

Interim condensed consolidated financial information and review report
Noor Financial Investment Company – KSC (Closed) and Subsidiaries
Kuwait

30 September 2009 (Unaudited)

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Review report

To the Board of Directors of
Noor Financial Investment Company – KSC (Closed)
Kuwait

Report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Noor Financial Investment Company (A Kuwaiti Closed Shareholding Company) ("the parent company") and its subsidiaries (collectively "the group"), as of 30 September 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The parent company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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.

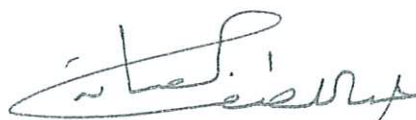
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

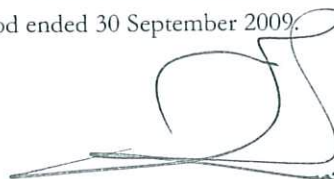
Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960 or of the articles of association of the parent company, as amended, have occurred during the nine month period ended 30 September 2009 that might have had a material effect on the business of the group or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No.32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the nine month period ended 30 September 2009.



Abdullatif M. Al-Aiban (CPA)
Licence No. 94-A
of Grant Thornton – Al-Qatami, Al-Aiban & Partners



Bader A. Al Wazzan
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PricewaterhouseCoopers

Kuwait
12 November 2009

Interim condensed consolidated statement of income

| | Note | Three months ended | | Nine months ended | |
|--|--------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | 30 Sept. 2009 (Unaudited) KD | 30 Sept. 2008 (Unaudited) KD | 30 Sept. 2009 (Unaudited) KD | 30 Sept. 2008 (Unaudited) KD |
| Income | | | | | |
| Realised gain/(loss) on investments at fair value through statement of income | | 1,699,088 | (1,186,052) | 5,862,329 | 1,366,536 |
| Unrealised (loss)/gain on investments at fair value through statement of income | 3 | (1,881,366) | (8,367,313) | 1,059,107 | (15,790,052) |
| Realised gain on sale of available for sale investments | | 6,588,774 | 5,364,918 | 4,516,585 | 14,894,138 |
| Dividend income | | 53,554 | 195,897 | 1,632,349 | 6,294,056 |
| Change in fair value of investment property | | - | 5,948,648 | (1,490,000) | 7,688,648 |
| Management and placement fees | | 564,589 | 2,408,380 | 1,981,670 | 8,722,104 |
| Interest and other income | 4 | 713,043 | 289,035 | 3,481,734 | 1,097,227 |
| Income from financing future trade by customers | | 16,017 | 2,515,733 | 98,299 | 7,260,763 |
| Share of (loss)/profit of associates | | (472,367) | 213,032 | (1,574,649) | 1,635,376 |
| Foreign exchange gain/(loss) | | 200,911 | (104,172) | (732,455) | 1,506,743 |
| | | 7,482,243 | 7,278,106 | 14,834,969 | 34,675,539 |
| Expenses and other charges | | | | | |
| General, administrative and other expenses | | 2,926,940 | 281,186 | 6,020,389 | 3,929,422 |
| Impairment in value of investments | 8d,15b | 1,998,625 | 7,060,000 | 12,160,569 | 7,060,000 |
| Finance costs | | 2,303,417 | 3,822,160 | 8,626,417 | 10,225,884 |
| | | 7,228,982 | 11,163,346 | 26,807,375 | 21,215,306 |
| Profit/(loss) before provision for KFAS, Zakat , NLST and directors' remuneration | | 253,261 | (3,885,240) | (11,972,406) | 13,460,233 |
| Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) | | - | 53,528 | - | (96,660) |
| Provision for Zakat | | - | 32,281 | - | (67,007) |
| Provision for National Labour Support Tax (NLST) | | - | 71,785 | - | (217,913) |
| Provision for Directors' remuneration | | - | (18,750) | - | (56,250) |
| Profit/(loss) for the period | | 253,261 | (3,746,396) | (11,972,406) | 13,022,403 |
| Attributable to: | | | | | |
| Shareholders of the parent company | | 188,134 | (3,749,323) | (11,801,456) | 13,014,658 |
| Minority interest | | 65,127 | 2,927 | (170,950) | 7,745 |
| | | 253,261 | (3,746,396) | (11,972,406) | 13,022,403 |
| BASIC AND DILUTED EARNINGS/ (LOSS)PER SHARE | 5 | 0.26 Fils | (5.08) Fils | (16.07) Fils | 19.04 Fils |

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

| | Three months ended | | Nine months ended | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 30 Sept. 2009 (Unaudited) | 30 Sept. 2008 (Unaudited) | 30 Sept. 2009 (Unaudited) | 30 Sept. 2008 (Unaudited) |
| | KD | KD | KD | KD |
| Profit/(loss) for the period | 253,261 | (3,746,396) | (11,972,406) | 13,022,403 |
| Other comprehensive income: | | | | |
| Exchange differences arising from translation of foreign operations | (1,178,520) | (2,630,663) | (195,893) | (5,270,505) |
| Available for sale investments | | | | |
| -Net changes in fair value arising during the period | (6,299,348) | (43,557,251) | 6,400,683 | (43,168,484) |
| -Transferred to consolidated statement of income on sale | 5,918,903 | (5,364,918) | 3,875,069 | (8,513,664) |
| -Transferred to consolidated statement of income on impairment | - | - | 9,661,944 | - |
| Share of other comprehensive income of associates | 1,531,758 | - | 2,086,743 | - |
| Total other comprehensive income for the period | (27,207) | (51,552,832) | 21,828,546 | (56,952,653) |
| Total comprehensive income for the period | 226,054 | (55,299,228) | 9,856,140 | (43,930,250) |
| Total comprehensive income attributable to: | | | | |
| Shareholders of the parent company | 160,927 | (55,302,155) | 10,027,090 | (43,937,995) |
| Minority interest | 65,127 | 2,927 | (170,950) | 7,745 |
| | 226,054 | (55,299,228) | 9,856,140 | (43,930,250) |

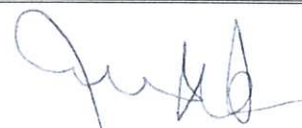
The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

| | Note | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|---|------|---------------------------------------|------------------------------------|---------------------------------------|
| Assets | | | | |
| Cash and bank balances | 15 | 17,469,973 | 10,025,498 | 4,039,750 |
| Short-term deposits | 15 | 16,060,002 | 20,363,456 | 11,858,748 |
| Wakala investments | 15 | 7,677,733 | 5,799,500 | 7,500,000 |
| Investments at fair value through statement of income | 6 | 37,978,393 | 39,057,420 | 41,692,185 |
| Accounts receivable and other assets | 7 | 58,126,322 | 53,180,893 | 134,406,434 |
| Available for sale investments | 8 | 103,281,911 | 109,797,529 | 178,664,299 |
| Investment in unconsolidated subsidiaries | | - | 1,012,904 | 973,048 |
| Investment in associates | 9 | 52,968,502 | 51,126,723 | 27,670,888 |
| Investment properties | 10 | 21,154,788 | 22,644,788 | 24,644,788 |
| Equipment | | 4,310,876 | 487,080 | 531,501 |
| Total assets | | 319,028,500 | 313,495,791 | 431,981,641 |
| Liabilities and equity | | | | |
| Liabilities | | | | |
| Due to banks | | 7,546,917 | 5,978,559 | 8,949,790 |
| Accounts payable and other liabilities | 11 | 4,000,884 | 4,401,178 | 8,697,399 |
| Borrowings | 12 | 175,615,850 | 181,124,012 | 202,647,161 |
| Provision for end of service indemnity | | 190,262 | 136,621 | 178,258 |
| Total liabilities | | 187,353,913 | 191,640,370 | 220,472,608 |
| Equity | | | | |
| Share capital | 13 | 75,000,000 | 75,000,000 | 75,000,000 |
| Share premium | 13 | 41,728,788 | 125,000,000 | 125,000,000 |
| Treasury shares | 14 | (5,873,287) | (5,834,206) | (5,252,581) |
| Gain on sale of treasury shares | | 109,397 | 109,397 | 109,397 |
| Legal reserve | | - | 6,699,281 | 6,699,281 |
| Voluntary reserve | | - | 5,943,481 | 5,943,481 |
| Cumulative changes in fair value | | 19,372,807 | (2,651,632) | (49,265,508) |
| Foreign currency translation reserve | | (5,076,168) | (4,880,275) | (6,382,914) |
| (Accumulated losses)/retained earnings | | (11,801,456) | (95,913,974) | 46,144,556 |
| Total equity attributable to the shareholders of the parent company | | 113,460,081 | 103,472,072 | 197,995,712 |
| Minority interest | | 18,214,506 | 18,383,349 | 13,513,321 |
| Total equity | | 131,674,587 | 121,855,421 | 211,509,033 |
| Total liabilities and equity | | 319,028,500 | 313,495,791 | 431,981,641 |



Hussam Fawzi Al-Kharafi
Chairman



Naser A. Al-Marri
Deputy Chairman & Managing Director

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

| | Equity attributable to shareholders of the parent company | | | | | | | | | | Minority interest | Total |
|--|---|---------------------|-----------------------|---------------------------------------|---------------------|-------------------------|--|--|---|-----------------|-------------------|--------------|
| | Share capital KD | Share premium KD | Treasury shares KD | Gain on sale of treasury shares KD | Legal reserve KD | Voluntary reserve KD | Cumulative changes in fair value KD | Foreign currency translation reserve KD | (Accumulated losses)/ retained earnings KD | Sub-total KD | | |
| Balance as at 1 January 2009 | 75,000,000 | 125,000,000 | (5,834,206) | 109,397 | 6,699,281 | 5,943,481 | (2,651,632) | (4,880,275) | (95,913,974) | 103,472,072 | 18,383,349 | 121,855,421 |
| Dividend paid to minority interest by a subsidiary | - | - | - | - | - | - | - | - | - | - | (651,150) | (651,150) |
| Increase in minority interest on consolidation of previously unconsolidated subsidiary | - | - | - | - | - | - | - | - | - | - | 653,257 | 653,257 |
| Purchase of treasury shares | - | - | (39,081) | - | - | - | - | - | - | (39,081) | - | (39,081) |
| Set off of losses (refer note 13) | - | (83,271,212) | - | - | (6,699,281) | (5,943,481) | - | - | 95,913,974 | - | - | - |
| Transactions with equity holders | - | (83,271,212) | (39,081) | - | (6,699,281) | (5,943,481) | - | - | 95,913,974 | (39,081) | 2,107 | (36,974) |
| Loss for the period | - | - | - | - | - | - | - | - | (11,801,456) | (11,801,456) | (170,950) | (11,972,406) |
| Other comprehensive income: | | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | - | (195,893) | - | (195,893) | - | (195,893) |
| Available for sale investments | - | - | - | - | - | - | - | - | - | - | - | - |
| -Net change in fair value arising during the period | - | - | - | - | - | - | 6,400,683 | - | - | 6,400,683 | - | 6,400,683 |
| -Transferred to consolidated statement of income on sale | - | - | - | - | - | - | 3,875,069 | - | - | 3,875,069 | - | 3,875,069 |
| -Transferred to consolidated statement of income on impairment | - | - | - | - | - | - | 9,661,944 | - | - | 9,661,944 | - | 9,661,944 |
| Share of other comprehensive income of associates | - | - | - | - | - | - | 2,086,743 | - | - | 2,086,743 | - | 2,086,743 |
| Total comprehensive income for the period | - | - | - | - | - | - | 22,024,439 | (195,893) | (11,801,456) | 10,027,090 | (170,950) | 9,856,140 |
| Balance as at 30 September 2009 | 75,000,000 | 41,728,788 | (5,873,287) | 109,397 | - | - | 19,372,807 | (5,076,168) | (11,801,456) | 113,460,081 | 18,214,506 | 131,674,587 |

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

| | Equity attributable to shareholders of the parent company | | | | | | | | | | Minority interest | Total |
|---|---|------------------------|--------------------------|---|------------------------|----------------------------|--|--|----------------------------|---------------------|----------------------|--------------|
| | Share capital KD | Share premium KD | Treasury shares KD | Gain on sale of treasury shares KD | Legal reserve KD | Voluntary reserve KD | Cumulative changes in fair value KD | Currency translation reserve KD | Retained earnings KD | Sub- total KD | | |
| Balance as at 1 January 2008 | 50,000,000 | 50,000,000 | - | - | 6,699,281 | 5,943,481 | 2,416,640 | (1,112,409) | 58,129,898 | 172,076,891 | 13,505,576 | 185,582,467 |
| Cash dividend (refer note 20) | - | - | - | - | - | - | - | - | (25,000,000) | (25,000,000) | - | (25,000,000) |
| Issue of shares (refer note 13) | 25,000,000 | 75,000,000 | - | - | - | - | - | - | - | 100,000,000 | - | 100,000,000 |
| Purchase of treasury shares | - | - | (6,445,984) | - | - | - | - | - | - | (6,445,984) | - | (6,445,984) |
| Sale of treasury shares | - | - | 1,193,403 | - | - | - | - | - | - | 1,193,403 | - | 1,193,403 |
| Gain on sale of treasury shares | - | - | - | 109,397 | - | - | - | - | - | 109,397 | - | 109,397 |
| Transactions with equity holders | 25,000,000 | 75,000,000 | (5,252,581) | 109,397 | - | - | - | - | (25,000,000) | 69,856,816 | - | 69,856,816 |
| Profit for the period | - | - | - | - | - | - | - | - | 13,014,658 | 13,014,658 | 7,745 | 13,022,403 |
| Other comprehensive income: | | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | - | (5,270,505) | - | (5,270,505) | - | (5,270,505) |
| Available for sale investments | - | - | - | - | - | - | - | - | - | - | - | - |
| -Net change in fair value arising during the period | - | - | - | - | - | - | (43,168,484) | - | - | (43,168,484) | - | (43,168,484) |
| -Transferred to consolidated statement of income on sale | - | - | - | - | - | - | (8,513,664) | - | - | (8,513,664) | - | (8,513,664) |
| Total comprehensive income for the period | - | - | - | - | - | - | (51,682,148) | (5,270,505) | 13,014,658 | (43,937,995) | 7,745 | (43,930,250) |
| Balance as at 30 September 2008 | 75,000,000 | 125,000,000 | (5,252,581) | 109,397 | 6,699,281 | 5,943,481 | (49,265,508) | (6,382,914) | 46,144,556 | 197,995,712 | 13,513,321 | 211,509,033 |

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

| | Note | Nine months ended 30 Sept. 2009 (Unaudited) KD | Nine months ended 30 Sept. 2008 (Unaudited) KD |
|--|------|--|--|
| OPERATING ACTIVITIES | | | |
| (Loss)/profit before provision for KFAS, Zakat, NLST and directors' remuneration | | (11,972,406) | 13,460,233 |
| Adjustments: | | | |
| Realised gain on available for sale investments | | (4,516,585) | (14,894,138) |
| Change in fair value of investment property | | 1,490,000 | (7,688,648) |
| Dividend income | | (1,632,349) | (6,294,056) |
| Share of loss/(profit) of associate | | 1,574,649 | (1,635,376) |
| Interest income | | (1,710,840) | (681,105) |
| Finance costs | | 8,626,417 | 10,225,884 |
| Depreciation | | 123,467 | 118,818 |
| Provision for end of service indemnity | | 53,640 | 48,339 |
| Impairment in value of investments | | 12,160,569 | 7,060,000 |
| | | 4,196,562 | (280,049) |
| Changes in operating assets and liabilities: | | | |
| Investments at fair value through statement of income | | 1,079,027 | (35,916,565) |
| Accounts receivable and other assets | | (3,932,525) | (31,521,987) |
| Accounts payable and other liabilities | | (678,619) | (3,050,814) |
| National Support Tax paid | | - | (1,189,229) |
| Net cash from/(used in) operating activities | | 664,445 | (71,958,644) |
| INVESTING ACTIVITIES | | | |
| Change in blocked deposits | | (690,000) | 1,007,500 |
| Increase in wakala investments | | (4,376,858) | - |
| Purchase of available for sale investments | | (7,009,653) | (34,886,590) |
| Proceeds from sale of available for sale investments | | 28,317,608 | 5,619,584 |
| Investment in associates | | (1,525,578) | (9,013,019) |
| Investment in property | | - | (16,956,140) |
| Purchase of equipment | | (3,947,262) | (276,925) |
| Dividend income received | | 1,632,349 | 6,300,081 |
| Interest income received | | 1,710,840 | 649,719 |
| Net cash from/(used in) investing activities | | 14,111,446 | (47,555,790) |
| FINANCING ACTIVITIES | | | |
| (Repayments)/proceeds from short term borrowings (net) | | (5,508,162) | 72,149,866 |
| Proceeds from increase of capital - rights shares | | - | 100,000,000 |
| Purchase of treasury shares | | (39,081) | (6,445,984) |
| Proceeds from sale of treasury shares | | - | 1,302,800 |
| Investment by minority shareholders of subsidiaries | | 653,257 | - |
| Dividend paid to minority shareholder by a subsidiary | | (651,150) | - |
| Dividend paid | | - | (24,907,879) |
| Finance costs paid | | (8,348,092) | (9,330,937) |
| Net cash (used in)/from financing activities | | (13,893,228) | 132,767,866 |
| Net increase in cash and cash equivalents | | 882,663 | 13,253,432 |
| Cash and cash equivalents at beginning of the period | | 23,910,395 | 695,276 |
| Cash and cash equivalents at end of the period | 15 | 24,793,058 | 13,948,708 |

The notes set out on pages 8 to 15 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information 30 September 2009

1 Incorporation and activities

Noor Financial Investment Company – KSC (Closed) (“the parent company”) was incorporated in Kuwait on 1 February 1997 and during May 2006 its shares were listed on the Kuwait Stock Exchange. The parent company and its subsidiaries are together referred to as “the group”. The parent company is regulated by the Central Bank of Kuwait as an investment company. The parent company is a subsidiary of National Industries Group Holding – SAK, (“ultimate parent company”), and its principal objectives are as follows:

- Investment in various economic sectors through participating in establishing specialised companies or purchasing securities or shares in those companies;
- Act as investment trustees and manage different investment portfolios for others; and
- Act as intermediary in borrowing operations in return for commission;

Further, the parent company has the right to participate and subscribe, in any way, with other firms which operate in the same field or those which would assist it in achieving its objectives in Kuwait and abroad and to purchase those firms or participate in their equity.

The address of the parent company’s registered office is 10th and 11th Floor, Mohammed Abdul Mohsin Al-Kharafi Complex, Building 6, Block – 14, Qibla, Kuwait (PO Box 3311, Safat 13034, State of Kuwait).

The Board of Directors of the parent company approved this interim consolidated financial information for issue on 12 November 2009.

The annual consolidated financial statements for the year ended 31 December 2008 were approved by the shareholders on 11 June 2009 at the Annual General Meeting.

2 Significant accounting policies

Basis of presentation

This interim consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies used in preparation of the interim consolidated financial information are consistent with those used in the preparation of the annual financial statements, for the year ended 31 December 2008, except adoption of new and revised standards and interpretations discussed below.

Adoption of new and revised International Financial Reporting Standards

During the period, the Group adopted the following Standards effective for the annual periods beginning on or after 1 January 2009.

2 Significant accounting policies (continued)

IAS 1 (revised 2007) Presentation of Financial Statements

The adoption of IAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. IAS 1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'.

IFRS 8 Operating Segments

The new standard which replaced IAS 14 'Segment reporting' requires a management approach for segment reporting under which segment information is presented on the same basis as that used for internal reporting purposes. However, the application of the revised standard has had no impact on designation of the Group's reporting segments as it has previously been consistent with the internal reporting provided to the chief operating decision maker.

Following revised standards have been issued but not yet effective and have not been adopted by the group in the current period:

- IFRS 3 Business combinations (Revised 2008) (effective for annual periods beginning 1 July 2009)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective for annual periods beginning 1 July 2009)
- IAS 28 Investments in Associates (Revised 2008) (effective for annual periods beginning 1 July 2009)

This interim consolidated financial information does not contain all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2009. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2008.

The financial information of the consolidated subsidiaries is based on management accounts for the period.

3 Unrealised (loss)/gain on investments at fair value through statement of income

This represents the difference between closing market value and carrying value at the beginning of the period or the cost of investments acquired during the period.

Local funds are valued on the basis of their net asset value.

4 Interest and other income

| | Three months ended | | Nine months ended | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 30 Sept. 2009 (Unaudited) KD | 30 Sept. 2008 (Unaudited) KD | 30 Sept. 2009 (Unaudited) KD | 30 Sept. 2008 (Unaudited) KD |
| Interest income | 394,199 | 202,062 | 1,710,840 | 681,105 |
| Realised gain on dealing in foreign currencies | 2,654 | - | 709,184 | - |
| Other income | 316,190 | 86,973 | 1,061,710 | 416,122 |
| | 713,043 | 289,035 | 3,481,734 | 1,097,227 |

5 Basic & diluted earnings/(loss) per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the period as follows:

| | Three months ended | | Nine months ended | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 30 Sept. 2009 (Unaudited) | 30 Sept. 2008 (Unaudited) | 30 Sept. 2009 (Unaudited) | 30 Sept. 2008 (Unaudited) |
| Profit/(loss) for the period attributable to the shareholders of the parent company (KD) | 188,134 | (3,749,323) | (11,801,456) | 13,014,658 |
| Weighted average number of shares outstanding during the period | 750,000,000 | 750,000,000 | 750,000,000 | 690,141,293 |
| Less: Weighted average number of treasury shares outstanding during the period | (15,609,211) | (11,341,711) | (15,523,662) | (6,723,649) |
| | 734,390,789 | 738,658,289 | 734,476,338 | 683,417,644 |
| Basic and diluted earnings/(loss) per share (Fils) | 0.26 | (5.08) | (16.07) | 19.04 |

6 Investments at fair value through statement of income

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Held for trading : | | | |
| Quoted shares | 33,901,670 | 33,686,333 | 34,895,676 |
| Designated on initial recognition : | | | |
| Local funds | 4,076,723 | 5,371,087 | 6,796,509 |
| | 37,978,393 | 39,057,420 | 41,692,185 |

a) Effect of reclassification due to adoption of amendment to IAS 39.

During the previous year, as a result of significant developments in the global financial markets, the Group decided to adopt amendments to IAS 39 and IFRS 7 with effect from 1 July 2008 and reclassified investments with a fair value of KD138,694,153 as at 1 July 2008 from "fair value through statement of income" category to "available for sale" category. The fair value of these re-classified investments as of 30 September 2009 is KD62,625,300 (31 December 2008: KD59,247,000 and 30 September 2008: KD105,233,037).

b) Quoted shares with a fair value of KD11,403,713 (31 December 2008: KD6,251,230 and 30 September 2008 : KD6,582,277) are secured against bank loans (refer note 12).

7 Accounts receivable and other assets

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|---|---------------------------------------|------------------------------------|---------------------------------------|
| Financial assets: | | | |
| Due from Ultimate Parent Company | 18,110,745 | 5,655,439 | 5,572,699 |
| Due from an associate | 12,627 | 3,899,748 | 11,428 |
| Due from other related parties | 296,150 | 2,744,788 | 4,317,218 |
| Due from Investment Brokerage Companies | - | 1,528,495 | 1,921,978 |
| Due on sale of investments - related party | 24,981,719 | 27,120,398 | 41,024,178 |
| Due from Kuwait Clearing Company | - | - | 11,751,980 |
| Due from Kuwait Clearing Company (future trade) | 1,124,528 | 3,243,806 | 59,197,422 |
| Advance payments to acquire investments | 7,699,999 | 1,419,764 | 2,095,574 |
| Accrued income | 2,860,211 | 2,708,217 | 5,747,414 |
| Other financial assets | 1,441,046 | 1,979,830 | 2,766,543 |
| | 56,527,025 | 50,300,485 | 134,406,434 |
| Non-financial assets | | | |
| Advance payments to acquire properties | 801,540 | - | - |
| Other assets | 797,757 | 2,880,408 | - |
| | 1,599,297 | 2,880,408 | - |
| | 58,126,322 | 53,180,893 | 134,406,434 |

8 Available for sale investments

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|-----------------|---------------------------------------|------------------------------------|---------------------------------------|
| Quoted shares | 69,610,914 | 65,625,938 | 119,177,809 |
| Unquoted shares | 17,627,654 | 17,158,891 | 26,394,118 |
| Funds: | | | |
| Local | 12,591,384 | 12,797,509 | 15,705,539 |
| Foreign | 3,451,959 | 14,215,191 | 17,386,833 |
| | 103,281,911 | 109,797,529 | 178,664,299 |

- Available for sale investments include a number of investments in unquoted shares, local and foreign funds where their fair values cannot be reliably determined and as a result investments with a carrying value of KD21,079,613 (31 December 2008: KD21,064,305 and 30 September 2008: KD21,263,254) are carried at cost. The group's management is not aware of any circumstance that would indicate impairment in value of these investments.
- Quoted shares with a fair value of KD16,765,312 (31 December 2008: KD17,305,050 and 30 September 2008: KD19,860,309) are secured against a bank loan (refer note 12).
- Foreign funds include investments in private equity funds with a carrying value of KD3,451,959 (31 December 2008: KD10,309,777 and 30 September 2008: KD13,993,922). Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.
- During the period, the group recognised an impairment loss of KD9,661,944 for certain local and foreign quoted shares, as the market value of these shares declined significantly below their costs.
- Quoted shares with a carrying value of KD62,625,300 at 30 September 2009 (KD59,247,000 at 31 December 2008 and KD105,233,037 at 30 September 2008) represents investments which were transferred from investments at fair value through statement of income as of 1 July 2008 (refer note 6 a).

9 Investment in associates

During the period parent company invested KD2,777,772 as its contribution to the right issue of Meezan Bank, Pakistan.

10 Investment properties

Investment properties comprises of land and building as follows:

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--------------|---------------------------------------|------------------------------------|---------------------------------------|
| Kuwait | 8,510,000 | 10,000,000 | 12,000,000 |
| Saudi Arabia | 12,644,788 | 12,644,788 | 12,644,788 |
| | 21,154,788 | 22,644,788 | 24,644,788 |

The property in Saudi Arabia is held through a special purpose entity (SPE) created specifically for this purpose and co-owned by the parent company with joint owners. The registered owner of the property has issued a letter confirming the co-ownership.

11 Accounts payable and other liabilities

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Financial liabilities: | | | |
| Unrealised fee payable on managed portfolios : | | | |
| - Related parties | - | - | 1,155,176 |
| Due to key management personnel | - | - | 556,250 |
| Due to other related parties | 115,060 | - | - |
| Dividend payable | 350,830 | 199,095 | 204,095 |
| Due to investment brokerage companies | 3,297 | - | - |
| Accrued interest | 1,221,750 | 943,425 | 1,384,676 |
| Accrued expenses | 424,895 | 974,004 | 958,405 |
| Deferred income | - | 20,044 | 779,566 |
| Other payables | 1,802,202 | 2,181,760 | 3,659,231 |
| | 3,918,034 | 4,318,328 | 8,697,399 |
| Non-financial liabilities | | | |
| Other liabilities | 82,850 | 82,850 | - |
| | 82,850 | 82,850 | - |
| | 4,000,884 | 4,401,178 | 8,697,399 |

12 Borrowings

| | Effective interest/ cost rate p.a % | Security | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--|---|-----------|---------------------------------------|------------------------------------|---------------------------------------|
| Loans from local banks and financial institutions | | | | | |
| Loan payable – Kuwaiti Dinar | 5.5-9.125 | Unsecured | 63,200,000 | 60,200,000 | 90,287,239 |
| Loan payable – Kuwaiti Dinar | 5.5-8.25 | Secured | 20,000,000 | 20,000,000 | 20,000,000 |
| Loan payable – US Dollars | 4.33-5.875 | Unsecured | 28,700,000 | 27,635,000 | 38,359,922 |
| Wakala payables – Kuwaiti Dinar | 6.58-9.125 | Unsecured | 63,715,850 | 73,289,012 | 54,000,000 |
| | | | 175,615,850 | 181,124,012 | 202,647,161 |

Loans amounting to KD20,000,000 (31 December 2008 and 30 September 2008 : KD20,000,000) are secured by investments at fair value through statement of income(see note 6) and available for sale investments (see note 8). All loans are repayable within one year.

13 Share capital and share premium

- a. The authorised, issued and paid up share capital of the Parent Company comprise of 750,000,000 shares of 100 Fils each. (31 December 2008 and 30 September 2008 : 750,000,000 of 100 Fils each).

During the first quarter of the year 2008, the Parent Company by way of rights issue increased the share capital to 750,000,000 shares by issuing 250,000,000 shares at a par value of 100 Fils per share and premium of 300 Fils per share. Share premium is not available for distribution.

- b. The shareholders in the annual general assembly meeting held on 11 June 2009 approved the write off of the accumulated losses at 31 December 2008 of KD95,913,974 against the voluntary reserve, legal reserve and share premium as follows:

| | KD |
|-------------------|------------|
| Voluntary reserve | 5,943,481 |
| Legal reserve | 6,699,281 |
| Share premium | 83,271,212 |

14 Treasury shares

The group holds treasury shares and the details are as follows:

| | 30 Sept. 2009 (Unaudited) | 31 Dec. 2008 (Audited) | 30 Sept. 2008 (Unaudited) |
|-----------------------------|---------------------------------|------------------------------|---------------------------------|
| Number of shares | 15,609,211 | 14,824,211 | 11,341,711 |
| Percentage of issued shares | 2.08% | 1.98% | 1.51% |
| Market value (KD) | 1,841,887 | 1,423,124 | 2,767,376 |
| Cost (KD) | 5,873,287 | 5,834,206 | 5,252,581 |

Reserves equivalent to the cost of treasury shares held are not distributable.

15 Cash and cash equivalents and Wakala investments

- a. Cash and cash equivalents

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Cash and bank balances | 17,469,973 | 10,025,498 | 4,039,750 |
| Short-term deposits | 16,060,002 | 20,363,456 | 11,858,748 |
| Wakala investments – due within three months | - | - | 7,500,000 |
| Due to banks | (7,546,917) | (5,978,559) | (8,949,790) |
| | 25,983,058 | 24,410,395 | 14,448,708 |
| Blocked balances | (1,190,000) | (500,000) | (500,000) |
| | 24,793,058 | 23,910,395 | 13,948,708 |

- b. Wakala investments

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Placed with a local Islamic bank | 2,693,606 | - | - |
| Placed with a local Islamic investment company | 9,968,252 | 8,285,000 | 7,500,000 |
| | 12,661,858 | 8,285,000 | 7,500,000 |
| Provision for impairment in value | (4,984,125) | (2,485,500) | - |
| | 7,677,733 | 5,799,500 | 7,500,000 |

15 Cash and cash equivalents and Wakala investments (continued)

Wakala investment include placements of KD9,968,252 (31 December 2008: KD8,285,000) made with a local Islamic investment company which matured on 17 October 2008. The investee company has defaulted on settlement of this balance on the maturity date.

During the nine months ended 30 September 2009 the parent company also undertook the responsibility of collecting the proceeds of Wakala investments of KD1,683,252 which were placed with the above investment company by the parent company's fiduciary clients and consequently they were recorded as Wakala Investments of the Group at 30 September 2009.

As at 30 September 2009 the parent company took an additional impairment provision of KD2,498,625 against these Wakala investments.

16 Segment analysis

The group primarily operates in one area of business activity, investments and its primary basis for segmental reporting is by geographical segment.

The group operates in two geographical markets: Domestic (Kuwait) and International (outside Kuwait). The geographical analysis is as follows:

| | Domestic KD | International KD | Total KD |
|---|----------------|---------------------|--------------|
| Three months ended 30 September 2009 (unaudited) | | | |
| Income | 625,719 | 6,856,524 | 7,482,243 |
| (Loss)/profit for the period | (3,455,918) | 3,709,179 | 253,261 |
| Three months ended 30 September 2008 (unaudited) | | | |
| Income | 4,787,197 | 2,490,909 | 7,278,106 |
| Loss for the period | (565,049) | (3,181,347) | (3,746,396) |
| Nine months ended 30 September 2009 (unaudited) | | | |
| Income | 8,195,765 | 6,639,204 | 14,834,969 |
| Loss/(profit) for the period | (14,791,736) | 2,819,330 | (11,972,406) |
| Nine months ended 30 September 2008 (unaudited) | | | |
| Income/(expense) | 39,984,605 | (5,309,066) | 34,675,539 |
| Profit/(loss) for the period | 25,703,870 | (12,681,467) | 13,022,403 |

17 Related party transactions

Related parties represent the ultimate parent company, associates, directors and key management personnel of the group, and other related parties such as subsidiaries of the ultimate parent company (fellow subsidiaries), major shareholders and companies in which directors and key management personnel of the group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the group's management.

17 Related party transactions (continued)

Details of significant related party transactions and balances are as follows:

| | 30 Sept. 2009 (Unaudited) KD | 31 Dec. 2008 (Audited) KD | 30 Sept. 2008 (Unaudited) KD |
|---|---|------------------------------------|--|
| Interim condensed consolidated statement of financial position | | | |
| Due from Ultimate Parent Company and other related parties included in accounts receivables and other assets (refer note 7) | 43,401,241 | 35,532,326 | 50,925,523 |
| Due to Ultimate Parent Company and other related parties included in accounts payable and other liabilities (refer note 11) | 115,060 | - | 1,711,426 |
| | <div>Three months ended</div> <div>30 Sept. 2009 (Unaudited) KD</div> | | <div>Nine months ended</div> <div>30 Sept. 2009 (Unaudited) KD</div> |
| Interim condensed consolidated statement of income | | | |
| Management and placement fees | | | |
| - earned from ultimate parent company | 74,807 | 150,164 | 844,525 |
| - earned from other related parties | 161,540 | - | 566,758 |
| Compensation of key management personnel of the group | | | |
| Short term employee benefits | 26,325 | (548,974) | 78,975 |
| End of service benefits | 1,289 | 2,131 | 3,719 |

18 Capital commitments

At the balance sheet date the Group had capital commitments of KD166,796 (31 December 2008: KD229,870 and 30 September 2008: KD221,843) towards available for sale investments.

19 Fiduciary assets

The parent company manages mutual funds and portfolios on behalf of its ultimate parent company, other related parties and outsiders, and maintains securities in fiduciary accounts which are not reflected in the group's balance sheet. Assets under management at 30 September 2009 amounted to KD328,280,762 (31 December 2008: KD373,002,889 and 30 September 2008: KD485,363,467) of which assets managed on behalf of its ultimate parent company and other related parties amounted to KD263,696,786 (31 December 2008: KD196,760,015 and 30 September 2008: KD368,293,768).

20 Dividend distribution

The Board of Directors did not propose any dividend for the year ended 31 December 2008.

Following approval by the annual general assembly on 27 February 2008 the parent company made a cash distribution of 50 Fils per share amounting to KD25,000,000 for the year ended 31 December 2007.