

**NATIONAL CEMENT COMPANY
(PUBLIC SHAREHOLDING CO.)
DUBAI**

Interim Condensed Financial Statements

Period Ended September 30, 2010

IBDO

National Cement Company (Public Shareholding Co.), Dubai

Interim condensed financial statements for the period ended September 30, 2010

Contents

Page:

Review report of the independent auditors

1

Interim condensed financial statements

- Interim condensed statement of financial position

2

-Interim condensed statement of comprehensive income

3

- Interim condensed statement of changes in equity

4

- Interim condensed statement of cash flows

5

- Notes to the interim condensed financial statements

6 - 19

Review report of the independent auditors to the shareholders of National Cement Company (Public Shareholding Co.), Dubai

We have reviewed the accompanying interim condensed statement of financial position of National Cement Company (Public Shareholding Co.), Dubai ("the Company") as of September 30, 2010, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the three months period then ended ("the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 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, no matter has come to our attention that causes us to believe that the accompanying interim financial information as of September 30, 2010 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

**BDO CHARTERED ACCOUNTANTS & ADVISORS**

Dubai

Yunus Saifee

Reg. No. 418

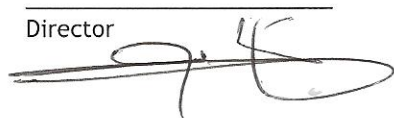
November 10, 2010

Interim condensed statement of financial position at September 30, 2010

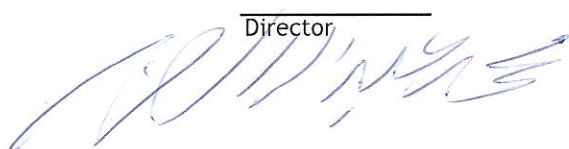
		Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
	Note			
Non current assets				
Property, plant and equipment	4	183,012	190,095	182,256
Investment properties	5	2,925	2,924	2,924
Investment in marketable securities	6	1,395,165	1,412,157	1,445,343
Investment in an associate	7	70,330	48,660	52,758
Total non current assets		1,651,432	1,653,836	1,683,281
Current assets				
Investment in marketable securities	6	1,626	2,692	3,411
Inventories	8	90,570	68,178	70,926
Trade and other receivables	9	135,001	124,375	160,726
Due from related parties	10	100,644	75,276	67,250
Bank balances and cash	11	4,349	105,061	58,650
Total current assets		332,190	375,582	360,963
Current liabilities				
Trade and other payables	12	102,625	157,859	164,373
Due to related parties	10	4,456	7,098	20,393
Bank overdraft		62,525	-	-
Total current liabilities		169,606	164,957	184,766
Net current assets		162,584	210,625	176,197
Non current liabilities				
Provision for employees' end of service gratuities		(27,145)	(27,967)	(28,090)
Net assets		1,786,871	1,836,494	1,831,388
Equity				
Share capital	13	358,800	358,800	358,800
Share application money payable		26	26	26
Development and investment reserve	14	300,000	300,000	300,000
Fair value reserve	15	605,170	570,726	552,304
General reserve	16	69,000	69,000	69,000
Statutory reserve	17	120,577	120,577	107,203
Retained earnings		333,298	417,365	444,055
Total equity		1,786,871	1,836,494	1,831,388

These interim condensed financial statements were approved and authorised for issue by the Board of Directors on November 10, 2010 and were signed on their behalf by:

Director



Director



National Cement Company (Public Shareholding Co.), Dubai

Interim condensed statement of comprehensive income for the period ended September 30, 2010

		Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
	Note				
Revenue		49,794	79,901	191,085	347,362
Cost of sales	19	(46,415)	(70,710)	(174,905)	(232,848)
Gross profit		3,379	9,191	16,180	114,514
Other income	20	3,702	4,447	13,931	12,063
		7,081	13,638	30,111	126,577
Administration, selling and general expenses	21	(6,767)	(9,049)	(24,016)	(25,264)
Profit before financial income and expense		314	4,589	6,095	101,313
Financial income/(expense) net	22	27,607	5,931	75,788	43,991
Net profit for the period		27,921	10,520	81,883	145,304
Fair value gain on available for sale investments transferred from fair value reserve		-	-	(4,490)	-
Total comprehensive income for the period		27,921	10,520	77,393	145,304
Basic and diluted earnings per share (AED)	23	0.08	0.03	0.22	0.40

National Cement Company (Public Shareholding Co.), Dubai

Interim condensed statement of changes in equity for the period ended September 30, 2010

	Share capital AED'000	Share application money payable AED'000	Development & investment reserve AED'000	Fair value reserve AED'000	General reserve AED'000	Statutory reserve AED'000	Retained earnings AED'000	Dividend AED'000	Total equity AED'000
Balance at January 1, 2009	358,800	26	300,000	1,289,027	69,000	107,203	298,751	161,460	2,584,267
Net movements in changes in fair value	-	-	-	(734,871)	-	-	-	-	(734,871)
Transfer of unrealized gain on sale of investments to income statement	-	-	-	(1,852)	-	-	-	-	(1,852)
Net profit for the period	-	-	-	-	-	-	145,304	-	145,304
Dividend paid during the period	-	-	-	-	-	-	-	(161,460)	(161,460)
Balance at September 30, 2009 (unaudited)	358,800	26	300,000	552,304	69,000	107,203	444,055	-	1,831,388
Balance at January 1, 2010	358,800	26	300,000	570,726	69,000	120,577	417,365	-	1,836,494
Net movements in changes in fair value	-	-	-	29,954	-	-	-	-	29,954
Transfer of unrealized gain on sale of investments to income statement	-	-	-	4,490	-	-	-	-	4,490
Total comprehensive income for the period	-	-	-	-	-	-	77,393	-	77,393
Dividend	-	-	-	-	-	-	(161,460)	161,460	-
Dividend paid during the period	-	-	-	-	-	-	-	(161,460)	(161,460)
Balance at September 30, 2010 (unaudited)	358,800	26	300,000	605,170	69,000	120,577	333,298	-	1,786,871

Interim condensed statement of cash flow for the period ended September 30, 2010

		Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Cash flows from operating activities	Note		
Net profit for the period		77,393	145,304
Adjustments for:			
Depreciation	4	11,010	13,044
Gain on disposal of property, plant and equipment	4	(1,660)	(78)
Provision for employees' end of service gratuities		1,204	1,206
Financial income and expense (net)	22	(50,993)	(43,991)
Operating profit before working capital changes		36,954	115,485
Change in inventories	8	(22,393)	10,258
Change in trade and other receivables	9	(10,626)	(10,399)
Change in due from related parties	10	(25,368)	(15,559)
Change in trade and other payables	12	(55,235)	15,437
Change in due to related parties	10	(2,642)	(24,661)
Change in long term receivable		-	1,000
Payment of end of service benefits		(2,013)	(1,304)
<i>Net cash (used in) / from operating activities</i>		(81,323)	90,257
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(5,077)	(4,225)
Investment in marketable securities	6	(223,621)	(292,028)
Proceeds from disposal of property, plant and equipment	4	2,808	78
Proceeds from disposal of investment in marketable securities		271,633	246,982
Associate		(21,670)	-
Dividend income		19,182	15,126
Interest income (net)		36,291	34,918
<i>Net cash from investing activities</i>		79,546	851
Cash flows from financing activities			
Dividend paid during the period	18	(161,460)	(161,460)
<i>Net cash used in financing activities</i>		(161,460)	(161,460)
Net decrease in cash and cash equivalents		(163,237)	(70,352)
Cash and cash equivalents at beginning of the period		105,061	129,002
Cash and cash equivalents at end of the period	24	(58,176)	58,650

1. Status and activities

National Cement Company (Public Shareholding Co.), Dubai ("the Company"), is registered in accordance with the decree issued by His Highness Ruler of Dubai on April 10, 1968 establishing a 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 P.O. Box 4041, United Arab Emirates.

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

The interim condensed financial statements for the nine months period ended September 30, 2010 were authorized for issue by the Board of Directors on November 10, 2010.

These interim condensed financial statements are presented in thousands of UAE Dirhams (AED'000) unless otherwise stated.

2. Basis of preparation

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim condensed financial statements (International Accounting Standard 34 Interim Financial Reporting). These interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2009.

3. Significant accounting policies

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 December 31, 2009.

These interim condensed financial statements 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.

4. Property, plant and equipment

During the period ended September 30, 2010 additions to the property, plant and equipment amounted to approximately AED 5.08 million and assets with a cost of AED 3.2 million were sold during the period. Depreciation charge for the period amounts to AED 11 million.

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)**5. Investment properties**

Investment properties represent land and villas constructed on that land. No investment properties were bought or sold during the current period and no depreciation was charged as the depreciable assets are fully depreciated.

The fair market value of investment properties, including land, is in the range of AED 45 million to AED 50 million (September 30, 2009: AED 45 million to 50 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.

6. Investment in marketable securities

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Non current investments	1,395,165	1,412,157	1,445,343
Current investments	1,626	2,692	3,411
	<u>1,396,791</u>	<u>1,414,849</u>	<u>1,448,754</u>

- a. At September 30, 2010, investments include AED 21.3 million (December 31, 2009: AED 16 million) which are stated at cost. In the opinion of the management, the fair value of these investments is not materially different from their carrying amounts.
- b. At September 30, 2010, investments in marketable securities amounting to AED 285 million (December 31, 2009: AED 258 million) are held in the personal name of one of the Company's Director for the beneficial interest of the Company.
- c. Investments amounting to AED 167 million (December 31, 2009: AED 113 million) are held under lien against various un-drawn bank facilities.

7. Investment in an associate

Investment in an associate company represents 22% share in Berber Cement Company (Ltd), a limited liability company registered in the Republic of Sudan. The principal activity of the associate is to manufacture and sell cement. During the period there has been a change in the shareholding pattern of the Company which has increased from 20% to 22%.

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)**8. Inventories**

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Raw materials	44,669	24,198	28,091
Work in progress	49,981	21,632	24,450
Finished goods	3,042	29,470	25,507
Provision for obsolescence	(7,122)	(7,122)	(7,122)
	<u>90,570</u>	<u>68,178</u>	<u>70,926</u>

9. Trade and other receivables

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Trade receivables	105,265	107,471	121,486
Allowance for doubtful debts	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
	99,265	101,471	121,486
Advances	19,489	21,000	
Prepayments and other receivables	16,247	1,904	39,240
	<u>135,001</u>	<u>124,375</u>	<u>160,726</u>

Prepayments and other receivables mainly represents amount transferred for the setting up of a cement company in Syria. The total commitment for this is AED 29 million.

10. Related party disclosures

The Company, in the ordinary course of its business, enters into trading and financing transactions with concerns which fall within the definition of "related party" as contained in International Accounting Standard 24. The balances due to/from such parties, which have been disclosed separately in the interim condensed financial statements, are unsecured and repayable on demand. The management believes that the terms of the trading transactions are not materially different from those that could have been obtained from unrelated parties.

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)**10. Related party disclosures (Continued)**

The significant related party transactions during the period are as follows:

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
With Affiliates:				
- Sale of cement	5,848	11,956	5,848	45,503
- Purchase of materials and services	2,216	2,727	13,136	11,146
With Directors:				
- Advance paid to a Director	-	4,000	-	4,000
With Key Management Personnel:				
- Salaries & other short term benefits	807	789	2,421	2,459
- E.O.S benefits charged	-	46	189	138
- E.O.S benefits at period end	5,481	5,291	5,481	5,291

Related party balances are as under:

Payables:

- To Associate	-	13,585		13,585
- To Affiliate	4,456	6,808	4,456	6,808

Receivables:

- From Affiliates	47,244	-	47,244	-
- From Director	10,354	12,922	10,354	12,922
- From Associate	43,046	54,328	43,046	54,328

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)

11. Bank balances and cash

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Cash at hand	821	627	674
Current accounts with banks	3,528	64,668	38,891
Fixed deposits maturing within 3 months	-	39,766	19,085
	<u>4,349</u>	<u>105,061</u>	<u>58,650</u>

12. Trade and other payables

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Trade payables	37,673	24,603	35,564
Derivative financial instruments	21,355	109,489	94,742
Other accruals and payables	21,224	19,041	28,639
Unclaimed dividend	22,373	4,726	5,428
	<u>102,625</u>	<u>157,859</u>	<u>164,373</u>

Please refer to note 26 for further information on derivative financial instruments.

13. Share capital

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Issued and fully paid up:			
358,800,000 shares of AED 1 each	<u>358,800</u>	<u>358,800</u>	<u>358,800</u>

14. 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.

15. Fair value reserve

This reserve represents the cumulative changes in fair value of investments in marketable securities.

16. General reserve

As required by Article 57.2 of the Article of Association of the Company, 10% of the net profit has to be transferred to general reserve. It can be discontinued by the resolution of the ordinary general meeting on the proposal of 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.

17. 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 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 six months period ended June 30, 2010 as it would be affected at the year-end.

18. Dividend

For 2009, a dividend of AED 161.4 million was proposed by the Directors' of the Company which was approved in the Annual General Meeting on March 10, 2010. This was paid out by way of cash dividend.

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)

19. Cost of sales

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Material expenses	28,334	49,631	115,180	166,780
Factory utilities	10,457	12,174	33,685	39,862
Staff costs	4,701	5,546	16,900	16,020
Depreciation	2,923	3,359	9,140	10,186
	<u>46,415</u>	<u>70,710</u>	<u>174,905</u>	<u>232,848</u>

20. Other income

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Rental income - invest. prop.	890	1,062	1,865	2,100
Other rental income	2,075	2,446	6,324	6,940
Income from scrap sales	668	760	2,082	2,550
Gain on disposal - P.P.E.	-	18	1,659	78
Other income	69	161	2,001	395
	<u>3,702</u>	<u>4,447</u>	<u>13,931</u>	<u>12,063</u>

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)

21. Administration, selling and general expenses

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Staff salaries and benefits	3,887	5,893	12,975	14,284
License fees	-	-	242	164
Insurance	25	208	693	554
Communication	44	39	133	154
Repair and maintenance	1,289	1,654	4,364	5,181
Travelling and conveyance	55	115	154	315
Legal and professional	56	64	191	179
Electricity and water	97	107	233	270
Depreciation	538	831	1,869	2,857
Other	173	128	462	494
Finance Charges	603	10	2,700	812
	<u>6,767</u>	<u>9,049</u>	<u>24,016</u>	<u>25,264</u>

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)

22. Financial income/(expense) net

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Interest income:				
- interest rate swap contracts	2,262	7,752	11,218	18,460
- bank deposits		414	25	628
- investments	17,090	4,893	26,738	15,829
Net revaluation gain (unrealised):				
- interest rate swap contracts	8,592	7,574	44,812	24,697
- commodity derivatives	-	-	64	
Net gain on unwinding of:				
- interest rate swap contracts	-	-	423	17,123
- commodity derivatives	-	25,318	7,704	25,318
Gain on disposal:				
- unrealised	-	-	-	1,499
Dividend income - available for sale	1,965	1,933	19,183	15,126
Financial income	29,909	47,884	110,167	118,680
Net revaluation loss (unrealised) on:				
- interest rate swap contracts	1,103	35,242	31,496	53,218
- commodity derivatives	-	4,415	-	8,831
Net revaluation loss (realised) on:				
- interest rate swap contracts	1,199	-	1,199	9,548
Interest expense:				
- interest swap contracts	-	-	1,684	-
Loss on disposal:				
- unrealised	-	1,240	-	1,240
- realised	-	1,056	-	1,852
Financial expense	2,302	41,953	34,379	74,689
Financial income/(expense) net	27,607	5,931	75,788	43,991

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)

23. Earnings per share

	Unaudited Three months period ended September 30, 2010 AED'000	Unaudited Three months period ended September 30, 2009 AED'000	Unaudited Nine months period ended September 30, 2010 AED'000	Unaudited Nine months period ended September 30, 2009 AED'000
Net profit attributable - shareholders	27,921	10,520	77,393	145,304
Weighted average number of shares	358,800	358,800	358,800	358,800
Earnings per share	0.08	0.03	0.22	0.40

24. Cash and cash equivalents

	Unaudited September 30, 2010 AED'000	Unaudited September 30, 2009 AED'000
Cash and bank balances	4,349	58,650
Bank overdraft	(62,525)	-
	<u>(58,176)</u>	<u>58,650</u>

25. Segment reporting

The Company's activities comprise two main business segments, manufacturing and selling cement and cement related products and investment in marketable securities and derivative products. The details of segment revenue, segment result, segment assets and segment liabilities have been provided on page 19.

26. Financial instruments

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximizing return to stakeholders.

The capital structure of the Company consists of borrowings, cash and cash equivalents and equity attributable to equity holders comprising of issued capital, reserves and retained earnings.

Market risk management

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk), interest rates (interest rate risk) and market prices (other price risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or the Company, or factors affecting all similar financial instruments traded in the market.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to US Dollars. The US Dollar has been pegged against the United Arab Emirates Dirham ("AED"), hence no exchange risk is considered to exist.

Interest rate risk management

The Company is exposed to interest rate risk on cash at bank (including time deposits), available for sale investments and interest rate swap contracts.

If the interest rates on cash at bank have had been 50 base points higher or lower and all other variables were held constant, the Company's profits would not be materially affected.

If the interest rates on available for sale investments have had been 50 base points higher or lower and all other variables were held constant, the Company's profits would have increased or decreased by AED 133,690 (2009: 46,637)

If the interest rates on interest swap contracts have had been 50 base points higher or lower and all other variables were held constant, the Company's profits would have increased or decreased by AED 56,090 (2009: AED 38,760).

26. Financial instruments (Continued)

Other price risk management

The Company is exposed to other price risks in market on its equity investments. Investments in equity instruments are generally held for long term.

If equity prices in market had been 10% higher/lower:

- Available for sale investment valuation reserve would increase/decrease by AED 2.67 million.
- The profit would be unaffected as equity investments are classified as available for sale.

Credit risk management

Credit risk is the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk from its financial assets which comprise principally fixed deposits, bank balances, trade and other receivables, due from related parties and investments. The credit risk on trade receivables and related parties is subjected to credit evaluations and an allowance may be made for estimated irrecoverable amounts. The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has built appropriate liquidity risk management framework for the management of its short, medium and long term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

Derivative contracts

The Company's investments in certain securities normally carry interest which is linked to LIBOR.

The Company has also entered into certain interest rate swaps contracts and commodity derivative swap contracts. These swap contracts are not designated as hedges and accordingly are treated as free standing derivative contracts.

Notes to the interim condensed financial statements for the period ended September 30, 2010
(Continued)**26. Financial instruments (Continued)**

At September 30, 2010 the Company had outstanding interest rate swap contracts with a notional amount of USD 285 million (AED 1,045 million) ((December 31, 2009: USD 160 million (AED 588 million)) and outstanding commodity derivative swap contracts with a notional amount of nil value ((December 31, 2009: USD 66 million (AED 242 million)). The fair value of the interest rate and commodity swap contracts are shown as under:

	Unaudited September 30, 2010 AED'000	Audited December 31, 2009 AED'000	Unaudited September 30, 2009 AED'000
Interest rate swap - negative value	(21,355)	(33,895)	(48,919)
Commodity derivative - negative value	-	(75,594)	(45,823)
	<u>(21,355)</u>	<u>(109,489)</u>	<u>(94,742)</u>

27. 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 had 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.

28. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed financial statements.

Notes to the interim condensed financial statements for the nine months period ended September 30, 2010 (Continued)

Segment report as on September 30, 2010

	Nine months period ended September 30, 2010 (Unaudited)			Nine months period ended September 30, 2009 (Unaudited)		
	Cement AED'000	Investment in marketable securities and derivative products AED'000	Total AED'000	Cement AED'000	Investment in marketable securities and derivative products AED'000	Total AED'000
Segment revenue	191,085	110,167	301,252	347,362	72,022	419,384
Segment result	16,180	71,298	87,478	114,514	43,991	158,505
Other income	-	-	13,931	-	-	12,063
Unallocated expenses	-	-	(24,016)	-	-	(25,265)
Net profit for the year	-	-	77,393	-	-	145,303
Segment assets - other	516,500	1,396,791	1,913,291	542,732	1,448,754	1,991,486
Investment in equity accounted investee	70,330	-	70,330	52,758	-	52,758
Total assets	586,830	1,396,791	1,983,621	595,490	1,448,754	2,044,244
Segment liabilities	175,395	21,355	196,750	118,114	94,742	212,856
Total liabilities	175,395	21,355	196,750	118,114	94,742	212,856
Capital expenditure	5,077	223,621	228,698	4,225	292,028	296,253
Depreciation	11,010	-	11,010	13,044	-	13,044