the Group.
The policies adopted for the first time are as follows:
Intangible assets

Intangible assets with definite life, which are separately acquired, are carried at cost less accumulated amortization and impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives.

The useful live and amortization method are reviewed at the end of each financial period. Change in estimations are accounted for as of the beginning of the financial year in which the change occurred.

Intangible assets with infinite life, which are separately acquired, are carried at cost less impairment losses.

Intangible assets are removed on disposal or when it is proved that there will not be any future benefit resulting from use of these assets. The profit and loss resulting from disposal are measured by the difference between the net proceeds and carrying value of the disposed asset and are then recorded in the consolidated statement of income.

3. Property, plant and equipment

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Net carrying value at beginning of the period/year	89,995,827	65,770,817	65,770,817
Additions	6,659,805	25,792,886	16,660,315
Foreign currency translation	(62,779)	(28,106)	23,158
Depreciation for the period / year	(815,071)	(1,539,770)	(873,991)
Net carrying value at end of the period/year	95,777,782	89,995,827	81,580,299

3. Property, plant and equipment (continued)

During 2008, the Group signed a contract with suppliers and contractors to construct a new kiln factory. The total value of the contracts signed for constructing and completing the works amounted to KD 97,713,401 up to 30 June 2011. The total amount executed up to 30 June 2011 is KD 60,352,082. Property, plant and equipment are built on lands leased from Government Property Management for 5 years ended 2014.

During 2009 and 2011, the Group has signed an agreement with a foreign supplier for the purchase of spare parts, equipment, and plant for the new factory. It has been agreed to pay an amount of KD 24,034,362 as of 30 June 2011 (31 December 2010: KD 22,068,498) using a deferred letter of credit due within a year. The value of the deferred letter of credits was included within payable and other credit balances till the settlement date. This transaction was eliminated when preparing the interim condensed consolidated statement of cash flows as it is a non-cash transaction.

4. Intangible assets

The group acquired the right of utilization of land in Al-Sulibiya area for 20 years for KD 944,022. The right of use of land is amortized over the period of the lease contract signed with the State Properties Management.

5. Investments in associates

	Country of incorporation	Ownership percentage %	30 June 2011	31 December 2010 (Audited)	30 June 2010
			KD	KD	KD
Kuwait Rocks Company K.S.C.C.	Kuwait	30.00	580,953	684,402	642,220
Marine Contracting and Services Company K.S.C.C	Kuwait	33.38	14,322,580	14,648,242	14,254,793
			14,903,533	15,332,644	14,897,013

The movement on investments in associates is as follows:

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Balance at beginning of the period/year	15,332,644	14,816,073	14,816,073
Group's share of associates' results	2,186	584,889	140,728
Group's share in associates' reserves	(101,503)	(68,318)	(59,788)
Dividends received during the period / year	(329,794)	-	-
Balance at end of the period/year	14,903,533	15,332,644	14,897,013

The Group's share in results from associate companies are recognized based on the unaudited financial statements for the period ended 31 March 2011.

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

6. Available for sale investments

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Quoted shares	64,437,929	84,349,046	66,489,295
Unquoted shares	4,811,484	4,934,276	5,058,266
Foreign funds	3,410,325	3,845,288	4,429,367
	72,659,738	93,128,610	75,976,928

The quoted investments include investments amounting to KD 26,352,887 as at 30 June 2011 in the shares of National Industries Group Holding K.S.C., which is one of the major shareholders of the parent company (31 December 2010: KD 39,876,079, and 30 June 2010: KD 28,433,378).

Unquoted investments were stated at cost since their fair values can not be reliably determined and there have not been active markets for such investments. The information available for these investments does not indicate the existence of an impairment.

Available for sale investments include investments amounting to KD 3,410,325 as at 30 June 2011 (31 December 2010: KD 3,845,288, and 30 June 2010: KD 4,421,649) valued based on recent available valuation reports from investment managers during the period as no reports were available for these investments as at the date of financial information.

Impairment of certain available for sale investments was recognized of KD 1,291,303 as at 30 June 2011 (30 June 2010: KD 2,590,038) as a result the significant decrease in their value. This impairment was recognized in the statement of income for the current period.

7. Inventory

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Raw materials	21,074,661	23,932,696	24,070,478
Finished goods	478,230	516,559	566,166
Letters of credit for purchase of inventory	62,923	-	35,946
	21,615,814	24,449,255	24,672,590

8. Receivables and other debit balances

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Amounts under collection at banks	974,345	752,841	1,102,354
Receivables against unconditional bank guarantees	3,402,057	3,592,007	3,511,524
Ministry of Commerce – differences from subsidizing cement to the public	2,059,391	2,086,081	2,304,625
Due from related parties (note 20)	1,696,684	1,070,333	1,276,675
Other trade receivables	4,909,081	3,567,731	3,158,855
Total trade receivables	13,041,558	11,068,993	11,354,033
Other receivables	1,017,115	463,642	402,277
	14,058,673	11,532,635	11,756,310
Doubtful debts	(2,703,326)	(2,700,369)	(2,762,385)
	11,355,347	8,832,266	8,993,925
Prepaid expenses	560,870	297,433	468,145
Notes receivable	368,525	501,607	629,954
	12,284,742	9,631,306	10,092,024

9. Investments at fair value through profit or loss

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Local investments – quoted	2,039,081	4,032,351	4,660,499
Foreign investments	7,919,042	7,533,715	7,393,364
	9,958,123	11,566,066	12,053,863

Foreign investments include investments amounting to KD 7,092,982 as at 30 June 2011 (31 December 2010: KD 6,792,167, and 30 June 2010: KD 7,393,364) valued based on the last available reports from investment managers during the period.

10. Cash and cash equivalents

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Cash on hand & at banks	4,936,443	4,320,190	1,644,061
Cash at investment portfolios	2,205,617	1,047,807	1,196,055
Deposits at banks	3,868,083	7,738,239	16,292,936
Cheques under collection	193,378	63,746	38,000
	11,203,521	13,169,982	19,171,052

The average interest rate on bank deposits was 2.75% as at 30 June 2011 (31 December 2010: 3%, and 30 June 2010: 3%). These deposits mature within three months from the date of deposit.

11. Share capital

By resolution of the extraordinary general assembly meeting held on 17 April 2011, bonus shares at 5 % of share capital were distributed. Accordingly, the issued and paid capital became KD 63,765,554 divided into 637,655,540 shares as at 30 June 2011 and all the shares are cash (31 December 2010 and 30 June 2010: KD 60,729,099 divided into 607,290,989 shares, at 100 fils per each share). This has not been recorded in the commercial register to date.

12. Treasury shares

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Number of shares - share	19,090,729	18,181,647	18,181,647
Percentage of issued shares (%)	2.99	2.99	2.99
Market value (KD)	10,881,716	12,181,703	11,090,805

13. Loans and bank facilities

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Current portion			
Bank facilities	3,837,168	145,668	1,124,242
Loans	30,035,570	34,986,170	31,631,084
	33,872,738	35,131,838	32,755,326
Non-current portion			
Loans	52,620,031	49,146,997	39,023,315
Total loans and bank facilities	86,492,769	84,278,835	71,778,641

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

Certain loans are secured by the factory and its extensions of the factory with book value of KD 21,379,106 as of 30 June 2011 (31 December 2010: KD 22,063,513 and 30 June 2010: KD 22,747,919) and also available for sale investments of KD 1,903,800 as of 30 June 2011 (31 December 2010: KD 2,880,750 and 30 June 2010: KD 2,054,100).

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 written approval from the bank. The loans' covenant also state that the ratio of net debts to operating profit not be more than (1:4) and the ratio of operating profit to interests not be less than (1:2) and the ratio of net debts to equity increases not be more than (1:0.6) and the ratio of liabilities to equity not be more than (1:1.3).

14. Payables and other credit balances

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Suppliers	4,219,102	5,577,893	5,771,516
Deferred letter of credits for purchase of plant	1,502,204	3,854,933	20,517,355
Accrued expenses and interests	1,616,522	2,228,458	1,736,714
Advance payments	534,419	511,289	545,032
Contribution to Kuwait Foundation for the Advancement of Sciences	222,336	131,218	217,335
National Labor Support Tax	195,517	302,967	191,834
Zakat	78,207	122,338	77,450
Dividends	482,279	430,410	461,690
Notes payable	170,831	209,014	112,870
Other	2,547,741	2,246,657	1,968,078
	11,569,158	15,615,177	31,599,874

15. Cost of sales

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Raw material	7,865,451	6,329,577	12,013,928	11,432,773
Change in finish goods	(31,080)	(83,741)	38,329	-
Salaries and benefits	639,979	534,792	1,157,873	1,040,158
Lease rentals	77,277	218,784	334,852	430,910
Maintenance and spare parts	1,155,362	555,270	1,640,203	1,180,405
Other	1,006,150	139,332	1,853,968	220,814
	10,713,139	7,694,014	17,039,153	14,305,060

16. Other operating income

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Net income from investment properties	7,613	29,144	29,708	51,064
Foreign currency differences	130,251	1,656,177	211,723	1,983,740
Other income	801,921	18,054	957,589	114,820
	939,785	1,703,375	1,199,020	2,149,624

17. Net gains/(losses) from investments

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Investments at fair value through profit or loss:				
Unrealized profits	260,842	16,257	240,766	31,203
Realized (losses)/profits	(8,538)	85,059	90,209	85,059
	252,304	101,316	330,975	116,262
Available for sale investments:				
Impairment	(91,831)	(2,283,307)	(1,291,303)	(2,590,038)
Realized profits	348,580	72,292	323,359	151,833
Cash dividends	798,382	753,109	1,291,685	1,186,920
Portfolio management fees	(16,532)	(21,608)	(82,780)	(86,880)
	1,038,599	(1,479,514)	240,961	(1,338,165)
	1,290,903	(1,378,198)	571,936	(1,221,903)

18. Earnings per share

Earnings per share are calculated by dividing the net profit for the period by the weighted average of the number of the existing ordinary shares determined based on number of existing shares of issued capital during the period, taking into account treasury shares. The calculation of earnings per share is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Net profit for the period	3,807,965	3,821,549	8,687,329	8,811,331
Weighted average number of outstanding shares during the period (shares)	618,564,809	618,564,809	618,564,809	618,564,809
Earnings per share (fils)	6.16	6.18	14.04	14.24

Comparative figures were adjusted taking into account the bonus shares approved in the general assembly of shareholders held on 17 April 2011.

19. Dividends

The general assembly of shareholders held on 17 April 2011 approved the consolidated financial statements for the year ended 31 December 2010 and also approved the following:

- Distributing cash dividends at 10 fils per share after deducting treasury shares (10 fils, 2009) and also distributing bonus shares at 5% of share capital for the year 2010 (5%, 2009).
- Increasing share capital by 15% of the paid up share capital after adding the bonus shares, at a nominal value of 100 fils plus 225 fils as share premium after approval of the relevant authorities.

20. Related party transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, board of directors, key management personnel, and subsidiaries in which the Parent company has representatives in their board. In the normal course of business, and by approval of the Group's management, transactions were done with such related parties during the period ended 30 June 2011. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Following is a summary of significant related party transactions:

	30 June 2011	31 December 2010 (Audited)	30 June 2010
	KD	KD	KD
Consolidated statement of financial position:			
Receivables and other debit balances	1,696,684	1,070,333	1,276,675
Provision for employees' end of service indemnity	505,322	551,568	492,493

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Consolidated statement of income				
Sales	1,233,236	1,281,135	2,339,191	2,905,588
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

21. Capital liabilities and commitments

	30 June 2011	31 December 2010 (Audited)	30 June 2009
	KD	KD	KD
Contingent liabilities			
Letters of guarantee	248,847	248,847	248,847
Capital commitments			
Letters of credit	12,794,454	15,042,994	21,589,244
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	2,142,972	2,566,521	4,030,994
Projects in progress	37,361,319	41,218,072	45,759,740

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
- Investment Sector

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

	2011			2010		
	Manufacturing Sector	Investment Sector	Total	Manufacturing Sector	Investment Sector	Total
Sector revenues / (expenses)	28,499,701	603,830	29,103,531	25,111,356	(1,030,111)	24,081,245
Total profit / (loss) of sectors	10,046,142	603,830	10,649,972	11,193,277	(1,030,111)	10,163,166
Segments assets	139,613,073	100,735,520	240,348,593	134,319,910	105,179,489	239,499,399

	30 June 2011	30 June 2010
Settlements		
Total segments profit	10,649,972	10,163,166
Finance costs	(1,618,395)	(1,285,035)
Interest income	89,240	361,043
Total segments profit before deductions	9,120,817	9,239,174