11. Bank balances and cash

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Cash at hand	621	606	558
Current accounts with banks	35,364	20,519	6,251
Fixed deposits maturing:			
- within 3 months	18,753	-	-
	54,738	21,125	6,809

12. Bank loans and overdrafts

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Bank overdrafts	-	-	91,208
Bank loans	139,489	139,489	-
	139,489	139,489	91,208

Bank loans and overdrafts are secured by a lien on investments and a bank guarantee of USD 20 million in the name of a bank.

13. Trade and other payables

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Trade payables	9,922	16,198	70,989
Derivative financial instruments	93	622	31,791
Other accruals and payables	13,992	10,378	14,703
Advances	273	133	-
Directors' fees	-	1,500	-
Dividend payable	84,643	12,885	25,015
	108,923	41,716	142,498

Please refer to note 27 for further information on derivative financial instruments.

14. Share capital

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Issued and fully paid up:			
358,800,000 shares of AED 1 each	358,800	358,800	358,800

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. No such transfer has been made during the period under review.

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 three months period ended March 31, 2012 as the reserve equaled 50% of the paid share capital as at December 31, 2011.

18. Dividend

For the financial year ended December 31, 2011, a dividend of AED 71.76 million was proposed by the Directors' of the Company which was approved in the Annual General Meeting on March 21, 2012.

19. Cost of sales

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Material expenses	31,222	43,114
Factory utilities	5,654	9,014
Staff costs	6,952	7,555
Depreciation	3,016	3,065
	46,844	62,748

20. Other income

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Rental income from investment properties	537	46
Other rental income	1,284	2,067
Income from scrap sales	728	732
Gain on sale of property, plant and equipment	446	108
	2,995	2,953

21. Administration, selling and general expenses

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Staff salaries and benefits	5,359	5,043
License fees	221	221
Insurance	569	618
Communication	19	35
Repair and maintenance	1,659	1,053
Travelling and conveyance expenses	65	108
Legal and professional	105	100
Electricity and water	41	46
Depreciation	296	515
Other	180	308
Finance charges	395	1,282
	8,909	9,329

22. Finance costs

Finance costs represent interest paid on overdrafts and bank loans.

23. Financial income

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Interest income:		
- interest rate swap contracts	171	178
- bank deposits	-	-
- investments	6,542	8,687
Net revaluation gain(unrealised) on:		
- interest rate swap contracts	529	6,244
- commodity derivative contracts	-	-
Gain on disposal of available for sale financial assets	1,506	663
Dividend income on available for sale financial assets	15,101	11,817
Financial income	23,849	27,589
Loss on disposal of available for sale financial assets	2,255	-
Financial expense	2,255	-
Financial income recognised in the statement of comprehensive income	21,594	27,589

24. Earnings per share

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Net profit attributable to shareholders	15,615	14,544
Weighted average number of shares	358,800	358,800
Earnings per share	0.04	0.04

25. Cash and cash equivalents

	Unaudited Three months period ended March 31, 2012 AED'000	Unaudited Three months period ended March 31, 2011 AED'000
Bank balances and cash	54,738	6,809
Fixed deposits maturing after three months	-	-
Bank overdraft	-	(91,208)
	54,738	(84,399)

26. 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 20.

27. 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.

27. Financial instruments *(Continued)*

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 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 8,550 (March 31, 2011: AED 43,435)

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 327,100 (March 31, 2011: AED 31, 220).

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 and are not traded actively.

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

- Available for sale investment valuation reserve would increase/decrease by AED 3.2 million.
- The profit would be unaffected as equity investments are classified as available for sale.

27. Financial instruments *(Continued)*

Credit risk management

Credit risk is the risk that one party of a 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 of fixed deposits, bank balances, trade and other receivables, due from related parties and investments. The credit risk on trade receivables 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 cashflows.

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.

At March 31, 2012 the Company had outstanding interest rate swap contracts with a notional amount of USD 185 million (AED 681 million) ((December 31, 2011: USD 185 million (AED 681 million)). The fair value of the interest rate and commodity swap contracts are shown as under:

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Interest rate swap - negative value	(93)	(622)	(31,791)

27. Financial instruments *(Continued)*

Financial instruments by category

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Financial assets			
Available for sale investments	1,456,240	1,427,612	1,313,705
Loans and receivables:			
- Trade and other receivables	152,125	161,454	161,774
- Due from related parties	123,704	149,508	113,007
Cash and bank balances	54,738	21,125	6,809
Financial liabilities			
Other financial liabilities			
- Trade and other payables	108,923	41,716	142,498
- Due to related parties	5,307	4,142	3,570
Bank loans and overdrafts	139,489	139,489	91,208

28. Capital commitments

	Unaudited March 31, 2012 AED'000	Audited December 31, 2011 AED'000	Unaudited March 31, 2011 AED'000
Property plant and equipment	15,208	38,150	35,000

29. 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.

30. Comparative figures

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

Segment report as on March 31, 2012

	Three months period ended March 31, 2012 (Unaudited)			Three months period ended March 31, 2011 (Unaudited)		
	Cement	Investment in marketable securities and derivative products	Total	Cement	Investment in marketable securities and derivative products	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment revenue	48,680	21,594	70,274	56,712	26,956	83,668
Segment result	1,836	21,594	23,430	(6,036)	26,956	20,920
Other income	-	-	2,995	-	-	2,953
Unallocated expenses	-	-	(10,810)	-	-	(9,329)
Net profit for the year	-	-	15,615	-	-	14,544
Segment assets	591,807	1,456,240	2,048,047	532,183	1,313,705	1,845,888
Investment in equity accounted investee	78,723	-	78,723	73,974	-	73,974
Total assets	670,530	1,456,240	2,126,770	606,157	1,313,705	1,919,862
Segment liabilities	278,867	93	278,960	231,966	31,791	263,757
Total liabilities	278,867	93	278,960	231,966	31,791	263,757
Capital expenditure	24,266	107,090	131,356	626	25,250	25,876
Depreciation	3,312	-	3,312	3,581	-	3,581