National Cement Company
Public Shareholding Company

Interim condensed financial statements
31 March 2008

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KPMG

P O Box 3800
Level 32 Emirates Towers
Sheikh Zayed Road
Dubai
United Arab Emirates

Telephone +971 (4) 403 0300
Fax +971 (4) 330 1515
Website www.ae-kpmg.com

Review Report of the Auditors' to the shareholders of
National Cement Company Public Shareholding Company

We have reviewed the accompanying interim condensed balance sheet of National Cement Company Public Shareholding Company ("the Company") as of 31 March 2008, and the related interim condensed statements of income, cash flows and changes in equity 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 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 of 31 March 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

15 MAY 2008

Vijendranath Malhotra
(Registration No. B 48)
Dubai, United Arab Emirates

National Cement Company Public Shareholding Company

Interim condensed income statement (unaudited)

for the three months period ended 31 March 2008

	Note	**Three months period ended 31 March 2008 AED'000**	Three months period ended 31 March 2007 AED'000
Revenue	*5*	**133,288**	128,355
Cost of sales	*6*	**(97,475)**	(73,172)
Gross profit		**35,813**	55,183
Administrative and general expenses		**(14,403)**	(10,641)
Other income		**4,039**	6,223
Profit before financial income and expense		**25,449**	50,765
Financial income/(expense) (net)	*7*	**108,811**	(5,956)
Net profit for the period		**134,260**	44,809
Basic and diluted earnings per share (AED)	*19*	**0.49**	0.16

The notes set out on pages 6 to 15 form part of these interim condensed financial statements.

The review report of the Auditors is set out on page 1.

National Cement Company Public Shareholding Company

Interim condensed balance sheet
as at 31 March 2008

	Note	Unaudited 31 March 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 31 March 2007 AED'000
Property, plant and equipment	*8*	**199,169**	203,404	206,142
Investment properties	*9*	**2,924**	2,924	2,924
Long term portion of investment in marketable securities	*10*	**2,552,165**	2,175,278	1,470,667
Investment in an associate	*11*	**52,807**	52,807	51,582
Long term receivable	*12*	**1,000**	1,000	1,000
		2,808,065	2,435,413	1,732,315
Current assets				
Current portion of investment in marketable securities	*10*	**32,469**	8,648	31,948
Inventories		**75,147**	84,017	57,806
Trade and other receivables		**168,227**	155,521	148,392
Due from related parties	*13*	**73,321**	50,680	63,585
Cash in hand and at bank		**332,148**	218,182	22,432
		681,312	517,048	324,163
Current liabilities				
Trade and other payables		**138,283**	161,875	76,150
Due to related parties	*13*	**865**	2,644	1,122
Bank overdraft		-	-	18,914
		139,148	164,519	96,186
Net current assets		**542,165**	352,529	227,977
Provision for end of service benefits		**(23,776)**	(21,992)	(19,439)
		3,326,453	2,765,950	1,940,853
Represented by:				
Share capital	*14*	**276,000**	276,000	276,000
Share application money payable		**26**	26	26
Development and investment reserve	*15*	**300,000**	300,000	300,000
Cumulative changes in fair value of investments available for sale		**1,992,583**	1,566,340	896,604
General reserve	*16*	**69,000**	69,000	69,000
Statutory reserve	*17*	**87,805**	87,805	67,613
Retained earnings		**421,639**	287,379	331,610
Proposed dividend	*18*	**179,400**	179,400	-
		3,326,454	2,765,950	1,940,853

The notes set out on pages 6 to 15 form part of these interim condensed financial statements.

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

15 MAY 2008

Vice - Chairman

Director

The review report of the Auditors is set out on page 1.

National Cement Company Public Shareholding Company

Interim condensed statement of cash flows (Unaudited)

for the three months period ended 31 March 2008

	Three months period ended 31 March 2007 AED'000	Three months period ended 31 March 2007 AED'000
Operating activities		
Net profit for the period	**134,260**	44,809
Adjustments for:		
Depreciation	**4,753**	4,607
Gain on disposal of property, plant and equipment	**(22)**	(375)
Provision for end of service benefits	**2,840**	2,302
Financial income and expense (net)	**(108,811)**	5,956
Operating profit before working capital changes	**33,020**	57,299
Change in inventories	**8,871**	16,632
Change in trade and other receivables	**(12,706)**	(26,762)
Change in due from related parties	**(22,641)**	(19,174)
Change in trade and other payables	**(23,973)**	(12,732)
Change in due to related parties	**(1,779)**	(1,896)
Change in long term receivable	-	3,123
Payment of end of service benefits	**(1,056)**	(578)
Cash flows from operating activities	**(20,264)**	15,912
Investing activities		
Acquisition of property, plant and equipment	**(568)**	(3,958)
Investment in marketable securities	**(110,499)**	(22,042)
Investment in an associate	-	(141)
Proceeds from disposal of property, plant and equipments	**72**	2,251
Proceeds from disposal of investment in marketable securities	**227,579**	14,292
Net movement in fixed deposits	**(1,889)**	(24)
Dividend income	**4,506**	7,235
Interest income	**13,140**	4,724
Cash flows from investing activities	**132,341**	2,337
Financing activities		
Dividend paid	-	(81,621)
Cash flows from financing activities	-	(81,621)
Net increase/(decrease) in cash and cash equivalents	**112,077**	(63,372)
Cash and cash equivalents at the beginning of the period	**77,208**	62,798
Cash and cash equivalents at the end of the period	**189,285**	(574)
These comprise the following:		
Cash at bank and in hand	**189,285**	18,340
Bank overdraft	-	(18,914)
	189,285	(574)

The notes set out on pages 6 to 15 form part of these interim condensed financial statements.

The review report of the Auditors is set out on page 1.

National Cement Company Public Shareholding Company

Interim condensed statement of changes in equity (unaudited)

for the three months period ended 31 March 2008

	Share capital AED'000	Share application money AED'000	Investment reserve AED'000	Cumulative changes in fair value of investments available for sale AED'000	General reserve AED'000	Statutory reserve AED'000	Retained earnings AED'000	Proposed 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	-	-	-	-	-	-	-	(92,000)	(92,000)
Issue of bonus shares by capitalising retained earnings (refer note 14)	92,000	-	-	-	-	-	(92,000)	-	-
Net movements in changes in fair value	-	-	-	(86,480)	-	-	-	-	(86,480)
Transfer of unrealised gain on sale of investments to income statement	-	-	-	(4,606)	-	-	-	-	(4,606)
Impairment loss recognised in income statement (refer note 7(ii))	-	-	-	14,344	-	-	-	-	14,344
Net profit for the period	-	-	-	-	-	-	44,809	-	44,809
At 31 March 2007	276,000	26	300,000	896,604	69,000	67,613	331,610	-	1,940,853
At 1 January 2008	276,000	26	300,000	1,566,340	69,000	87,805	287,379	179,400	2,765,950
Net movement in changes in fair value	-	-	-	502,917	-	-	-	-	502,917
Transfer of unrealized gain on sale of investments to income statement	-	-	-	(76,674)	-	-	-	-	(76,674)
Net profit for the period	-	-	-	-	-	-	134,261	-	131,162
At 31 March 2008	**276,000**	**26**	**300,000**	**1,992,583**	**69,000**	**87,805**	**421,640**	**179,400**	**3323,355**

The notes on pages 6 to 15 form part of these interim condensed financial statements.

The review report of the Auditors is set out on page 1.

National Cement Company Public Shareholding Company

Notes

(forming part of the interim condensed financial statements - 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 statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial statements (IAS 34 *Interim Financial Reporting*). These interim 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 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 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.

3 Accounting estimates and judgements

The preparation of interim condensed financial statements 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 statements, 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.

5 Revenue

	Unaudited Three months period ended 31 March 2008 AED'000	Unaudited Three months period ended 31 March 2007 AED'000
Domestic sale of cement	**133,288**	128,355

6 Cost of sales

	Unaudited Three months period ended 31 March 2008 AED'000	Unaudited Three months period ended 31 March 2007 AED'000
Material expenses	**78,220**	57,170
Factory utilities and repairs	**8,734**	8,806
Staff costs	**7,195**	4,069
Depreciation	**3,326**	3,127
	97,475	73,172

7 Financial income/(expense)-(net)

Recognized in the income statement

	Unaudited Three months period ended 31 March 2008 AED'000	Unaudited Three months period ended 31 March 2007 AED'000
Interest income on interest rate swap contracts	**8,000**	2,381
Interest income on bank deposits	**4,166**	32
Interest income on investments	**975**	2,311
Gain on unwinding of interest rate swap contracts	**10,840**	3,110
Gain on unwinding of commodity derivative swap contracts	**22,994**	-
Gain on disposal of available for sale financial assets transferred from equity (refer note 10)	**76,674**	4,606
Gain on disposal of available for sale financial assets	**14,858**	413
Dividend income on available for sale financial assets	**4,506**	7,235
Financial income	**143,013**	20,088

7 Financial income and expense (net)

	Unaudited Three months period ended 31 March 2008 AED'000	Unaudited Three months period ended 31 March 2007 AED'000
Net revaluation loss on interest rate swap contracts (unrealised) (refer note (i) below)	**(17,243)**	(11,700)
Net revaluation loss on commodity derivative contracts (unrealised) (refer note (i) below)	**(16,959)**	-
Impairment loss on available for sale financial assets (refer note (ii) below)	-	(14,344)
Financial expense	**(34,202)**	26,044
Financial income and (expense) recognized in the income statement (net)	**108,811**	(5,956)

(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 94.38 million *(cumulative loss as at 31 December 2007: AED 94.01 million)*. However this loss is unrealised in nature and the Company has earned an interest income of AED 8 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.

8 Property, plant and equipment

During the three months period ended 31 March 2008, additions to the property, plant and equipment amounted to AED 0.57 million and assets with a cost of AED 0.05 million were sold during the period. Depreciation charge for the period amounts to AED 4.75 million.

9 Investment properties

No investment properties were sold during the current period and no depreciation was charged as the depreciable assets are fully depreciated.

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.

10 Investment in marketable securities

	Unaudited 31 March 2008 AED '000	Audited 31 December 2007 AED'000	Unaudited 31 March 2007 AED'000
Non current investments	**2,552,165**	2,175,278	1,470,667
Current investments	**32,469**	8,648	31,948
	2,584,634	2,183,926	1,502,615

i. 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 investment 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.

ii. At 31 March 2008, investments include AED 29.64 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.

iii. At 31 March 2008, investments in marketable securities amounting to AED 393 million *(31 December 2007: AED 394 million)* are held in the personal name of one of the Company's Director for the beneficial interest of the Company.

iv. Investments amounting to AED 45.4 million *(31 December 2007: AED 50 million)* are held under lien against various bank facilities.

11 Investment in an associate

Investment in an associate represents 20% share of Berber Cement Company 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 as at 31 December 2007 on the basis of the audited financial statements of the associate as at 31 December 2006. This resulted in the Company's share of net assets of the associate amounting to AED 1.37 million which was recognized in the income statement for the year ended 31 December 2007. The audited financial statements of the associate as at 31 March 2008 are not available and in the opinion of the Directors, the arrear in the equity accounting of this investment does not materially impact the financial position of the Company as at 31 March 2008.

12 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.

13 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. These transactions mainly comprise purchase and sale of goods which in the opinion of the Company's management are entered at terms agreed with the management of the related parties. Significant transactions with related parties other than those disclosed elsewhere in these interim condensed financial statements are as follows:

	Unaudited Three months period ended 31 March 2008 AED'000	Unaudited Three months period ended 31 March 2007 AED'000
Purchases from related parties	**3,165**	6,458
Sales to related parties	**26,237**	25,052
	=====	======

Compensation to key management personnel including Directors is as follows:

Salaries and other short-term employee benefits	**804**	254
End of service benefits charged to the income statement	**45**	12
End of service benefits payable at the period-end	**4,565**	2,384
	====	====

14 Share capital

	Unaudited 31 March 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 31 March 2007 AED'000
Issued and fully paid up:			
276,000,000 shares of AED 1 each *(31 December 2007: 276,000,000 shares of AED 1 each)*	**276,000**	276,000	276,000
	======	======	======

Subsequent to the period end, the Directors' proposed to issue 82,800,000 bonus shares at par value of AED 1 each by capitalizing retained earnings of the Company was approved in the Company's annual general meeting held on 29 April 2008.

15 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.

16 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 general 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.

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 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 three months period ended 31 March 2008 as it would be effected at the year-end.

18 Proposed dividend

For 2007, a dividend of AED 179.4 million was proposed by the Directors' of the Company which will be paid by way of cash dividend of AED 96.6 million and by issue of bonus shares amounting to AED 82.8 million. This proposed dividend has been approved by the shareholders' of the Company in the Annual General Meeting held on 29 April 2008.

19 Earnings per share

	Unaudited Three months period ended 31 March 2008	Unaudited Three months period ended 31 March 2007
Net profit attributable to shareholders (AED'000)	**134,260**	44,809
Weighted average number of shares	**276,000,000**	276,000,000
Earnings per share	**0.49**	0.16

20 Capital commitments and contingent liabilities

	Unaudited 31 March 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 31 March 2007 AED'000
Capital commitments:			
Property, plant and equipment (net of advances)	**7,192**	-	-
	======	======	======

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

21 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.

22 Segment reporting

Business segments

The Company's activities comprise two main business segments, namely, (i) manufacture and sell cement and cement related products and (ii) investment in marketable securities and derivative products. The details of segment revenue, segment result, segment assets and segment liabilities are as under:

	Three months period ended 31 March 2008 (Unaudited)			Three months period ended 31 March 2007 (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	**133,288**	**143,013**	**276,301**	128,355	20,088	148,443
Segment result	**35,813**	**108,811**	**144,624**	55,183	(5,956)	49,227
Other income	-	-	**4,039**	-	-	6,223
Unallocated expenses	-	-	**(14,403)**	-	-	(10,641)
Net profit for the year	-	-	**134,260**	-	-	44,809
Segment assets	**851,935**	**2,584,634**	**3,436,569**	502,281	1,502,615	2,004,896
Investment in equity accounted investee	**52,807**	-	**52,807**	51,582	-	51,582
Total assets	**901,644**	**2,584,634**	**3,489,376**	553,863	1,502,615	2,056,478
Segment liabilities	**68,540**	**94,383**	**162,923**	103,925	11,700	115,625
Total liabilities	**68,540**	**94,383**	**162,923**	101,243	14,382	115,625
Capital expenditure	**568**	**110,499**	**111,067**	3,958	22,042	26,000
Depreciation	**4,753**	-	**4,753**	4,607	-	4,607
Impairment losses on available for sale financial assets	-	-	-	-	14,344	14,344

23 Financial instruments

Financial assets of the Company include investment in marketable securities, long term receivables, trade receivables, due from relates parties and cash in hand and at bank. Financial liabilities of the Company include trade payables, due to related parties, bank overdraft and derivative financial instruments.

Credit risk

Financial assets, which potentially subject the Company to concentration of credit risk, consist mainly of cash at bank, trade receivables and receivables from related parties. The Company's cash equivalents are placed with local and international banks of repute. The credit risk with respect to certain trade receivables is covered as the Company seeks bank guarantee or equivalent instruments for the products supplied. Amounts due from related parties are considered fully recoverable by management. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency risk

Currency risk faced by the Company is minimal as there are minimal foreign currency transactions. In respect of monetary assets and liabilities in United States Dollar ("USD"), there is no exchange risk involved as presently, AED is pegged to USD.

Interest rate risk and derivative contracts

The Company's investments in certain securities normally carry interest which are 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 31 March 2008, the Company had outstanding interest rate swap contracts with a notional amount of USD 300 million (AED 1,101 million) *((31 December 2007: USD 330 million (AED 1,212 million))* and outstanding commodity derivative swap contracts with a notional amount of USD 66 million (AED 242 million) *(31 December 2007: USD 232 million (AED 852 million))*. The fair values of IRS and commodity swaps at the balance sheet date were as under:

23 Financial instruments (continued)

Interest rate risk and derivative contracts (continued)

	Unaudited 31 March 2008 AED'000	Audited 31 December 2007 AED'000	Unaudited 31 March 2007 AED'000
Interest rate swaps – contracts with positive value (unrealised)	**19,358**	20,018	-
Interest rate swaps – contracts with negative value (unrealised)	**53,594**	47,851	14,436
Commodity derivative – contracts with negative value (unrealised)	**60,148**	66,183	-
	=====	=====	=====

In addition, interest rate swap contracts with a notional value of USD 130 million (AED 477 million) were un-winded on which the Company earned a gain of AED 10.84 million.

In addition, Commodity derivative contracts with a notional value of USD 166 million (AED 610 million) were un-winded on which the Company earned a gain of AED 23 million.

The fair value (unrealized) of the interest rate swaps contracts and commodity derivative swap contracts outstanding as at 31 March 2008 has been recognised in these interim condensed financial statements.

Fair value

The fair value of the Company's financial instruments approximates their carrying amounts.

24 Comparatives

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