AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL INFORMATION

AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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(UNAUDITED)
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CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Aerated Concrete Industries Co - K.S.C (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Aerated Concrete Industries Co.- K.S.C (Closed) (the parent company) and subsidiaries (the group) as of September 30, 2007 and the related condensed consolidated statements of income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

We did not review the interim consolidated financial information of the subsidiary, Ghassan Ahmed Sauod Al-Khaled and Co. – W.L.L. and its subsidiary, whose total assets and revenue constitute 11.19% and 58.18% of the respective consolidated totals. The financial information of the above mentioned subsidiary was reviewed by other auditor, whose report was provided to us and our conclusion in so far as it relates to the amounts included in the interim consolidated financial information related to this subsidiary, is based solely on the report of the other auditor.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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 and the report of the other auditor, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account of the parent company and to the best of our knowledge and belief, there were no contraventions during the period ended September 30, 2007 of either the Commercial Companies Law or the parent Company's Articles of Association, which might have materially affected the Group's financial position or results of its operations.

Abdul Rahman Mubarak Al-Qaoud
Licence No. 25-A
Abdul Rahman Al-Qaoud & Partners
Public Accountants

Dr. Shuaib A. Shuaib
Licence No. 33-A
Al-Bazie & Co.
Member of RSM International

State of Kuwait
November 14, 2007

AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS OF SEPTEMBER 30, 2007
(All amounts are in Kuwaiti Dinars)

ASSETS	Note	**September 30, 2007**	December 31, 2006 (Audited)	September 30, 2006
Cash and cash equivalents	3	**35,918,870**	3,168,622	1,332,625
Investments at fair value through income statement		**3,591,003**	3,008,512	4,246,895
Accounts receivable and other debit balances		**10,431,541**	10,595,356	9,490,963
Gross amount due from customers for contract work		**446,656**	2,313,190	1,566,528
Due from related parties	4	**4,925,812**	8,037,322	5,629,317
Inventories		**3,784,767**	2,507,071	2,928,508
Lands under development		**517,814**	147,104	6,921,632
Investment available for sale		**205,742**	-	2,263,360
Investment in associates	5	**8,443,846**	644,658	644,658
Investment in an unconsolidated subsidiary	5	**169,374**	1,175,334	8,984,312
Investment properties	6	**4,136,072**	11,626,347	4,068,036
Projects under construction	7	**75,841,440**	48,215,882	22,851,904
Right of utilization of leasehold		**852,344**	895,438	1,492,154
Fixed assets		**14,044,303**	14,415,272	14,811,801
Goodwill		**2,250,506**	2,250,506	3,158,661
Total assets		**165,560,090**	109,000,614	90,391,354
LIABILITIES AND EQUITY				
Liabilities:				
Loans and due to banks	8	**90,793,129**	34,591,295	33,591,820
Accounts payable and other credit balances		**8,468,426**	5,887,905	7,369,168
Due to related parties	4	**1,084,330**	877,459	1,434,545
Dividends payable to shareholders		**376,909**	205,347	297,035
Provision for staff indemnity		**870,252**	722,510	636,712
Due to shareholders of a company under liquidation	9	**-**	12,061,787	-
Total liabilities		**101,593,046**	54,346,303	43,329,280
Equity:				
Share capital	9	**19,493,213**	14,684,371	14,684,371
Share premium	9	**24,426,446**	16,245,253	16,245,253
Statutory reserve		**4,705,127**	4,705,127	3,313,780
Treasury shares	10	**(415,881)**	(605,684)	(421,965)
Treasury shares reserve		**2,583,763**	2,479,912	2,458,046
Cumulative changes in fair value		**-**	-	56,064
Foreign currency translation adjustment		**(68,095)**	(50,544)	(121,913)
Revaluation surplus		**-**	-	578,811
Retained earnings		**12,678,636**	15,967,691	9,255,632
Total equity attributable to parent company's shareholders		**63,403,209**	53,426,126	46,048,079
Minority interest		**563,835**	1,228,185	1,013,995
Total equity		**63,967,044**	54,654,311	47,062,074
Total liabilities and equity		**165,560,090**	109,000,614	90,391,354

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

Vice Chairman
Ghassan Ahmed Al-Khaled

AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2007	2006	**2007**	2006
Operating income	15	**13,133,878**	15,206,492	**30,139,814**	33,111,520
Operating costs		**(10,632,611)**	(12,426,028)	**(23,806,584)**	(24,689,133)
Gross profit from operations	15	**2,501,267**	2,780,464	**6,333,230**	8,422,387
General and administrative expenses		**(540,714)**	(445,602)	**(1,970,346)**	(1,328,389)
Selling expenses		**(226,727)**	(76,051)	**(623,306)**	(625,967)
Depreciation and amortization		**(113,465)**	(114,787)	**(309,119)**	(361,196)
Income from operations		**1,620,361**	2,144,024	**3,430,459**	6,106,835
Rental income		**87,857**	76,104	**266,895**	227,333
Investment income	11	**14,061**	55,000	**119,397**	597,450
Interest income		**8,448**	-	**70,768**	-
Share of result from associates	5	**646,199**	(8,860)	**799,188**	32,242
Gain on sale of an investment property	6	**(15,052)**	-	**1,224,579**	-
Change in fair value of investment properties	6	**(33,500)**	-	**1,937,625**	-
Finance charges		**(235,117)**	(432,878)	**(742,319)**	(1,444,505)
Provisions		**-**	12,412	**-**	-
Others		**262,794**	55,454	**295,237**	415,098
Profit for the period before contribution to Kuwait Foundation for the Advancement of Science and National Labor Support Tax		**2,356,051**	1,901,256	**7,401,829**	5,934,453
Contribution to Kuwait Foundation for the Advancement of Sciences		**(19,599)**	(15,735)	**(64,217)**	(48,701)
National Labor Support Tax		**(54,441)**	(37,917)	**(178,380)**	(120,536)
Net profit for the period		**2,282,011**	1,847,604	**7,159,232**	5,765,216
Attributable to:					
Parent company's shareholders		**2,103,620**	1,649,023	**6,892,610**	5,242,009
Minority interest		**178,391**	198,581	**266,622**	523,207
Net profit for the period		**2,282,011**	1,847,604	**7,159,232**	5,765,216
		Fils	Fils	**Fils**	Fils
Earnings per share attributable to parent company's shareholders	12	**10.84**	10.53	**35.86**	34.77

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(All amoubts are in Kuwaiti Dinars)

	Attributable to parent company's shareholders											
	Share capital	Share premium	Statutory reserve	Treasury shares	Treasury shares reserve	Cumulative change in fair value	Foreign currency translation adjustment	Revaluation surplus	Retained earnings	Total equity attributable to Parent Company	Minority Interest	Total equity
Balance as at December 31, 2005	12,497,337	11,558,752	3,313,780	(96,169)	2,458,046	460,598	-	-	12,029,084	42,221,428	959,312	43,180,740
Changes in fair value of investments available for sale	-	-	-	-	-	(404,534)	-	-	-	(404,534)	-	(404,534)
Net loss recognized directly in equity	-	-	-	-	-	(404,534)	-	-	-	(404,534)	-	(404,534)
Net profit for the period	-	-	-	-	-	-	-	-	5,242,009	5,242,009	523,207	5,765,216
Total income and expense for the period	-	-	-	-	-	(404,534)	-	-	5,242,009	4,837,475	523,207	5,360,682
Bonus shares (5% - 2005)	624,867	-	-	-	-	-	-	-	(624,867)	-	-	-
Cash dividends (50% - 2005)	-	-	-	-	-	-	-	-	(6,219,086)	(6,219,086)	-	(6,219,086)
Right shares issued	1,562,167	4,686,501	-	-	-	-	-	-	-	6,248,668	-	6,248,668
Changes in equity of unconsolidated subsidiary	-	-	-	-	-	-	-	578,811	-	578,811	-	578,811
Due to unconsolidated subsidiary	-	-	-	-	-	-	-	-	(1,171,508)	(1,171,508)	-	(1,171,508)
Cash dividend (subsidiary)	-	-	-	-	-	-	-	-	-	-	(468,524)	(468,524)
Foreign currency translation adjustment	-	-	-	-	-	-	(121,913)	-	-	(121,913)	-	(121,913)
Purchase of treasury shares	-	-	-	(325,796)	-	-	-	-	-	(325,796)	-	(325,796)
Balance as at September 30, 2006	14,684,371	16,245,253	3,313,780	(421,965)	2,458,046	56,064	(121,913)	578,811	9,255,632	46,048,079	1,013,995	47,062,074
Balance as at December 31, 2006	14,684,371	16,245,253	4,705,127	(605,684)	2,479,912	-	(50,544)	-	15,967,691	53,426,126	1,228,185	54,654,311
Gain on sale of treasury shares	-	-	-	-	103,851	-	-	-	-	103,851	-	103,851
Net income recognized directly in equity	-	-	-	-	103,851	-	-	-	-	103,851	-	103,851
Net profit for the period	-	-	-	-	-	-	-	-	6,892,610	6,892,610	266,622	7,159,232
Total income and expense for the period	-	-	-	-	103,851	-	-	-	6,892,610	6,996,461	266,622	7,263,083
Bonus shares (5% - 2006)	928,248	-	-	-	-	-	-	-	(928,248)	-	-	-
Cash dividends (50% - 2006)	-	-	-	-	-	-	-	-	(9,253,417)	(9,253,417)	-	(9,253,417)
Capital increase (Note 9)	3,880,594	8,181,193	-	-	-	-	-	-	-	12,061,787	-	12,061,787
Minoority share in subsidiary cpaital increase	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Cash dividend (subsidiary)	-	-	-	-	-	-	-	-	-	-	(1,178,152)	(1,178,152)
Foreign currency translation adjustment	-	-	-	-	-	-	(17,551)	-	-	(17,551)	(2,820)	(20,371)
Purchase of treasury shares	-	-	-	(591,922)	-	-	-	-	-	(591,922)	-	(591,922)
Sale of treasury shares	-	-	-	781,725	-	-	-	-	-	781,725	-	781,725
Balance as at September 30, 2007	**19,493,213**	**24,426,446**	**4,705,127**	**(415,881)**	**2,583,763**	**-**	**(68,095)**	**-**	**12,678,636**	**63,403,209**	**563,835**	**63,967,044**

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(All amounts are in Kuwaiti Dinars)

	2007	2006
Cash flows from operating activities		
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences and National Labor Support Tax	**7,401,829**	5,934,453
Adjustments:		
Depreciation	**1,143,701**	1,121,613
Amortization	**43,094**	81,920
Group's share of associates results	**(799,188)**	-
Finance charges	**742,319**	1,444,505
Gain on sale of investments at fair value through income statement	**-**	(5,500)
Change in fair value of investment properties	**(1,937,625)**	-
Gain on sale of investment property	**(1,224,579)**	-
Dividend income	**(119,397)**	(165,000)
Share of results from an unconsolidated subsidiary	**-**	(32,242)
Unrealized gain from investments at fair value through income statement	**-**	(426,950)
Gain on sale of fixed assets	**(12,699)**	(28,203)
Rental income	**(266,895)**	(227,333)
Fixed assets written off (subsidiary)	**1,811**	269,580
Interest income	**(70,768)**	-
Provision for staff indemnity	**192,065**	109,132
Provision for doubtful debts	**-**	-
Foreign currency translation adjustments	**176,841**	(143,670)
Operating income before working capital changes	**5,270,509**	7,932,305
Decrease (increase) in accounts receivable and other debit balances	**163,815**	(180,570)
Decrease in due from customers for contract work	**1,866,534**	140,879
Decrease (increase)in due from related party	**3,111,510**	(4,306,460)
Increase in inventories	**(1,277,696)**	(299,338)
(Increase) Decrease in land under development	**(370,710)**	2,473,175
Increase in accounts payable and other credit balances	**3,152,307**	621,199
Increase in due to related party	**208,273**	1,264,819
Payment for staff indemnity	**(41,432)**	(20,340)
Payment for Kuwait Foundation for the Advancement of Sciences	**(74,231)**	(17,536)
Payment for National Labor Support Tax	**(645,152)**	(18,768)
Payment of Board of Directors' remuneration	**(95,000)**	(85,000)
Net cash generated from operating activities	**11,268,727**	7,504,365
Cash flows from investing activities		
Dividend income received	**119,397**	165,000
Interest income received	**70,768**	-
Paid for investments in associate	**(6,000,000)**	-
Rental income received	**266,895**	227,333
Purchase of investment at fair value through income statement	**(582,491)**	(1,344,569)
Proceeds from sale of investments at fair value through income statement	**-**	16,500
Purchase of investment available for sale	**(205,742)**	(207,296)
Proceeds from sale of fixed assets	**107,600**	38,800
proceeds (Paid for) from investment property	**10,652,479**	(68,036)
Purchase of fixed assets	**(1,064,989)**	(687,109)
Net amount paid for projects under construction	**(27,625,558)**	(8,561,020)
Due to unconsolidated subsidiary	**-**	1,967,006
Paid for investment in unconsolidated subsidiary	**-**	(177,531)
Net cash used in investing activities	**(24,261,641)**	(8,630,922)

	2007	2006
Cash flows from financing activities		
Paid up capital	**-**	1,562,167
Paid up share premium	**-**	4,686,501
Net proceeds from loans and due to banks	**56,201,834**	4,098,895
Finance charges paid	**(742,319)**	(1,444,505)
Cash dividends (subsidiary)	**(1,178,152)**	(468,524)
Capital increase (subsidiary)	**250,000**	-
Payment of cash dividends	**(9,081,855)**	(6,147,607)
Purchase of treasury shares	**(591,922)**	(325,796)
Proceeds from sale of treasury share	**885,576**	-
Net cash generated from financing activities	**45,743,162**	1,961,131
Net increase in cash on hand and at banks	**32,750,248**	834,574
Cash on hand and at banks at beginning of the period	**3,168,622**	498,051
Cash on hand and at banks at end of the period	**35,918,870**	1,332,625

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Aerated Concrete Industries Co. - K.S.C. (Closed) was incorporated and authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 16540 on June 23, 1990 and registered on Commercial register under Ref. No. 41903 dated July 17, 1991.

The main objectives of the Company include the establishment of a factory for the production of all types and sizes of aerated concrete and non-concrete and all its construction requirements, import and export of all building materials. The Company is considered the sole agent in the Middle East for manufacturing 'Hebil' international products. The Company's objectives also include owning, buying and selling real estate, land and land for development for the benefit of the Company either inside or outside Kuwait, dealing in industrial companies' shares and bonds relating to the main objective of the Company either inside or outside Kuwait, preparing and submitting the studies and consultancy and also organizing the industrial exhibition for the Company's projects.

The Company may have interests or participate in any aspect in other firms conducting similar activities or which may assist the Company in achieving its objectives in Kuwait or abroad. The Company may also acquire such firms or participate in their equity.

The address of the Parent Company is Sharq – Ahmed Al-Jaber Street – Raed Center, 5th floor, P.O. Box 24079, Safat, 13101 - State of Kuwait.

The interim consolidated financial information was authorized for issue by the Board of Directors on November 14, 2007.

2. Basis of presentation:

These interim consolidated financial information have been prepared in accordance with the same accounting policies and methods of computation as were followed in the most recent annual consolidated financial statements.

The interim consolidated financial information have been prepared to present interim consolidated financial information in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting" and the guidelines issued by the Kuwait Stock Exchange. The interim consolidated financial information does not include all the information and the footnotes required for complete financial statements in accordance with International Financial Reporting Standards. In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim consolidated financial information. Operating results for the interim period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2006.

The interim consolidated financial information include the financial information of Aerated Concrete Industries K.S.C. (closed) and the following subsidiary:

		Percentage of ownership		
Name of Subsidiary	Country of incorporation	**September 30, 2007**	December 31, 2006 (Audited)	September 30, 2006
Ghassan Ahmed Saoud Al-Khaled & Partners W.L.L. & its subsidiary	Kuwait	**75%**	75%	75%

3. Cash and cash equivalents

	September 30, 2007	December 31, 2006 (Audited)	September 30, 2006
Cash on hand and at banks	**3,331,662**	907,198	1,332,625
Time deposit	**32,587,208**	2,261,424	-
	35,918,870	3,168,622	1,332,625

4. Related party transactions

Related parties represent the Group's major shareholders, associates, subsidiaries, unconsolidated subsidiaries, members of the Board of Directors, parties related to them and senior management. There were certain transactions conducted with related parties and were included in the interim consolidated financial information as follows:

Interim condensed consolidated balance sheet:	**Associates**	**Unconsolidated subsidiaries**	**Other related parties**	**September 30, 2007**	December 31, 2006 (Audited)	September 30, 2006
Due from related parties	**2,425,813**	**737,260**	**1,762,739**	**4,925,812**	8,037,322	5,629,317
Due to related parties	**111,062**	**593,441**	**379,827**	**1,084,330**	877,459	1,434,545

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2007	2006	**2007**	2006
Interim condensed consolidated statement of income:				
Dividend income	**48,024**	55,000	**119,397**	165,000

	For the nine months ended September 30,	
Compensation to key management personnel:	**2007**	2006
Short term benefits	**78,503**	45,000
Termination benefits	**6,000**	2,403
	84,503	47,403

5. Investment in associates

Name of the associate company	Country of incorporation	Percentage of holding	**September 30, 2007**	December 31, 2006 (Audited)	September 30, 2006
ACICO Saudi Arabia – W.L.L.	Saudi Arabia	45%	**431,792**	483,910	483,910
ACICO Qatar – W.L.L.	Qatar	49%	**160,748**	160,748	160,748
Al-Masaken International for Real Estate Development - K.S.C.C.	Kuwait	35%	**7,851,306**	-	-
			8,443,846	644,658	644,658

During the period the parent company subscribed in portion of the capital increase of its unconsolidated subsidiary Al - Masaken International for Real Estate Development - K.S.C. (Closed). ,which resulted in decreasing the parent company's interest in the equity of the unconsolidated subsidiary to 35%. Accordingly it was reclassified as investment in associate.

The movement of the investment in associates balance during the period was as follows:

	September 30, 2007
Balance at the beginning of the period	**644,658**
Additions	**6,000,000**
Share of results from associates	**799,188**
Transferred from investment in unconsolidated subsidiary	**1,000,000**
Balance at the end of the period	**8,443,846**

6. Investment properties

The movement of the investment properties during the period was as follows:

	September 30, 2007
Balance at the beginning of the period	**11,626,347**
Disposals	**(9,427,900)**
Changes in fair value	**1,937,625**
Balance at the end of the period	**4,136,072**

During the nine months period ended September 30, 2007 the Company sold investment property resulting in a gain of KD 1,224,579. For this investment property, the Company has recognized changes in fair value of KD 1,937,265 in the interim condensed consolidated income statement for the three months ended March 31, 2007.

7. Projects under construction

The movement of projects under construction during the period was as follows:

	September 30, 2007	December 31, 2006 (Audited)	September 30, 2006
Balance at the beginning of the year / period	**48,215,882**	14,138,870	14,138,870
Transferred from a Company under liquidation	**-**	20,895,603	-
Additions	**27,625,558**	18,421,347	8,713,034
Disposals	**-**	(5,347,891)	-
Transfer from fixed assets	**-**	145,546	-
Foreign currency translation adjustment	**-**	(37,593)	-
Balance at the end of the year / period	**75,841,440**	48,215,882	22,851,904

Projects under construction represent different projects in the GCC countries.

8. Loans and due to banks

During the period ended September 30, 2007 the Group obtained new loans from local and foreign banks in an amount of KD 53,835,234 guaranteed by promissory notes carrying an interest rate ranging from 1% to 2.5% per annum over the Central Bank of Kuwait discount rates, London Inter Bank Offer Rate (LIBOR), Dubai Inter Bank (DIBOR) and US LIBOR.

9. Due to shareholders of a company under liquidation

During the year ended December 31, 2006 the extraordinary General Assembly meeting of ACICO International for Real Estate Development - K.S.C. (Closed) – an unconsolidated subsidiary of Aerated Concrete Industries – K.S.C. (Closed) with percentage of ownership 53.43% decided to voluntarily dissolve and liquidate the company voluntarily.

The Company's net assets as a result of the liquidation amounted to KD 23,552,539. The extraordinary General Assembly meeting of Aerated Concrete Industries – K.S.C. (Closed) held on December 23, 2006 approved the purchase of the Company's net assets based on the liquidation value through acquiring the other shareholders' share in the Company amounting to 46.57% with an amount of KD 12,061,787 by issuing 38,805,939 shares with a nominal value of 100 fils and share premium of 211 fils per share. The parent company's shareholders waived their right in the subscription to the new shareholders.

During the period ended September 30, 2007 subscription in share capital increase and share premium was as follows:

	Before subscription	Subscription	After subscription
Share capital	14,684,371	3,880,594	18,564,965
Share premium	16,245,253	8,181,193	24,426,446

10. Treasury shares

	September 30, 2007	December 31, 2006 (Audited)	September 30, 2006
Number of shares	**802,062**	1,750,518	926,518
Percentage of issued shares	**0.41%**	1.19%	0.63%
Market value (KD)	**457,175**	544,291	481,789
Cost (KD)	**415,881**	605,684	421,965

11. Investment income

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2007	2006	**2007**	2006
Dividend income	**14,061**	55,000	**119,397**	165,000
Unrealized gain from investments at fair value through income statement	**-**	-	**-**	426,950
Realized gain from investments at fair value through income statement	**-**	-	**-**	5,500
	14,061	55,000	**119,397**	597,450

12. Earnings per share attributable to parent company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2007	2006 (Restated)	**2007**	2006 (Restated)
Profit for the period attributable to parent company's shareholders	**2,103,620**	1,649,023	**6,892,610**	5,242,009
Number of shares outstanding				
	Shares	Shares	**Shares**	Shares
Weighted average number of issued shares	**185,649,655**	148,787,895	**183,801,753**	142,629,498
Issue of bonus shares	**9,282,483**	9,282,483	**9,282,483**	9,282,483
Weighted average number of treasury shares	**(827,665)**	(1,411,824)	**(852,803)**	(1,128,365)
Weighted average number of shares outstanding	**194,104,473**	156,658,554	**192,231,433**	150,783,616
	Fils	Fils	**Fils**	Fils
Earnings per share attributable to parent company's shareholders	**10.84**	10.53	**35.86**	34.77

Earnings per share attributable to parent company's shareholders for the three months and nine months ended September 30, 2006 was 11.08 and 36.75 fils respectively before retroactive adjustment relating to the issue of bonus shares.

13. Cash dividend and bonus shares

The shareholders' General Assembly meeting held on April 4, 2007 approved the distribution of cash dividend of 50 fils per share (50%) and 5 bonus shares for every 100 shares held (5%) for the year ended December 31, 2006.

The shareholders' General Assembly meeting held on March 25, 2006 approved the distribution of cash dividend of 50 fils per share (50%) and 5 bonus shares for every 100 shares held (5%) for the year ended December 31, 2005.

14. Contingent liabilities

	September 30, 2007	December 31, 2006 (Audited)	September 30, 2006
Letters of guarantee	**17,976,003**	1,241,700	279,679
Letters of credit	**1,677,344**	1,056,246	254,400
	19,653,347	2,297,946	534,079

15. Segment information

	September 30, 2007					
	Aerated Concrete	**Housing Development**	**Contracting**	**Total**	**Minority / entries to eliminate intercompany transaction**	**Total**
Operating income	**9,861,466**	**79,034**	**32,028,023**	**41,968,523**	**(11,828,709)**	**30,139,814**
Segment gross profit	**4,301,714**	**39,977**	**3,307,663**	**7,649,354**	**(1,316,124)**	**6,333,230**
Total assets	**231,941,098**	**1,482,119**	**20,160,228**	**253,583,445**	**(88,023,355)**	**165,560,090**
Total liabilities	**169,393,417**	**1,166,122**	**14,144,372**	**184,703,911**	**(83,110,865)**	**101,593,046**

	September 30, 2006					
	Aerated Concrete	Housing Development	Contracting	Total	Minority / entries to eliminate intercompany transaction	Total
Operating income	10,851,989	6,985,628	31,439,924	49,277,541	(16,166,021)	33,111,520
Segment gross profit	5,020,666	435,917	4,923,783	10,380,366	(1,957,979)	8,422,387
Total assets	88,571,639	10,979,368	17,755,962	117,306,969	(26,915,615)	90,391,354
Total liabilities	43,734,188	10,490,145	11,348,808	65,573,141	(22,243,861)	43,329,280

16. Comparative figures

Certain of the prior period amounts have been reclassified to conform to the current period presentation.