

National Cement Company
Public Shareholding Company

Interim condensed financial information
(Unaudited)
30 September 2008

National Cement Company Public Shareholding Company

Interim condensed financial information (unaudited)

30 September 2008

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Independent auditors' report on review of interim financial information

The Shareholders
National Cement Company Public Shareholding Company

Introduction

We have reviewed the accompanying interim condensed balance sheet of National Cement Company Public Shareholding Company ("the Company") as at 30 September 2008, and the related interim condensed statements of income, cash flows and changes in equity for the nine months period then ended ("the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 financial information as at 30 September 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

13 NOV 2008

Vijendra Nath Malhotra
Registration No: 48B
Dubai, United Arab Emirates

National Cement Company Public Shareholding Company

Interim condensed income statement (unaudited)

for the nine months period ended 30 September 2008

		Three months period ended 30 September 2008 AED '000	Three months period ended 30 September 2007 AED '000	Nine months period ended 30 September 2008 AED '000	Nine months period ended 30 September 2007 AED '000
	Note				
Turnover	5	140,905	132,208	422,497	402,348
Cost of sales	6	(112,233)	(82,144)	(313,681)	(240,568)
Gross profit		28,672	50,064	108,816	161,780
Administrative and general expenses		(13,828)	(7,341)	(37,203)	(25,327)
Other income	7	13,431	5,605	23,496	15,375
Share in loss from an associate	12	-	-	(49)	(2,667)
Profit before financial income and expense		28,275	48,328	95,060	149,161
Financial income/(expense)-(net)	8	7,040	(3,244)	102,635	(2,277)
Net profit for the period		35,315	45,084	197,695	146,884
Basic and diluted earnings per share (AED)	21	0.10	0.13	0.55	0.41

The notes set out on pages 6 to 17 form part of these interim condensed financial information.

The independent auditors' report on review of interim condensed financial information is set out on page 1.

National Cement Company Public Shareholding Company

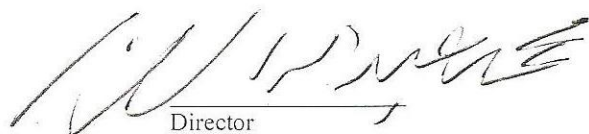
Interim condensed balance sheet

as at 30 September 2008

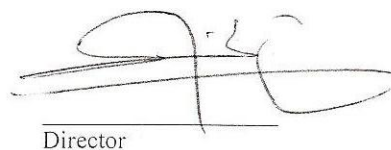
		Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
	Note			
Property, plant and equipment	9	193,345	203,404	198,516
Investment properties	10	2,924	2,924	2,924
Long term portion of investment in marketable securities	11	2,322,314	2,175,278	1,583,766
Investment in an associate	12	52,758	52,807	47,470
Long term receivable	13	1,000	1,000	1,000
		<u>2,572,341</u>	<u>2,435,413</u>	<u>1,833,676</u>
Current assets				
Current portion of investment in marketable securities	11	18,284	8,648	35,686
Inventories		73,267	84,017	78,612
Trade and other receivables		166,590	155,521	151,426
Due from related parties	15	46,202	50,680	33,042
Cash in hand and at bank		143,847	218,182	166,453
		<u>448,190</u>	<u>517,048</u>	<u>465,219</u>
Current liabilities				
Trade and other payables		178,446	161,875	114,686
Due to related parties	15	23,580	2,644	3,267
		<u>202,026</u>	<u>164,519</u>	<u>117,953</u>
Net current assets		246,164	352,529	347,266
Provision for end of service benefits		(27,928)	(21,992)	(20,087)
		<u>2,790,577</u>	<u>2,765,950</u>	<u>2,160,855</u>
Represented by:				
Share capital	16	358,800	276,000	276,000
Share application money payable		26	26	26
Development and investment reserve	17	300,000	300,000	300,000
Cumulative changes in fair value of available for sale investments		1,489,872	1,566,340	1,014,531
General reserve	18	69,000	69,000	69,000
Statutory reserve	19	87,805	87,805	67,613
Retained earnings		485,074	287,379	433,685
Proposed dividend	20	-	179,400	-
		<u>2,790,577</u>	<u>2,765,950</u>	<u>2,160,855</u>

The notes set out on pages 6 to 17 form part of these interim condensed financial information.

These interim condensed financial statements were approved and authorised for issue by the Board of Directors on and were signed on their behalf by:



Director



Director

The independent auditors' report on review of interim condensed financial information is set out on page 1.

National Cement Company Public Shareholding Company

Interim condensed statement of cash flows (unaudited)

for the nine month period ended 30 September 2008

	Nine months period ended 30 September 2008 AED'000	Nine months period ended 30 September 2007 AED'000
Operating activities		
Net profit for the period	197,695	146,884
<i>Adjustments for:</i>		
Depreciation	14,461	14,369
Profit on disposal of property, plant and equipment	(241)	(392)
Provision for end of service benefits	8,098	3,133
Share in loss of an associate	49	2,667
Financial income and expense (net)	(102,635)	2,277
<i>Operating profit before working capital changes</i>	117,427	168,938
Change in inventories	10,750	(4,174)
Change in trade and other receivables	(11,069)	(29,796)
Change in due from related parties	4,478	12,673
Change in trade and other payables	(2,600)	9,236
Change in due to related parties	20,936	249
Change in long term receivable	-	3,123
Payment of end of service benefits	(2,162)	(761)
<i>Cash flows from operating activities</i>	137,760	159,488
Investing activities		
Acquisition of property, plant and equipment	(4,804)	(7,239)
Investment in marketable securities	(437,792)	(107,158)
Proceeds from disposal of property, plant and equipment	643	3,413
Proceeds from disposal of investment in securities	284,455	108,729
Dividend income	10,733	13,015
Interest income	26,194	23,277
<i>Cash flows from investing activities</i>	(120,571)	34,037
Financing activities		
Dividend paid	(91,524)	(89,870)
<i>Cash flows from financing activities</i>	(91,524)	(89,870)
Net (decrease)/increase in cash and cash equivalents	(74,335)	103,655
Cash and cash equivalents at the beginning of the period	218,182	62,798
Cash and cash equivalents at the end of the period	143,847	166,453
<i>These comprise the following:</i>		
Cash in hand and at bank	143,847	166,453
	143,847	166,453

The notes set out on pages 6 to 17 form part of these interim condensed financial information.

The independent auditors' report on review of interim condensed financial information is set out on page 1.

National Cement Company Public Shareholding Company

Interim condensed statement of changes in equity (unaudited) for the nine month period ended 30 September 2008

	Share capital AED'000	Share applica- tion money AED'000	Invest- ment reserve AED'000	Cumulative changes in fair value of investments available for sale AED'000	General reserve AED'000	Statu- tory reserve AED'000	Retained earnings AED'000	Pro- posed dividend AED'000	Total AED'000
At 1 January 2007	184,000	26	300,000	973,346	69,000	67,613	378,801	92,000	2,064,786
Dividend paid	-	-	-	-	-	-	-	(89,870)	(89,870)
Dividend payable transferred to current liabilities	-	-	-	-	-	-	-	(2,130)	(2,130)
Issue of bonus shares by capitalising retained earnings (refer note 16)	92,000	-	-	-	-	-	(92,000)	-	-
Net movements in changes in fair value	-	-	-	35,541	-	-	-	-	35,541
Transfer of unrealised gain on sale of investments	-	-	-	(8,700)	-	-	-	-	(8,700)
Impairment loss recognized in income statement	-	-	-	14,344	-	-	-	-	14,344
Net profit for the period	-	-	-	-	-	-	146,884	-	146,884
At 30 September 2007	<u>276,000</u>	<u>26</u>	<u>300,000</u>	<u>1,014,531</u>	<u>69,000</u>	<u>67,613</u>	<u>433,685</u>	<u>-</u>	<u>2,160,855</u>
At 1 January 2008	276,000	26	300,000	1,566,340	69,000	87,805	287,379	179,400	2,765,950
Dividend paid	-	-	-	-	-	-	-	(91,524)	(91,524)
Dividend payable transferred to current liabilities	-	-	-	-	-	-	-	(5,076)	(5,076)
Issue of bonus shares (refer note 16)	82,800	-	-	-	-	-	-	(82,800)	-
Net movement in changes in fair value	-	-	-	4,879	-	-	-	-	4,879
Transfer of unrealized gain on sale of investments to income statement	-	-	-	(81,347)	-	-	-	-	(81,347)
Net profit for the period	-	-	-	-	-	-	197,695	-	197,695
At 30 September 2008	<u>358,800</u>	<u>26</u>	<u>300,000</u>	<u>1,489,872</u>	<u>69,000</u>	<u>87,805</u>	<u>485,074</u>	<u>-</u>	<u>2,790,577</u>

No allocation has been made to the statutory reserve for the nine months period ended 30 September 2008 as it would be effected at the year-end.

The notes on pages 6 to 17 form part of these interim condensed financial information.

The independent auditors' report on review of interim condensed financial information is set out on page 1.

National Cement Company Public Shareholding Company

Notes

(forming part of the interim condensed financial information - unaudited)

1 Legal status and principal activities

National Cement Company Public Shareholding Company ("the Company") is registered in accordance with the decree issued by His Highness the Ruler of Dubai on 10 April 1968 establishing the Cement Company in the Emirate of Dubai and in accordance with the provisions of the UAE Federal Law No. 8 of 1984 (as amended). The registered address of the Company is PO Box 4041, Dubai, United Arab Emirates.

The principal activity of the Company is to manufacture and sell cement and cement related products. The Company also invests in marketable securities and derivative products. The Company was listed on the Dubai Financial Market in 2005.

2 Basis of preparation and significant accounting policies

These interim condensed financial information have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial information (IAS 34 *Interim Financial Reporting*). These interim financial information do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007.

The accounting policies applied in the preparation of these interim condensed financial information are consistent with those applied in the annual financial statements of the Company for the year ended 31 December 2007.

These interim condensed financial information are presented in United Arab Emirates Dirhams ("AED"), rounded to the nearest thousand and are prepared under the historical cost convention except in respect of investment in marketable securities and derivative financial instruments, which are stated at fair values.

3 Accounting estimates and judgements

The preparation of interim condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2007.

4 Financial risk management and capital management

The Company's financial risk management and capital management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 31 December 2007.

National Cement Company Public Shareholding Company

Notes (continued)

5 Turnover

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
Domestic sale of cement	<u>140,905</u>	<u>132,208</u>	<u>422,497</u>	<u>402,348</u>

6 Cost of sales

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
<i>This includes:</i>				
Material expenses	93,961	63,857	258,881	190,688
Factory utilities and repairs	10,896	10,982	32,726	28,013
Staff costs	6,020	4,053	17,364	12,243
Depreciation	<u>3,490</u>	<u>3,252</u>	<u>10,128</u>	<u>9,624</u>

7 Other income

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
<i>These include:</i>				
Rental income	2,421	2,158	10,976	6,844
Scrap sales	<u>829</u>	<u>1,289</u>	<u>2,183</u>	<u>3,777</u>

National Cement Company Public Shareholding Company

Notes (continued)

8 Financial income/(expense)-(net)

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
Interest income from				
- interest rate swap contracts	3,150	5,702	15,126	14,787
- bank deposits	978	173	2,065	277
- investments	1,517	2,956	9,003	8,213
Net revaluation gain (unrealised) on				
- interest rate swap contracts	15,614	2,830	-	-
- commodity derivative contract	720	-	-	-
Net gain on unwinding of				
- interest rate swap contracts	-	-	26,558	6,758
- commodity derivative swap contracts	-	-	22,994	-
Gain on disposal of available for sale financial assets				
- transferred from equity	1,100	3,151	81,347	8,700
- attributable to difference between selling price and carrying value	(1,100)	2,143	16,824	4,547
Dividend income on available for sale financial assets	3,429	3,322	10,733	13,015
Financial income	<u>25,408</u>	<u>20,277</u>	<u>184,650</u>	<u>56,297</u>
Net revaluation loss (unrealised) on				
- interest rate swap contracts	-	-	(29,971)	(20,846)
- commodity derivative contract	-	(23,521)	(33,676)	(23,384)
Impairment loss on marketable securities (refer notes (ii) below and 11(vii))	(18,368)	-	(18,368)	(14,344)
Financial expense	<u>(18,368)</u>	<u>(23,521)</u>	<u>(82,015)</u>	<u>(58,574)</u>
Financial income/(expense) recognized in the income statement-(net)	<u>7,040</u>	<u>(3,244)</u>	<u>102,635</u>	<u>(2,277)</u>

- (i) The Company has fair valued its derivative financial instruments as at the balance sheet date. Based on the fair values of these derivative financial instruments, the Company has recognized a cumulative loss of AED 108.11 million (*cumulative loss as at 31 December 2007: AED 94.01 million; 30 September 2007 AED 44.23 million*). However this loss is unrealised in nature and the Company has earned an interest income of AED 15.13 million on these derivative financial instruments in the current period.
- (ii) On the basis of review undertaken by the Directors' of the Company for the fair value of investment in marketable securities as at 31 March 2007, an amount of AED 14.34 million was recognized as impairment loss in the interim income statement for the period ended 31 March 2007.

Furthermore, during the current period, the Company has further provided AED 18.7 million towards the investment in marketable securities. Also refer note 11(vii).

National Cement Company Public Shareholding Company

Notes (continued)

9 Property, plant and equipment

During the nine months period ended 30 September 2008, additions to property, plant and equipment amounted to AED 4.81 million and assets with a net book value of AED 0.41 million were sold during the period. Depreciation charge for the period amounts to AED 14.46 million.

10 Investment properties

Investment properties comprises of land and buildings which are situated within the United Arab Emirates. The fair market value of investment properties is in the range of AED 55 million to AED 60 million as per the internal valuation carried out by the management. The valuation was based on an assessment of the market prices for similar properties and on the basis of future rentals.

11 Investments in marketable securities

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
Non current investments	2,322,314	2,175,278	1,583,766
Current investments	18,284	8,648	35,686
	<u>2,340,598</u>	<u>2,183,926</u>	<u>1,619,452</u>

- i. The geographical distribution of investment in marketable securities is as under:

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
United Arab Emirates	1,951,319	1,867,379	1,401,277
Other GCC countries	201,074	239,487	153,351
Other countries	188,205	77,060	64,824
	<u>2,340,598</u>	<u>2,183,926</u>	<u>1,619,452</u>

- ii. During 2006, the Company had redeemed significant portion of the securities classified as held to maturity investments as at 31 December 2005, which were not close to their maturities. As a result, in accordance with IAS 39, the held to maturity portfolio was tainted and therefore the Company is prohibited from classifying any financial assets as held to maturity for the current financial year. Accordingly, the Company's investments in securities which were earlier classified as held-to-maturity investments had been reclassified as available for sale investments as at 31 December 2006. These investments are now being fair valued with the resultant unrealised gains and losses reported in equity under the caption, "Cumulative changes in fair value of investments available for sale", except for impairment losses that are recognised in the income statement.
- iii. At 30 September 2008, investments in marketable securities include AED 35.77 million (31 December 2007: AED 16.53 million) which are stated at cost. In the opinion of management, the fair value of these investments is not materially different from their carrying amounts.

National Cement Company Public Shareholding Company

Notes (continued)

11 Investments in marketable securities (continued)

- iv. At 30 September 2008, investments in marketable securities amounting to AED 327 million (31 December 2007: AED 394 million) are held in the personal name of one of the Company's Directors for the beneficial interest of the Company.
- v. Investments amounting to AED 17 million (31 December 2007: AED 50 million) are held under lien against various bank facilities.
- vi. At 30 September 2008, the Company has recognised fair value gain of AED 4.9 million under equity on marketable securities.
- vii. During the current period, the Company has made certain investment in marketable securities (classified as available for sale investments) of AED 18.7 million in investment products of a financial institution which has filed for bankruptcy in the United States of America in the current period. This investment has been made through another bank which has confirmed the market value of AED 17.4 million of this investment as at 30 September 2008. However, the Company's Directors, on the basis of their review of circumstances and recoverability of this investment have resolved to make an impairment provision of AED 18.7 million in the interim financial information. Also refer note 8(ii).
- viii. The accounting policy for recognition and measurement of investments is consistent with that of the previous year and is as follows:

Available for sale financial assets

These investments are those financial assets that are not loans or receivables originated by the Company, held to maturity investments or financial assets held for trading. Investments in marketable securities classified as available for sale are initially recognized at cost, being the fair value of the consideration given and including charges associated with the acquisition of the investment. After initial recognition, investments are re-measured at fair value with unrealised gains and losses reported in equity, except for impairment losses, under the caption, "Cumulative changes in fair value". When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in income statement. The fair value of quoted available for sale investments is the quoted market price in an active market at the balance sheet date. For investments where there is no market price, fair value is estimated on the basis of the market price of comparable investments or by reference to the expected future cash flows.

Held to maturity investments

Held to maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available for sale.

Held to maturity investments are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held to maturity investments not close to their maturity would result in the reclassification of all held to maturity investments as available for sale and prevent the Company from classifying investment securities as held to maturity for the current and following two financial years.

National Cement Company Public Shareholding Company

Notes (continued)

12 Investment in an associate

Investment in an associate represents 20% share of Berber Cement Co Ltd ("BCC"), a limited liability company registered in the Republic of Sudan. The principal activity of the associate is to manufacture and sell cement. The Company's share in net assets of BCC has been equity accounted at the period end on the basis of audited financial statements of the associate as at 30 June 2008. This resulted in Company's share of net loss amounting to AED 0.05 million which has been recognised in the income statement. The Company has not accounted its share of profit or loss for the three months period ended 30 September 2008 as the Company's management on the basis of the financial position of BCC has confirmed that non equity accounting of BCC for the nine months period ended 30 September 2008 does not materially impact the financial position of the Company as at that date.

The movement in investment in the associate during the period was as follows;

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
Balance at 1 January	52,807	51,441	50,137
Share in (loss)/gain from an associate	(49)	1,366	(2,667)
	<u>52,758</u>	<u>52,807</u>	<u>47,470</u>

13 Long term receivable

Long term receivable comprises advance provided to a Company's employee for various investments to be made on behalf of the Company.

14 Cash in hand and at bank

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
Cash in hand	1,163	591	689
Cash at bank			
- in current accounts	63,920	76,617	82,717
- in deposit accounts	78,764	140,974	83,047
	<u>143,847</u>	<u>218,182</u>	<u>166,453</u>

The geographical distribution of cash at bank in current accounts and deposit accounts is as under:

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
United Arab Emirates	101,829	205,773	151,189
Other countries	<u>40,855</u>	<u>11,818</u>	<u>14,575</u>

National Cement Company Public Shareholding Company

Notes (continued)

15 Related party transactions

The Company, in the normal course of business, enters into transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard No. 24. Significant transactions with related parties other than those disclosed elsewhere in these interim condensed financial information are as follows:

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
Purchases from related parties	2,021	40,328	14,480	63,633
Sales to related parties	21,566	17,087	66,905	61,438
Advance to a Director (refer note below)	-	-	8,743	-

Advance to a Director represents funds provided to a Company's Director for various investments to be made on behalf of the Company.

Compensation to key management personnel including Directors is as follows:

Salaries and other short-term employee benefits	888	833	2,495	2,425
End of service benefits charged to the income statement	563	12	652	37
End of service benefits payable at the period-end	5,102	2,515	5,102	2,515

16 Share capital

	Unaudited 30 September 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 30 September 2007 AED'000
Issued and fully paid up:			
358,800,000 shares of AED 1 each (31 December 2007 and 30 September 2007: 276,000,000 shares of AED 1 each)	358,800	276,000	276,000
Issued for cash (92,000,000 shares of AED 1 each)	92,000	92,000	92,000
Bonus shares issued by capitalizing retained earnings	266,800	184,000	184,000

During the previous year, the Directors' proposal to issue 82,800,000 (2007: 92,000,000) bonus shares of par value of AED 1 each by capitalising retained earnings of the Company was approved in the Company's annual general meeting held in 29 April 2008.

17 Development and investment reserve

The balance represents the amount set aside from retained earnings in previous years. The Directors have resolved to treat this reserve as distributable.

National Cement Company Public Shareholding Company

Notes (continued)

18 General reserve

As required by the Article 57.2 of the Article of Association of the Company, 10% of the net profit has to be transferred to regular reserve. It can be discontinued by the resolution of the ordinary general meeting on the proposal of the Board of Directors or if it reaches 10% of the paid up capital of the Company. Such reserve shall be used for the purpose designated by the ordinary general meeting on the proposal of the Board of Directors.

19 Statutory reserve

In accordance with Article 57.1 of the Memorandum of Association of the Company and the UAE Federal Law No.8 of 1984 (as amended), a minimum of 10% of the net profit of the Company is to be allocated every year to a non-distributable statutory reserve. Such allocation may be ceased when the statutory reserve equals 50% of the paid up share capital.

No allocation has been made to the statutory reserve for the nine months period ended 30 September 2008 as it would be effected at the year-end.

20 Proposed dividend

For 2007, a cash dividend of AED 96.6 million along with 82,800,000 bonus shares at a par value of AED 1 each by capitalising retained earnings was approved at the Company's Annual General Meeting held in April 2008.

21 Earnings per share

	Unaudited Three months period ended 30 September 2008	Unaudited Three months period ended 30 September 2007	Unaudited Nine months period ended 30 September 2008	Unaudited Nine months period ended 30 September 2007
Net profit attributable to shareholders (AED'000)	35,315	45,084	197,695	146,884
Weighted average number of shares	<u>358,800,000</u>	<u>358,800,000</u>	<u>358,800,000</u>	<u>358,800,000</u>

The calculation of earnings per share is based on earnings for the period attributable to shareholders and the number of shares outstanding at 30 September 2008 after taking into account the bonus issue during the current period.

22 Capital commitments and contingent liabilities

	Unaudited Three months period ended 30 September 2008 AED'000	Unaudited Three months period ended 30 September 2007 AED'000	Unaudited Nine months period ended 30 September 2008 AED'000	Unaudited Nine months period ended 30 September 2007 AED'000
Investments	<u>32,776</u>	-	<u>34,441</u>	-

There were no significant contingent liabilities as at 30 September 2008 (31 December 2007: Nil).

National Cement Company Public Shareholding Company

Notes *(continued)*

23 Operating leases

Leases as lessee

The Company has leased plots of land under operating leases on which residential flats for staff accommodation are located. These leases typically run for a period of one year, with an option to renew the lease after that date. The lease rentals are usually renewed to reflect market rentals.

Leases as lessor

The Company has leased residential villas on operating leases to earn rental income. These leases typically run for a period of one year, with an option to renew the lease after that date. The lease rentals are usually renewed to reflect market rentals.