ACICO INDUSTRIES CO. – K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
(FORMERLY KNOWN AS AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED))
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2008
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL INFORMATION

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(FORMERLY KNOWN AS AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED))
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Abdul Rahman Al Qaoud & Partners

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of ACICO Industries Co. - K.S.C. (Closed) (the parent company) and subsidiaries (the group) as of September 30, 2008 and the related interim 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., which total assets and revenue constitute 5.84% and 32.19% of the respective consolidated totals. The financial information of the above mentioned subsidiary was reviewed by another 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

Except as explained in the following paragraph, 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.

Basis for Qualified Conclusion

The Group consolidated its subsidiaries ACICO International Contracting L.L.C., ACICO Arabia for General Trading and Contracting W.L.L., Kuwait United Precast System K.S.C. (Closed) based on their management accounts, whose total assets and revenues constitute 17% and 37% of the respective consolidated totals.

Conclusion

Based on our review and the report of the other auditor, except for the effect of the adjustment, if any, 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, 2008 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 Al-Qaoud & Partners
Public Accountants
Licence No. 25-A
Member of MSI Global Alliance

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

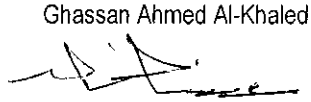
State of Kuwait
November 13, 2008

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
(FORMERLY KNOWN AS AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED))
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS OF SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

ASSETS	Note	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Cash and cash equivalents	3	**1,583,986**	31,364,480	35,918,870
Investments at fair value through income statement		**-**	-	3,591,003
Accounts receivable and other debit balances	4	**20,680,574**	15,733,319	10,431,541
Gross amount due from customers for contract work		**4,132,381**	2,464,759	446,656
Due from related parties	5	**2,686,850**	2,616,072	4,925,812
Inventories		**5,138,678**	3,504,196	3,784,767
Lands under development		**164,420**	164,420	517,814
Investments available for sale	6	**5,311,802**	6,156,803	205,742
Investment in associates	7	**9,187,959**	8,872,959	8,443,846
Investment in an unconsolidated subsidiary		**-**	-	169,374
Investment properties	8	**34,089,301**	34,710,615	4,136,072
Projects under construction	9	**76,289,594**	59,315,822	75,841,440
Right of utilization of leasehold		**794,884**	837,976	852,344
Fixed assets	10	**28,380,229**	19,455,304	14,044,303
Goodwill		**2,250,506**	2,250,506	2,250,506
Total assets		**190,691,164**	187,447,231	165,560,090
LIABILITIES AND EQUITY				
Liabilities:				
Loans and due to banks	11	**84,947,196**	96,937,494	90,793,129
Accounts payable and other credit balances		**13,052,014**	12,581,610	8,468,426
Due to related parties	5	**13,872,190**	400,587	1,084,330
Dividends payable to shareholders	17	**1,037,106**	353,680	376,909
Provision for staff indemnity		**1,010,820**	871,586	870,252
Total liabilities		**113,919,326**	111,144,957	101,593,046
Equity:				
Share capital		**20,467,874**	19,493,213	19,493,213
Share premium		**24,426,446**	24,426,446	24,426,446
Statutory reserve		**7,001,050**	7,001,050	4,705,127
Treasury shares	12	**(436,130)**	(415,881)	(415,881)
Treasury shares reserve		**2,583,763**	2,583,763	2,583,763
Cumulative changes in fair value		**9,197**	9,197	-
Foreign currency translation adjustment		**(3,229,697)**	(2,556,530)	(68,095)
Retained earnings		**22,169,113**	25,570,512	12,678,636
Total equity attributable to parent company's shareholders		**72,991,616**	76,111,770	63,403,209
Minority interest		**3,780,222**	190,504	563,835
Total equity		**76,771,838**	76,302,274	63,967,044
Total liabilities and equity		**190,691,164**	187,447,231	165,560,090

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

Vice Chairman
Ghassan Ahmed Al-Khaled



ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
(FORMERLY KNOWN AS AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED))
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

	Note	For three months ended September 30		For nine months ended September 30	
		2008	2007	2008	2007
Operating income	19	18,074,739	13,133,878	50,304,517	30,139,814
Operating costs		(15,248,580)	(10,632,611)	(41,066,185)	(23,806,584)
Gross profit from operations	19	2,826,159	2,501,267	9,238,332	6,333,230
General and administrative expenses		(1,033,298)	(540,714)	(2,557,136)	(1,970,346)
Selling expenses		(203,114)	(226,727)	(910,376)	(623,306)
Depreciation and amortization		(109,233)	(113,465)	(383,950)	(309,119)
Income from operations		1,480,514	1,620,361	5,386,870	3,430,459
Rental income		959,599	87,857	1,468,948	266,895
Investment income	13	605,000	14,061	638,676	119,397
Interest income		(1,157)	8,448	534,167	70,768
Gain on sale of an investment property		7,915	(15,052)	523,973	1,224,579
Gain on sale of a share of investment in a consolidated subsidiary	14	-	-	1,400,000	-
Group's share of result from associates	7	-	646,199	315,000	799,188
Change in fair value of investment properties		-	(33,500)	-	1,937,625
Finance charges		(847,572)	(235,117)	(2,529,292)	(742,319)
Provision for doubtful debts		-	-	(10,000)	-
Other (expenses) income	15	(33,620)	262,794	1,497,658	295,237
Profit for the period before contribution to Kuwait Foundation for the Advancement of Science and National Labor Support Tax and contribution to Zakat		2,170,679	2,356,051	9,226,000	7,401,829
Contribution to Kuwait Foundation for the Advancement of Sciences		(18,666)	(19,599)	(74,533)	(64,217)
National Labor Support Tax		(51,851)	(54,441)	(215,786)	(178,380)
Contribution to Zakat		(21,696)	-	(90,692)	-
Net profit for the period		2,078,466	2,282,011	8,844,989	7,159,232
Attributable to:					
Parent company's shareholders		1,981,810	2,103,620	8,250,416	6,892,610
Minority interest		96,656	178,391	594,573	266,622
Net profit for the period		2,078,466	2,282,011	8,844,989	7,159,232
		Fils	Fils	Fils	Fils
Earnings per share attributable to parent company's shareholders	16	9.72	10.32	40.48	34.13

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIE(
(FORMERLY KNOWN AS AERATED CONCRETE INDUSTRIES CO. - K.S.C. (CLOSED))
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(All amounts 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	Retained earnings	Total equity	Minority interest	Total equity
Balance as at December 31, 2007	19,493,213	24,426,446	7,001,050	(415,881)	2,583,763	9,197	(2,556,530)	25,570,512	76,111,770	190,504	76,302,274
Foreign currency translation adjustment	-	-	-	-	-	-	(673,167)	-	(673,167)	(165,692)	(838,859)
Net loss recognized directly in equity	-	-	-	-	-	-	(673,167)	-	(673,167)	(165,692)	(838,859)
Net profit for the period	-	-	-	-	-	-	-	8,250,416	8,250,416	594,573	8,844,989
Total income and expense recognized for the period	-	-	-	-	-	-	(673,167)	8,250,416	7,577,249	428,881	8,006,130
Bonus shares – 5% (Note 17)	974,661	-	-	-	-	-	-	(974,661)	-	-	-
Cash dividends – 55% (Note 17)	-	-	-	-	-	-	-	(10,677,154)	(10,677,154)	-	(10,677,154)
Effect of consolidation of a subsidiary	-	-	-	-	-	-	-	-	-	3,705,795	3,705,795
Cash dividends (subsidiary)	-	-	-	-	-	-	-	-	-	(544,958)	(544,958)
Purchase of treasury shares	-	-	-	(20,249)	-	-	-	-	(20,249)	-	(20,249)
Balance as at September 30, 2008	**20,467,874**	**24,426,446**	**7,001,050**	**(436,130)**	**2,583,763**	**9,197**	**(3,229,697)**	**22,169,113**	**72,991,616**	**3,780,222**	**76,771,838**
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
Foreign currency translation adjustment	-	-	-	-	-	-	(17,551)	-	(17,551)	(2,820)	(20,371)
Net income (loss) recognized directly in equity	-	-	-	-	103,851	-	(17,551)	-	86,300	(2,820)	83,480
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	-	(17,551)	6,892,610	6,978,910	263,802	7,242,712
Capital increase	3,880,594	8,181,193	-	-	-	-	-	-	12,061,787	-	12,061,787
Bonus shares (5% - 2006) (Note 17)	928,248	-	-	-	-	-	-	(928,248)	-	-	-
Cash dividends (50% - 2006) (Note 17)	-	-	-	-	-	-	-	(9,253,417)	(9,253,417)	-	(9,253,417)
Purchase of treasury shares	-	-	-	(591,922)	-	-	-	-	(591,922)	-	(591,922)
Sale of treasury shares	-	-	-	781,725	-	-	-	-	781,725	-	781,725
Minority share in subsidiary cpaital increase	-	-	-	-	-	-	-	-	-	250,000	250,000
Cash dividend (subsidiary)	-	-	-	-	-	-	-	-	-	(1,178,152)	(1,178,152)
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 (20) form an integral part of the interim consolidated financial information

	For the nine months ended September 30,	
	2008	2007
Cash flows from operating activities		
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat	9,226,000	7,401,829
Adjustments:		
Depreciation	1,565,907	1,143,701
Amortization	43,092	43,094
Gain on sale of available for sale investments	(505,000)	-
Share of results from associates	(315,000)	(799,188)
Finance charges	2,529,292	742,319
Change in fair value of investment properties	-	(1,937,625)
Gain on sale of investment property	(523,973)	(1,224,579)
Dividend income	(133,676)	(119,397)
Gain on sale of fixed assets	(447,562)	(12,699)
Rental income	(1,468,948)	(266,895)
Fixed assets written off (subsidiary)	-	1,811
Interest income	(534,167)	(70,768)
Provision for staff indemnity	228,993	192,065
Provision for doubtful debts	10,000	-
Foreign currency translation adjustments	(723,451)	176,841
Operating income before working capital changes	8,951,507	5,270,509
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(9,089,635)	163,815
Gross amount due from customers for contract work	2,464,759	1,866,534
Due from related parties	(70,778)	3,111,510
Inventories	(1,488,542)	(1,277,696)
Lands under development	-	(370,710)
Accounts payable and other credit balances	277,614	3,152,307
Due to related parties	14,728,456	208,273
Payment for staff indemnity	(87,715)	(41,432)
Payment for Kuwait Foundation for the Advancement of Sciences	(125,221)	(74,231)
Payment for National Labor Support Tax	-	(645,152)
Payment for Board of Directors' remuneration	(63,000)	(95,000)
Net cash generated from operating activities	15,497,445	11,268,727
Cash flows from investing activities		
Dividend income received	133,676	119,397
Interest income received	534,167	70,768
Rental income received	1,468,948	266,895
Paid for investments in associate	-	(6,000,000)
Purchase of investment at fair value through income statement	-	(582,491)
Purchase of investment available for sale	(100,000)	(205,742)
Proceeds from sale of investments available for sale	1,350,000	-
Proceeds from sale of fixed assets	637,959	107,600
(paid for) proceeds from investment properties	(11,567)	10,652,479
Purchase of fixed assets	(5,462,361)	(1,064,989)
Paid for projects under construction	(22,456,031)	(27,625,558)
Net cash used in investing activities	(23,905,209)	(24,261,641)

	For the nine months ended September 30,	
	2008	2007
Cash flows from financing activities		
Net (payment for) proceeds from loans and due to banks	(11,990,298)	56,201,834
Finance charges paid	(2,529,292)	(742,319)
Purchase of treasury shares	(20,249)	(591,922)
Proceeds from sale of treasury shares	-	885,576
Cash dividends paid	(9,993,728)	(9,081,855)
Capital increase (subsidiary)	3,705,795	250,000
Cash dividends paid (subsidiary)	(544,958)	(1,178,152)
Net cash (used in) generated from financing activities	(21,372,730)	45,743,162
Net (decrease) increase in cash and cash equivalents	(29,780,494)	32,750,248
Cash and cash equivalents at beginning of the period	31,364,480	3,168,622
Cash and cash equivalents at end of the period (Note 3)	1,583,986	35,918,870

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

1. Incorporation and activities

ACICO Industries Co. - K.S.C. (Closed) (Formerly Known As 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.

According to the shareholders' General Assembly meeting held on May 18, 2008, the name of the Company was changed from Aerated Concrete Industries Co. K.S.C.C. (Closed) to be ACICO Industries Co. K.S.C. (Closed). The amendment was registered in Ministry of commerce and Industry and the Commercial register on May 25, 2008.

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 13, 2008.

2. Basis of presentation:

This 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 related to "Interim Financial Reporting". 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, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. For further information, refer to the consolidated financial statements and notes for the year ended December 31, 2007.

The interim consolidated financial information includes the financial information of ACICO Industries K.S.C. (closed) and the following subsidiaries:

Name of Subsidiary	Country of incorporation	Percentage of ownership		
		September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Ghassan Ahmed Saoud Al-Khaled & Partners W.L.L.	Kuwait	**75%**	75%	75%
ACICO International Contracting L.L.C.	UAE	**75%**	75%	-
ACICO Arabia for General Trading and Contracting W.L.L.	Kuwait	**60%**	-	-
Kuwait United Precast System K.S.C. (Closed)	Kuwait	**100%**	-	-

During the period ended September 30, 2008, the Parent Company purchased Kuwait United Precast System Company K.S.C. (Closed) for an amount of KD 1,800,000 which was wholly owned by Ghassan Ahmed Saoud Al-Khaled & Partners W.L.L.

3. Cash and cash equivalents

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Cash on hand and at banks	**1,433,195**	811,771	3,331,662
Time deposits	**150,791**	30,552,709	32,587,208
	1,583,986	31,364,480	35,918,870

Time deposits earn interest rate ranging from 6% to 7.5% per annum (December 31, 2007 – 6% to 7.25%).

4. Accounts receivables and other debit balances

	September 30, 2008	December 31, 2007 (Audited)
Trade receivables	**13,430,408**	7,100,169
Provision for doubtful debts	**(541,668)**	(533,242)
	12,888,740	6,566,927
Cheques under collection	**1,068,175**	-
Letters of credit	**262,758**	369,394
Prepaid expenses	**2,001,490**	820,487
Accrued interest income	**-**	317,431
Suppliers advance payments	**1,449,045**	6,676,036
Retention held with others	**1,880,312**	141,729
Refundable deposits	**913,704**	748,993
Other debit balances	**216,350**	92,322
	20,680,574	15,733,319

5. 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	Other related parties	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Due from related parties	1,778,551	908,299	2,686,850	2,616,072	4,925,812
Due to related parties	548,741	13,323,449	13,872,190	400,587	1,084,330
Investments available for sale	-	2,577,439	2,577,439	214,939	-

	Nine months ended			
Interim condensed consolidated statement of income	Associates	Other related parties	September 30, 2008	September 30, 2007
Group's share of results from associates	315,000	-	315,000	799,188
Gain on sale of an investment property	-	523,973	523,973	-
Gain on sale of a share of investment in a consolidated subsidiary	-	1,400,000	1,400,000	-
Investment income	505,000	-	505,000	119,397

Due to related parties constitute mainly from a loan amounting to KD 14,000,000 granted to the parent company from a related party.

	For the nine months ended September 30,	
Compensation to key management personnel:	2008	2007
Short term benefits	105,678	78,503
Termination benefits	9,000	6,000
	114,678	84,503

6. Investments available for sale

The movement of investments available for sale during the period was as follows:

	September 30, 2008
Balance at the beginning of the period	6,156,803
Additions	100,000
Disposals	(945,001)
Balance at the end of the period	5,311,802

7. Investment in associates

Name of the associate company	Country of incorporation	Percentage of holding	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
ACICO Saudi Arabia – W.L.L.	Saudi Arabia	45%	**375,209**	375,209	431,792
ACICO Qatar – W.L.L.	Qatar	49%	**406,631**	406,631	160,748
Al-Masaken International for Real Estate Development - K.S.C.C.	Kuwait	35%	**8,406,119**	8,091,119	7,851,306
			9,187,959	8,872,959	8,443,846

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

	September 30, 2008
Balance at the beginning of the period	**8,872,959**
Group's share of results from associates	**315,000**
Balance at the end of the period	**9,187,959**

The parent company accounted for its share of results from Al-Masaken International for Real Estate Development - K.S.C.C based on interim financial information prepared for the period ended June 30, 2008. The parent company did not account for its share of results from ACICO Saudi Arabia – W.L.L. and ACICO Qatar – W.L.L due to the no availability of financial information.

8. Investment properties

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

	September 30, 2008
Balance at the beginning of the period	**34,710,615**
Additions	**11,567**
Disposals	**(632,881)**
Balance at the end of the period	**34,089,301**

During the period ended September 30, 2008 the parent company sold an investment property for an amount of KD 1,156,854 to a related party resulting in a gain of KD 523,973.

9. Projects under construction

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

	September 30, 2008
Balance at the beginning of the period	**59,315,822**
Additions	**22,456,031**
Transfer to fixed assets	**(5,336,319)**
Reclassified as inventory	**(145,940)**
Balance at the end of the period	**76,289,594**

Projects under construction represent different projects in the GCC countries.

10. Fixed assets

During the period the parent company acquired a building for an amount of KD 4,193,224 and an amount of KD 5,336,319 was transferred from projects under construction.

11. Loans and due to banks

During the period ended September 30, 2008 the parent company obtained new loans from local and foreign banks for an amount of KD 20,778,682 guaranteed by promissory notes and projects under construction carrying an interest rate ranging from 1% to 2.5% per annum over the Central Bank of Kuwait discount rates, and Dubai Inter Bank Rate (DIBOR). The Parent Company also settled loans for an amount of KD 37,483,506.

12. Treasury shares

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Number of shares	**827,062**	802,062	802,062
Percentage of issued shares	**0.40%**	0.41%	0.41%
Market value (KD)	**612,026**	441,134	457,175
Cost (KD)	**436,130**	415,881	415,881

13. Investment income

	For the three months ended September 30		For the nine months ended September 30	
	2008	2007	**2008**	2007
Dividend income	**100,000**	14,061	**133,676**	119,397
Gain on sale of available for sale investments	**505,000**	-	**505,000**	-
	605,000	14,061	**638,676**	119,397

14. Gain on sale of a share of investment in a consolidated subsidiary

During the period ended September 30, 2008 the parent company incorporated a wholly owned subsidiary ACICO Arabia for General and Contracting Co W.L.L. with capital of KD 9,500,000. The parent Company transferred assets and liabilities of its industrial division from its branch operating in UAE to the newly incorporated subsidiary. Later the parent Co sold 40% of its investment to a related party for an amount of AED 70,000,000 equivalent to KD 5,200,000 resulting in a gain of KD 1,400,000.

15. Other (expenses) income

	For the three months ended September 30		For the nine months ended September 30	
	2008	2007	**2008**	2007
Gain on sale of fixed assets	**-**	21,682	**447,562**	12,699
Other income	**35,167**	257,278	**159,940**	354,605
Foreign exchange gain (loss)	**(68,787)**	(16,166)	**890,156**	(72,067)
	(33,620)	262,794	**1,497,658**	295,237

16. 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	
	2008	2007 (Restated)	**2008**	2007 (Restated)
Net profit for the period attributable to parent company's shareholders	**1,981,810**	2,103,620	**8,250,416**	6,892,610
Number of shares outstanding				
	Shares	Shares	**Shares**	Shares
Weighted average number of issued shares	**194,932,138**	194,932,138	**194,932,138**	193,084,236
Bonus shares	**9,746,607**	9,746,607	**9,746,607**	9,746,607
Weighted average number of treasury shares	**(868,111)**	(867,768)	**(851,143)**	(892,906)
Weighted average number of shares outstanding	**203,810,634**	**203,810,977**	**203,827,602**	201,937,937
	Fils	Fils	**Fils**	Fils
Earnings per share attributable to parent company's shareholders	**9.72**	10.32	**40.48**	34.13

Earnings per share attributable to parent company's shareholders for the 9 months and the 3 months ended September 30, 2007 was 35.86 fils and 10.84 fils respectively before retroactive adjustment relating to the issue of bonus shares (Note 17).

17. Cash dividend and bonus shares

The shareholders' general assembly meeting held on May 8, 2008 approved the distribution of cash dividend of 55 fils per share (55%) and 5 bonus shares for every 100 shares held (5%) for the year ended December 31, 2007.

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.

18. Contingent liabilities

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Letters of guarantee	**13,497,197**	2,983,079	17,976,003
Letters of credit	**4,066,890**	334,917	1,677,344
	17,564,087	3,317,996	19,653,347

On December 12, 2007 the Supreme Court had issued a verdict dictating that one of the company's promoters will be reinstated as a partner in a subsidiary company, according to the confirmations and attestations presented by the Group's legal consultant and the partner whose share is under litigation, the share of the parent company in the subsidiary company will not be affected whatever by the verdict as the latter was not issued against the parent company; accordingly, there are no contingent liabilities for the parent company for this case.

19. Segment information

	September 30, 2008					
	Aerated Concrete	Housing development and real estate	Contracting	Total	Minority / entries to eliminate intercompany transaction	Total
Operating income	13,952,631	-	55,927,010	69,879,641	(19,575,124)	50,304,517
Segment gross profit	6,408,716	-	6,665,917	13,074,633	(3,836,301)	9,238,332
Total assets	181,474,372	923,717	37,915,360	220,313,449	(29,622,285)	190,691,164
Total liabilities	96,274,780	914,520	26,145,060	123,334,360	(9,415,034)	113,919,326

	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

20. Comparative figures

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