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

Interim condensed consolidated financial information (Unaudited)
and review report for the nine months ended 30 September 2009

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

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Content	**Page**
Review Report	1
Interim condensed consolidated statement of financial position (Unaudited)	2
Interim condensed consolidated statement of income (Unaudited)	3
Interim condensed consolidated statement of comprehensive income (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5
Interim condensed consolidated statement of cash flows (Unaudited)	6
Notes to interim condensed consolidated financial information (Unaudited)	7-16

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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 financial position of Kuwait Cement Company K.S.C. ("The Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2009, 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 condensed consolidated interim 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 the Parent Company and to the extent of the information made available to us nothing has come to our attention that causes us to believe that there are any contraventions during the nine month period ended 30 September 2009, 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 on its consolidated financial position.

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Kuwait: 2 November 2009

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

Interim condensed consolidated statement of financial position (Unaudited)
As at 30 September 2009

	Note	30 September 2009 KD	31 December 2008 (Audited) KD	30 September 2008 KD
Assets				
Non-current assets				
Property, plant and equipment	3	45,886,885	12,807,223	12,218,566
Investment properties		1,061,556	1,126,313	1,147,899
Investments in associates	4	14,625,776	15,062,406	15,199,224
Available for sale investments	5	115,676,311	107,616,277	141,878,232
		177,250,528	136,612,219	170,443,921
Current assets				
Inventory	6	23,011,419	30,954,165	21,364,176
Properties held for trading		389,004	389,004	389,004
Receivables and other debit balances	7	8,633,763	12,185,438	11,452,563
Investments at fair value through statement of income	8	14,987,463	17,726,890	64,705,824
Cash and cash equivalents	9	26,555,391	41,515,964	30,013,731
		73,577,040	102,771,461	127,925,298
Total Assets		250,827,568	239,383,680	298,369,219
Equity and liabilities				
Equity				
Share capital	10	57,837,238	55,083,083	55,083,083
Share premium		5,154,935	5,154,935	5,154,935
Treasury shares	11	(12,978,814)	(12,978,814)	(12,934,238)
Gain on sale of treasury shares		445,592	445,592	444,566
Statutory reserve		31,700,720	31,700,720	31,251,240
Voluntary reserve		26,738,231	26,738,231	26,288,751
General reserve		18,930,128	18,930,128	18,930,128
Change in fair value reserve		16,801,831	(2,874,711)	65,019,531
Group's share in associates' reserves		(582,249)	(490,094)	-
Retained earnings		18,468,218	11,630,256	28,373,388
		162,515,830	133,339,326	217,611,384
Non current liabilities				
Loans and bank facilities	12	21,071,589	38,797,790	10,700,000
Provision for employees' end of service indemnity		1,515,184	1,498,381	1,471,439
		22,586,773	40,296,171	12,171,439
Current liability				
Loans and bank facilities	12	53,641,163	58,355,700	60,819,261
Payables and other credit balances	13	12,083,802	7,392,483	7,767,135
		65,724,965	65,748,183	68,586,396
Total equity and liabilities		250,827,568	239,383,680	298,369,219

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

Rashid Abdulaziz Al-Rashid
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)
Nine months ended 30 September 2009

	Note	Three months ended 30 September		Nine months ended 30 September	
		2009	2008	2009	2008
		KD	KD	KD	KD
Sales		13,810,741	21,622,462	46,764,466	64,903,619
Cost of sales	14	(10,800,871)	(16,383,324)	(33,173,235)	(47,002,934)
Gross profit		3,009,870	5,239,138	13,591,231	17,900,685
Selling, general and administrative expenses		(755,806)	(702,696)	(2,650,475)	(2,147,221)
Recovery of impairment of property, plant and equipment	3	-	-	24,116,733	-
Impairment of inventory		-	-	(6,226,893)	-
Doubtful debts		-	-	(1,126,895)	-
Other operating income		15,391	49,500	151,801	317,974
Net income of investment properties		12,053	12,309	35,581	33,176
Profit/(loss) from foreign currencies differences		680,840	(883,796)	(960,063)	697,751
Operating Profit		2,962,348	3,714,455	26,931,020	16,802,365
Finance costs		(494,499)	(687,571)	(2,461,418)	(2,242,087)
Interest income		82,909	46,491	391,646	566,987
Net gains/(losses) from investments at fair value through statement of income	15	329,922	(20,938,288)	(723,570)	(4,567,917)
Net gains from available for sale investments	16	129,995	27,845	3,012,632	9,763,887
Impairment of available for sale investments	5	(641,494)	-	(11,139,712)	-
Group's share of associates' business results		360,483	122,417	(344,475)	479,975
Net profit / (loss) before deductions		2,729,664	(17,714,651)	15,666,123	20,803,210
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		(24,450)	177,850	(152,742)	(208,032)
National Labor Support Tax (NLST)		(60,929)	423,750	(360,178)	(244,026)
Zakat Expense		(20,721)	172,470	(217,691)	(90,040)
Board of Director's remuneration		-	(35,000)	-	(105,000)
Net profit/(loss) for the period		2,623,564	(16,975,581)	14,935,512	20,156,112
Earnings / (loss) per share (fils)	17	4.68	(30.24)	26.62	35.83

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

Kuwait Cement Company K.S.C
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State of Kuwait

Interim condensed consolidated statement of comprehensive income (Unaudited)
Nine months ended 30 September 2009

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	KD	KD	KD	KD
Net profit / (loss) for the period	2,623,564	(16,975,581)	14,935,512	20,156,112
Other comprehensive income/(expense) for the period				
Net unrealized (loss)/profit on available for sale investments	(181,546)	(63,351,733)	10,170,238	(72,160,653)
Transferred to statement of income on sale of available for sale investments	(16,419)	(41,666)	(1,633,408)	(559,241)
Impairment in value of available for sale investments	641,494	-	11,139,712	-
Group's share in associates' reserves	222,750	-	(92,155)	-
Other comprehensive income/(expense) for the period	666,279	(63,393,399)	19,584,387	(72,719,894)
Total comprehensive income/(expense) for the period	3,289,843	(80,368,980)	34,519,899	(52,563,782)

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)
Nine months ended 30 September 2009

	Share capital	Share premium	Treasury shares	Gain on sale of treasury shares	Statutory reserve	Voluntary reserve	General reserve	Change in fair value reserve	Group's share in associates' reserves	Retained earnings	Total
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2008	47,898,333	5,154,935	(10,289,246)	105,616	31,251,240	26,288,751	18,930,128	137,739,425	-	45,631,380	302,710,562
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	(72,719,894)	-	20,156,112	(52,563,782)
Cash dividends (note 18)	-	-	-	-	-	-	-	-	-	(30,229,354)	(30,229,354)
Bonus shares (note 18)	7,184,750	-	-	-	-	-	-	-	-	(7,184,750)	-
Purchase of treasury shares	-	-	(3,059,134)	-	-	-	-	-	-	-	(3,059,134)
Disposal of treasury shares	-	-	414,142	338,950	-	-	-	-	-	-	753,092
Balance at 30 September 2008	55,083,083	5,154,935	(12,934,238)	444,566	31,251,240	26,288,751	18,930,128	65,019,531	-	28,373,388	217,611,384
Balance at 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/(expense) for the period	-	-	-	-	-	-	-	19,676,542	(92,155)	14,935,512	34,519,899
Cash dividends (note 18)	-	-	-	-	-	-	-	-	-	(5,343,395)	(5,343,395)
Bonus shares (note 18)	2,754,155	-	-	-	-	-	-	-	-	(2,754,155)	-
Balance at 30 September 2009	57,837,238	5,154,935	(12,978,814)	445,592	31,700,720	26,738,231	18,930,128	16,801,831	(582,249)	18,468,218	162,515,830

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)
Nine months ended 30 September 2009

	Note	Nine months ended 30 September 2009 KD	2008 KD
Cash flows from operating activities			
Net profit for the period		14,935,512	20,156,112
Adjustments:			
Depreciation		703,522	3,200,783
Recovery of impairment of property, plant and equipment		(24,116,733)	-
Impairment of inventory		6,226,893	-
Doubtful debts		1,126,895	-
Interest income		(391,646)	(566,987)
Losses from investments at fair value through statement of income		723,570	4,567,917
Gain from available for sale investments		(3,012,632)	(9,763,887)
Impairment of available for sale investments		11,139,712	-
Finance costs		2,461,418	2,242,087
Group's share of associates' business results		344,475	(479,975)
Provision for employees' end of service indemnity		16,803	180,491
Net operating profit before working capital changes		10,157,789	19,536,541
Inventory		1,715,853	(7,695,212)
Property held for trading		-	4,866
Receivables and other debit balances		2,424,780	(1,552,297)
Investments at fair value through statement of income		2,013,599	24,857,511
Payables and other credit balances		5,099,318	(1,543,798)
Net cash arising from operating activities		21,411,339	33,607,611
Cash flows from investment activities			
Subscription in associate's capital increase		-	(4,497,189)
Purchase of available for sale investments		(4,740,361)	(7,183,227)
Proceeds on sale from available for sale investments		7,248,611	1,089,259
Purchase of property, plant and equipment		(9,601,694)	(6,924,820)
Dividends received		983,436	11,282,841
Interest income received		391,646	566,987
Net cash used in investing activities		(5,718,362)	(5,666,149)
Cash flows from financing activities			
Net (paid)/proceed from loans and bank facilities		(22,440,738)	19,569,675
Dividends paid		(5,299,919)	(30,092,082)
Purchase of treasury shares		-	(3,059,134)
Proceeds from sale of treasury shares		-	753,092
Finance costs paid		(2,912,893)	(2,242,087)
Net cash used in financing activities		(30,653,550)	(15,070,536)
Net change in cash and cash equivalents		(14,960,573)	12,870,926
Cash and cash equivalents at the beginning of the period		41,515,964	17,142,805
Cash and cash equivalents at end of the period	9	26,555,391	30,013,731

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, the manufacturing of cement products, trading in all different types of cement products, the purchase of materials and machines related to the manufacture of cement and the utilization of any 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
Shuwaikh Cement Company (K.S.C.C)	100%
Amwaj Real Estate Company (K.S.C.C)	100%

The parent company used financial information prepared by the subsidiary's management to prepare interim condensed consolidated financial information for the period ended 30 September 2009. The total assets of subsidiaries amounted to KD 9,127,829 as at 30 September 2009 (31 December 2008: KD 5,807,527 and 30 September 2008: 6,292,769) and net profits amounted to KD 92,937 for the period then ended (30 September 2008: KD 119,399).

The interim condensed consolidated financial information was authorized to be issued by the board of directors on 2 November 2009.

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 nine month period ended 30 September 2009 are not necessarily indicative of the results that may be expected for the year ending 31 December 2009. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2008.

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 at 31 December 2008 prepared according to IFRS.

During the period, the Group adopted the following standards which are effective for annual periods beginning on or after 1 January 2009.

2. Significant accounting policies (continued)

IAS 1 (Revised) Presentation of Financial Statements

The revised standard requires changes in equity arising from transaction with owners in their capacity as owner (i.e. Owner changes in income) to be presented in the statement of change in equity. All other changes not related to owners (comprehensive income) should be presented separately from changes to owners' equity within a performance statement (statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity.

IFRS 8 "Operating Segments":

The new standard, which replaced IAS 14 'Segment Reporting', requires presenting information segments, which are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

Amendments to other standards:

- IFRS 3 "Business combinations" and amendments to IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates", IAS 31 "Interests in Joint Ventures"

These amendments are applicable to acquisitions included in the annual financial statements starting at or later to 1 July 2009. The group is currently studying the impact of this amendment on the group.

Issued interpretations:

- IFRIC 17 Distributions of Non-cash Assets to. Owners – applicable on 1 July 2009.
- IFRIC 18 "Transfers of Assets from Customers" – applicable on 1 July 2009.

3. Property, plant and equipment

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Net carrying value at beginning of period/year	12,807,223	8,429,771	8,429,771
Additions	9,601,694	9,173,127	6,924,820
Foreign currency translation	59,185	17,196	-
Depreciation for the period/year	(697,950)	(4,812,871)	(3,136,025)
Recovery of impairment	24,116,733	-	-
Net carrying value at end of period/year	45,886,885	12,807,223	12,218,566

3. Property, plant and equipment (continued)

During 2008, the Group signed a contract with suppliers and contractors to construct a new kiln, amounting to KD 65,506,208, the total amount paid up to 30 September 2009 amounted to KD 14,794,451. This construction is built on lands leased for 25 years ended 2020.

Previously the Group booked impairment losses of KD 27 million in relation to its kiln factory, due to the numerous problems relating to the process, frequent stoppages and break downs. At that time, the Group appointed a team of technical experts and a reputable international consultant to draw up a detailed action plan to identify the additions and maintenance that were required to solve the technical problems. This plan was extended during the last four years and up to the first quarter of the current year.

The technical team produced their technical study report in June 2009 concluding the following:

- The kiln factory is now working at full capacity without stopping.
- The production capacity increased over the estimated capacity since inception by 30%.
- The average cost of production decreased by 50% approximately over the importing cost.
- The estimated useful lives for the basic components of the kiln are 27 years for buildings, 17 years for equipments and 12 years for electrical equipments.

Based on the above and according to the requirements of IAS (36), the recoverable amount of the kiln is determined based on value in use calculations. These calculations use the estimated cash flows which are discounted by a 10.5% discount rate. As a consequence of the results from the study it was ascertained that the total impairment losses should be reversed in full but limited to the carrying value determined had no impairment losses had been recognized for the kiln in prior years, which is KD 24,116,733 as of 30 June 2009.

4. Investments in associates

	Percentage of ownership interest	30 September 2009	31 December 2008 (Audited)	30 September 2008
	%	KD	KD	KD
Kuwait Rocks Company K.S.C.C.	30.00	955,051	1,581,816	1,592,549
Construction and Marine Services Company (K.S.C.)	33.37	13,670,725	13,480,590	13,606,675
		14,625,776	15,062,406	15,199,224

4. Investments in associates (continued)

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

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Balance at beginning of the period/year	15,062,406	10,731,827	10,731,827
Additions	-	4,497,189	4,497,188
Group's share of associates results	(344,475)	833,250	479,975
Group's share in associates' reserves	(92,155)	(490,094)	-
Dividends received	-	(509,766)	(509,766)
Balance at end of the period/year	14,625,776	15,062,406	15,199,224

The Group's share in results of associate companies are recorded based on the unaudited financial statements for the period ended 30 June 2009.

The investment balance in Constructions and Marine Services K.S.C includes goodwill amounting to KD 493,168 as of 30 September 2009 (31 December 2008 and 30 September 2008 KD 493,168).

5. Available for sale investments

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Local quoted securities	106,629,960	97,210,753	136,716,928
Local unquoted securities	4,087,509	4,790,379	5,161,304
Foreign funds	4,958,842	5,615,145	-
	115,676,311	107,616,277	141,878,232

The quoted local investments included, investments amounted to KD 52,590,191 as at 30 September 2009 in the shares of National Industries Group K.S.C. one of the major shareholders in the Company (31 December 2008: KD 46,771,768 and September 2008: KD 99,638,125).

Unquoted local 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 to an existence of an impairment.

Available for sale investments as at 30 September 2009 include 4,094,085 (31 December 2008: KD 4,822,690 and 30 September 2008: Nil) was valued based on recent available reports from investment managers as no reports were available for these investments as at the financial information date.

During the period ended 30 September 2009, the management of the Group estimated the impairment losses of the available for sale investments according to the studies prepared to be KD 11,139,712 as a result of significant impairment in value.

6. Inventory

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Raw materials (net)	22,500,513	30,124,736	20,500,668
Finished goods	510,906	692,691	681,242
Letters of credit for purchase of inventories	-	136,738	182,266
	23,011,419	30,954,165	21,364,176

During the period, the Group made a provision amounting to KD 6,226,893 for slow moving raw materials based on the technical study approved by Group's management.

7. Receivables and other debit balances

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Amounts under collection at banks	1,330,213	3,906,862	3,049,987
Receivable against unconditional bank guarantees	3,881,184	3,108,355	3,566,268
Ministry of commerce – cement support difference delivered to staff	1,828,087	2,049,768	1,124,572
Related parties	1,086,545	1,571,322	1,622,779
Trade receivables	1,417,085	1,251,743	1,621,308
Total trade receivables	9,543,114	11,888,050	10,984,914
Other receivables	285,469	480,801	499,313
	9,828,583	12,368,851	11,484,227
Provision for doubtful debts	(1,740,531)	(613,636)	(613,636)
	8,088,052	11,755,215	10,870,591
Prepaid expenses	359,887	147,341	338,665
Notes payable	185,824	282,882	243,307
	8,633,763	12,185,438	11,452,563

8. Investments at fair value through statement of income

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Local investments	8,061,221	10,099,749	49,736,364
Foreign investments	6,926,242	7,627,141	14,969,460
	14,987,463	17,726,890	64,705,824

Foreign investments as at 30 September 2009 include KD 2,220,720 (31 December 2008: KD 7,066,350 and 30 September 2008: KD 12,451,765) was priced based on recent available reports from investment managers.

9. Cash and cash equivalents

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Cash on hand and at banks	9,315,376	2,600,242	2,521,425
Cash in investment portfolios	8,592,747	3,487,190	9,913,794
Deposits with banks	8,556,095	35,241,248	17,486,208
Cheques under collection	91,173	187,284	92,304
	26,555,391	41,515,964	30,013,731

The average effective interest rate on term deposits was 2.75% as at 30 September 2009 (31 December 2008: 5.5% and 30 September 2008: 5%). Deposits with banks mature within 3 months

10. Share capital

The ordinary General Assembly decided on 6 May 2009 to distribute bonus shares of 5% of the share capital. Accordingly, the issued and fully paid up share capital consists of KD 57,837,238 distributed on 578,372,380 shares as at 30 September 2009 (KD 55,083,083 distributed on 550,830,830 shares as at 31 December 2008 as at 30 September 2008) with a nominal value of 100 fils per share.

The increase has been recorded in the commercial register on 7 June 2009.

11. Treasury shares

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Number of shares (No's)	17,315,856	16,491,291	16,403,791
Percentage of issued shares (%)	2.99	2.99	2.98
Market value	9,870,038	9,235,123	20,668,777

12. Loans and bank facilities

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Current portion			
Bank facilities	4,942,363	11,326,700	4,433,115
Loans	48,698,800	47,029,000	40,149,001
Murabaha payable	-	-	16,237,145
	53,641,163	58,355,700	60,819,261
Non-current portion			
Loans	21,071,589	38,797,790	10,700,000
Total loans and bank facilities	74,712,752	97,153,490	71,519,261

12. Loans and bank facilities (continued)

The average effective interest rate on loans and bank facilities was 4.25 % as at 30 September 2009 (4 % as at 31 December 2008 and 4.1% as at 30 September 2008).

Certain loans are secured by the whole official location and extensions of the factory with book value of which amounting to KD 23,774,530 as of 30 September 2009 (31 December 2008: KD 1 and 30 September 2008: KD 10,789,487). Also against available for sale investments of KD 3,799,250 as of 30 September 2009 (31 December 2008: KD 3,465,250 KD 3,465,250 and 30 September 2008: KD 3,465,250).

The loan main terms prevent the Group from distributing profits in case the ratio of current assets to current liabilities decreases below (1-1.5). Also, the terms do not obtain the Group to pledge any movable or unmovable assets to any other party without prior written consent from the bank is obtained. Also, the loan terms prevent increasing net loans over operating profit of 1:4 and do not decrease operating profit over interest of 1:4 and do not increase net debts to equity of 1:0.6.

13. Payables and other credit balances

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	KD	KD
Suppliers	7,050,185	3,151,558	3,878,286
Contractors – preparation of clincker factory	-	63,020	81,280
Advance payments	620,182	592,127	575,177
Accrued expenses	1,278,890	1,628,743	1,207,035
Accrued interest	258,191	709,666	354,174
Kuwait Foundation for the Advancement of Science (KFAS)	152,742	44,782	208,032
National Labor Support Tax (NLST)	360,178	-	244,026
Zakat	217,691	2,846	90,041
Accrued staff leave	313,957	289,527	274,801
Cash dividend	456,638	413,162	417,672
Notes payable	64,069	32,038	234,723
Other	1,311,079	465,014	201,888
	12,083,802	7,392,483	7,767,135

14. Cost of sales

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	KD	KD	KD	KD
Raw material	9,330,519	14,779,797	27,563,845	40,542,411
Change in finished goods	(103,897)	(195,077)	181,785	(164,740)
Salaries and benefits	490,786	546,960	1,639,139	1,725,866
Rent	156,406	91,870	353,208	252,586
Maintenance and spare parts	824,322	1,071,485	2,651,831	4,395,787
Other	102,735	88,289	783,427	251,024
	10,800,871	16,383,324	33,173,235	47,002,934

15. Net gains/(losses) from investments at fair value through statement of income

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	KD	KD	KD	KD
Realized profits	-	122,093	-	1,109,052
Unrealized gains/(loss)	329,922	(21,060,381)	(719,160)	(7,397,202)
Cash dividends	-	-	2,258	1,846,011
Portfolio management fees	-	-	(6,668)	(125,778)
	329,922	(20,938,288)	(723,570)	(4,567,917)

The unrealized gain/(loss) includes gain from change in fair value of KD 63,404 (30 September 2008: Nil).

16. Net gains from available for sale investments

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	KD	KD	KD	KD
Realized profits	130,649	73,016	2,131,147	965,255
Cash dividends	16,951	874	981,178	8,927,064
Portfolio management fees	(17,605)	(46,045)	(99,693)	(128,432)
	129,995	27,845	3,012,632	9,763,887

17. Earnings/(loss) per share

Earnings/(loss) per share are computed by dividing net profit/(loss) for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
Net profit/(loss) for the period (KD)	2,623,564	(16,975,581)	14,935,512	20,156,112
Weighted average number of outstanding shares during the period (shares)	561,056,516	561,391,394	561,056,516	562,568,244
Earnings / (loss) per share (fils)	4.68	(30.24)	26.62	35.83

Bonus shares has been taken into consideration in the General Assembly for shareholders held on 6 May 2009 for recalculation of earnings per share for the comparative period.

18. Dividends

On 6 May 2009, the General Assembly of shareholders approved the financial statements for the year ended 31 December 2008, and approved cash dividends of KD 10 fils per share after deducting treasury shares (2007: 65 fils) in addition to bonus shares of 5% from share capital (2007: 15%).

19. 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 ordinary course of business, all related party significant transactions during the period ended 30 September 2009 are carried out at terms approved by the Group's management.

Following is a summary of significant related party transactions:

Transactions

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	KD	KD	KD	KD
Sales	1,085,479	1,213,083	3,569,118	3,962,663

The balances which resulted from these transactions are the amount due from related parties of KD 1,086,545 as of 30 June 2009 (31 December 2008: KD 1,571,322 and 30 September 2008: KD 1,622,779).

20. 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 September is as follows:

20. Segment financial information (continued)

	30 September 2009			30 September 2008		
	Manufacturing Sector	Investment Sector	Total	Manufacturing Sector	Investment Sector	Total
Segments revenues	71,033,000	(9,131,555)	61,901,445	65,221,593	5,709,121	70,930,714
Total segments profit	26,867,450	(9,131,555)	17,735,895	16,769,189	5,709,121	22,478,310
Segments assets	95,494,711	155,332,857	250,827,568	65,135,242	233,233,977	298,369,219

	30 September 2009	30 September 2008
Settlements	**KD**	**KD**
Total segments profit	17,735,895	22,478,310
Financing charges	(2,461,418)	(2,242,087)
Interest income	391,646	566,987
Total segments profit before deduction	15,666,123	20,803,210

21. Capital liabilities and commitments

	30 September 2009	31 December 2008 (Audited)	30 September 2008
	KD	**KD**	**KD**
Contingent liabilities			
Letters of credit	25,454,162	26,299,604	25,494,299
Letters of guarantee	248,847	248,847	248,847
Capital commitments			
Uncalled subscription relating to available for sale investments	183,431	183,431	183,431
Uncalled subscription relating to investments in funds	700,797	1,725,221	681,906
Contracts for importing raw materials	6,411,807	10,130,290	23,342,390
Projects in process	50,711,757	39,419,534	9,061,006