

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

31 March 2011 (Unaudited)

Contents

	Page
Review report	1 and 2
Interim condensed consolidated statement of income	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of financial position	5
Interim condensed consolidated statement of changes in equity	6 and 7
Interim condensed consolidated statement of cash flows	8
Notes to the interim condensed consolidated financial information	9 to 16



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Report on review of interim condensed consolidated financial information

To the board of directors of
Al Mal Investment Company – KSC (Closed)
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mal Investment Company (A Kuwaiti Closed Shareholding Company) and its subsidiaries as of 31 March 2011 and the related interim condensed consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in note (2). 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.

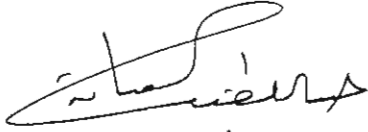
Conclusion

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 the basis of presentation set out in note (2).

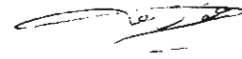
Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the 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 Company, as amended, have occurred during the three-month period ended 31 March 2011 that might have had a material effect on the business or financial position of the Company.

We further report that, during the course of our review, we have not become aware of any material violations during the three-month period ended 31 March 2011 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,



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Kuwait
30 May 2011

Interim condensed consolidated statement of income

	Note	Three months ended 31 March 2011 (Unaudited) KD	Three months ended 31 March 2010 (Unaudited) KD
Income			
Realised (loss)/gain from sale of investments at fair value through profit or loss		(189,146)	37
Unrealised (loss)/gain from investments at fair value through profit or loss		(190,108)	6,830
Realised loss on disposal of available for sale investments		(18,177)	(640)
Dividend income		157,655	426,725
Share of results of associates		(82,385)	521,494
Profit on sale of investment properties		-	124,725
Sukuk & interest income		193,452	229,798
Net income from communication services		80,410	35,085
Management fees and other income	3	146,199	193,992
Foreign exchange gain/(loss)		474,820	(533,670)
		572,720	1,004,376
Expenses and other charges			
Finance costs		1,542,519	1,694,978
Staff costs		428,245	449,985
General, administrative and other expenses		397,803	337,616
Impairment of available for sale investments	8.3	60,703	154,892
Provision for impairment of accounts receivables and other assets	7a	2,138,186	-
		4,567,456	2,637,471
Loss for the period		(3,994,736)	(1,633,095)
Attributable to :			
Owners of the parent company		(4,063,980)	(1,405,533)
Non-controlling interests		69,244	(227,562)
		(3,994,736)	(1,633,095)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY			
	4	(7.69) Fils	(2.66) Fils

The notes set out on pages 9 to 16 form an integral part of the interim condensed consolidated financial information.

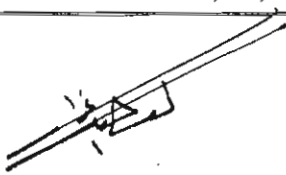
Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2011 (Unaudited) KD	Three months ended 31 March 2010 (Unaudited) KD
Loss for the period	(3,994,736)	(1,633,095)
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	(625,556)	154,603
Available for sale investments:		
- Net changes in fair value arising during the period	(160,743)	(264,306)
- Transferred to consolidated statement of income on disposal	18,177	5,553
- Transferred to consolidated statement of income on impairment	60,703	154,892
Share of other comprehensive income of associates	150,254	38,513
Total other comprehensive income for the period	(557,165)	89,255
Total comprehensive income for the period	(4,551,901)	(1,543,840)
Total comprehensive income attributable to:		
Owners of the parent company	(4,515,634)	(1,356,402)
Non-controlling interests	(36,267)	(187,438)
	(4,551,901)	(1,543,840)

The notes set out on pages 9 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Assets				
Cash and cash equivalents	5	24,459,609	19,078,995	7,444,080
Investments at fair value through profit or loss	6	5,830,036	15,145,525	2,688,297
Accounts receivable and other assets	7	33,931,973	35,476,892	35,716,460
Available for sale investments	8	26,187,467	26,555,636	31,381,696
Investment in sukuk		6,718,506	6,177,737	6,887,928
Investment in associates		6,846,902	6,942,401	22,047,871
Investment properties	9	88,958,771	89,096,476	82,144,220
Property and equipment		1,045,020	1,075,406	1,169,185
Intangible asset		-	-	3,835,925
Goodwill		90,332	90,332	90,332
Total assets		194,068,616	199,639,400	193,405,994
Liabilities and equity				
Liabilities				
Accounts payable and other liabilities		23,450,706	22,592,653	17,757,565
Borrowings	10	46,496,758	48,429,381	59,123,353
Bonds payable	11	33,320,000	33,320,000	33,320,000
Employees' end of service indemnity		510,503	454,816	391,090
Total liabilities		103,777,967	104,796,850	110,592,008
Equity				
Share capital	12	52,828,125	52,828,125	52,828,125
Share premium		18,375,000	18,375,000	18,375,000
Statutory reserve		4,802,301	4,802,301	4,802,301
Voluntary reserve		4,802,301	4,802,301	4,802,301
Foreign currency translation reserve		20,468	390,259	906,910
Cumulative changes in fair value		500,471	582,334	156,903
Accumulated losses		(8,130,296)	(4,066,316)	(17,488,465)
Equity attributable to owners of the parent company		73,198,370	77,714,004	64,383,075
Non-controlling interests		17,092,279	17,128,546	18,430,911
Total equity		90,290,649	94,842,550	82,813,986
Total liabilities and equity		194,068,616	199,639,400	193,405,994


 Loay Jassim Al-Kharafi
 Chairman and Managing Director

The notes set out on pages 9 to 16 form an integral part of the interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to owners of the parent company							Non- controlling interests	Total	
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Foreign		Sub- total KD			
					currency translation reserve KD	Cumulative changes in fair value KD				Accumulated losses KD
Balance as at 1 January 2011	52,828,125	18,375,000	4,802,301	4,802,301	390,259	582,334	(4,066,316)	77,714,004	17,128,546	94,842,550
Loss for the period	-	-	-	-	-	-	(4,063,980)	(4,063,980)	69,244	(3,994,736)
Other comprehensive income for the period	-	-	-	-	(369,791)	(81,863)	-	(451,654)	(105,511)	(557,165)
Total comprehensive income for the period	-	-	-	-	(369,791)	(81,863)	(4,063,980)	(4,515,634)	(36,267)	(4,551,901)
Balance as at 31 March 2011	52,828,125	18,375,000	4,802,301	4,802,301	20,468	500,471	(8,130,296)	73,198,370	17,092,279	90,290,649

The notes set out on pages 9 to 16 form an integral part of the interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

	Equity attributable to owners of the parent company						Sub- total KD	Non- controlling interests KD	Total KD
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD			
Balance as at 1 January 2010	52,828,125	18,375,000	4,802,301	4,802,301	753,918	260,764	(16,082,932)	18,618,349	84,357,826
Loss for the period	-	-	-	-	-	-	(1,405,533)	(227,562)	(1,633,095)
Other comprehensive income for the period	-	-	-	-	152,992	(103,861)	-	40,124	89,255
Total comprehensive income for the period	-	-	-	-	152,992	(103,861)	(1,405,533)	(187,438)	(1,543,840)
Balance as at 31 March 2010	52,828,125	18,375,000	4,802,301	4,802,301	906,910	166,903	(17,488,465)	18,430,911	82,813,986

The notes set out on pages 9 to 16 form an integral part of the interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2011 (Unaudited) KD	Three months ended 31 March 2010 (Unaudited) KD
OPERATING ACTIVITIES			
Loss for the period		(3,994,736)	(1,633,095)
Adjustments for:			
Impairment of available for sale investments		60,703	154,892
Impairment of accounts receivable and other assets		2,138,186	-
Profit on sale of investment property		-	(124,725)
Realised loss on disposal of available for sale investments		18,177	640
Dividend income		(157,655)	(426,725)
Share of results of associates		82,385	(521,494)
Depreciation		30,386	60,178
Provision for employees end of service benefits		55,688	42,299
Sukuk & interest income		(193,452)	(229,798)
Finance costs		1,542,519	1,694,978
		(417,799)	(982,850)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		9,315,489	(5,448)
Accounts receivable and other assets		(593,267)	(117,385)
Accounts payable and other liabilities		114,238	(2,601,202)
Net cash from/(used in) operating activities		8,418,661	(3,706,885)
INVESTING ACTIVITIES			
Net changes in investment in sukuk		(540,769)	(81,494)
Additions to property and equipment		-	(22,764)
Proceeds from sale/redemption of available for sale investments		160,270	319,561
Proceeds from sale of investment properties		-	124,725
Additions to investment properties		(9,409)	(145,055)
Additions to intangible assets		-	(273,251)
Dividend income received		157,655	426,725
Sukuk and Interest income received		193,452	229,032
Net cash (used in)/from investing activities		(38,801)	577,479
FINANCING ACTIVITIES			
Repayment of loans		(1,932,623)	(1,034,403)
Finance costs paid		(1,066,623)	(192,798)
Net cash used in financing activities		(2,999,246)	(1,227,201)
Net increase/(decrease) in cash and cash equivalents		5,380,614	(4,356,607)
Cash and cash equivalents at beginning of the period		17,178,995	11,800,687
Cash and cash equivalents at end of the period	5	22,559,609	7,444,080

The notes set out on pages 9 to 16 form an integral part of the interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information 31 March 2011 (Unaudited)

1 Incorporation and Activities

Al Mal Investment Company – KSC (Closed), (“the parent company”), is a Kuwaiti closed shareholding company established on 2 January 1980 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is regulated by the Central Bank of Kuwait as an investment company and its shares are listed on the Kuwait Stock Exchange. The parent company and its subsidiaries are together referred to as “the group”.

The principal objectives of the parent company 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 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 PO Box 26308, Safat 13124, State of Kuwait.

The interim condensed consolidated financial information for the three month period ended 31 March 2011 was authorised for issue by the parent company’s board of directors on 30 May 2011.

The annual consolidated financial statements for the year ended 31 December 2010 were approved by the Board of Directors on 6 April 2011 and it is subject to approved of the shareholders at the forth coming Annual General Meeting.

2 Basis of preparation

This interim condensed consolidated financial information of the group for the three-month period ended 31 March 2011 has been prepared in accordance with IAS 34, Interim Financial Reporting, except as noted below.

The annual consolidated financial statements for the year ended 31 December 2010 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (“CBK”). These regulations require adoption of all International Financial Reporting Standards (“IFRS”) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK’s requirement for a minimum general provision made on all applicable credit facilities (Net of certain categories of collateral) that are not provided for specifically.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2010 except for the adoption of amendments to certain standards and interpretations as disclosed below.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the parent company.

2 Basis of preparation (continued)

This interim condensed 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.

Operating results for the interim period are not indicative of the results that may be expected for the year ending 31 December 2011. For further details, refer to the annual consolidated financial statements and its related disclosures for the year ended 31 December 2010.

Adoption of amendments to standards and interpretations

During the period, the Group adopted the following new standards, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the group's financial statements for the annual period beginning on 1 January 2011. Certain other amendments to standards have been made and certain new standards and interpretations have been issued but they are not applicable and are not expected to have a material impact on the group's financial statements.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
Annual Improvements 2010	1 July 2010 and 1 January 2011
IAS 24 Related Party Disclosures- amendment	1 January 2011

Annual Improvements 2010

The IASB issued in May 2010 Improvements to IFRS. Most of these amendments became effective in annual periods beginning on or after 1 July 2010 and 1 January 2011. The 2010 Improvements amended certain provisions of IFRS 3, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The adoption did not have any impact on the financial position or performance of the group.

IAS 24 Related Party Disclosures (Revised)

The amended standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The adoption did not have any impact on the financial position or performance of the group.

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

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 7 Financial Instruments: Disclosures - amendment	1 July 2011
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2013
IAS 12 Income Taxes - amendment	1 January 2012

IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of this amendment is not expected to have any significant impact on the financial position or performance of the group.

2 Basis of preparation (continued)

IFRS 9 Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Although early application of this standard is permitted, the Technical Committee of the Ministry of Commerce and Industry of Kuwait decided during December 2009, to postpone this allowed early application until further notice.

Management has yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

IAS 12 Income Taxes

The amendment to IAS 12 provides a practical solution to the issues arising in measurement of deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a presumption that recovery of the carrying amount will, normally be, through sale. As a result of the amendments, SIC-21 Income Taxes—Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendment is not relevant to the operations of the group.

3 Management fees and other income

	Three months ended 31 March 2011 (Unaudited) KD	Three months ended 31 March 2010 (Unaudited) KD
Management and consultancy fees	40,810	86,161
Rent income	93,267	104,088
Other Income	12,122	3,743
	146,199	193,992

4 Basic and diluted loss per share

Loss per share is calculated by dividing the loss for the period attributable to the owners of the parent company by the weighted average number of ordinary shares outstanding during the period as follows;

	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
Loss for the period attributable to the owners of the parent (KD)	(4,063,980)	(1,405,533)
Weighted average number of shares outstanding during the period (excluding treasury shares)	528,281,250	528,281,250
Basic and diluted loss per share (Fils)	(7.69)	(2.66)

5 Cash and cash equivalents

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Cash and bank balances	18,600,081	9,836,903	3,935,664
Short term deposits	4,967,730	4,954,709	3,500,719
Cash balances with portfolio managers	891,798	4,287,383	7,697
Cash and cash equivalent as per interim condensed consolidated statement of financial position	24,459,609	19,078,995	7,444,080
Less: Blocked deposits *	(1,900,000)	(1,900,000)	-
Cash and cash equivalents as per interim condensed consolidated statement of cash flow	22,559,609	17,178,995	7,444,080

* Short term deposits of KD1,900,000 (31 December 2010: KD1,900,000 and 31 March 2010: KD Nil) related to a subsidiary company are pledged against Islamic debt instruments of the same subsidiary.

Short term deposits carry average effective interest rate of 1.63% (31 December 2010: 1.32% and 31 March 2010: 2%).

6 Investments at fair value through profit or loss

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Held for trading :			
Quoted shares	-	66,375	7,070
Designated on initial recognition :			
Managed portfolios and funds	4,208,054	13,457,173	115,451
Unquoted shares	1,621,982	1,621,977	2,565,776
	5,830,036	15,079,150	2,681,227
	5,830,036	15,145,525	2,688,297

7 Accounts receivable and other assets

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Advance payment to purchase investments (a)	11,854,489	14,158,655	15,930,730
Refundable development expenses (b)	13,193,865	12,469,189	8,856,701
Due from related parties - net of provision (c)	7,186,345	7,273,868	9,937,748
Trade receivables	1,281,439	1,137,366	250,101
Accrued income	312,438	331,665	352,314
Other assets	103,397	106,149	388,866
	33,931,973	35,476,892	35,716,460

a. Advance payment to purchase investments includes an amount of KD10,690,929 (net) (31 December 2010: KD12,985,776 and 31 March 2010: KD13,364,720) paid for the infrastructure of a telecommunication project in Iraq and for which a new Iraqi company is being established to own this company and to determine the eventual share of the group in its capital. During the current quarter the management has made a provision of KD2,138,186 against the said project cost.

7 Accounts receivable and other assets (continued)

- b. Refundable development expenses represent development cost incurred to develop an economic city in the Kingdom of Saudi Arabia jointly with the Saudi authorities. The parent company is the main developer for this project. A new shareholding company is being incorporated in Saudi Arabia to own and manage this project. The legal formalities are currently in process to establish that Saudi shareholding company. As per the agreement, with Saudi Authority on incorporation of the Saudi shareholding company the total expenses incurred for the project will be re-reimbursed to the group.
- c. During the 4th quarter of 2010 the management has made 25% provision amounting to KD2,338,647 on a balance due from a related party.

8 Available for sale investments

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Investments in unquoted shares	13,020,727	13,326,400	16,409,560
Investments in private equity funds	8,546,272	8,546,697	9,882,398
Investments in direct equity funds	3,557,309	3,479,889	3,867,272
Investments in portfolios managed by others	1,063,159	1,202,650	1,222,466
	26,187,467	26,555,636	31,381,696

8.1 Available for sale investments include investments of KD6,139,539 (31 December 2010: KD6,207,259 and 31 March 2010: KD8,055,952), carried at cost due to the unpredictable nature of future cash flows and the unavailability of financial information to arrive at a reliable measure of fair value. The group's management believes that the available information for those investments has not indicated any impairment/further impairment in value.

8.2 Information for investments in private equity funds and direct equity funds 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.

8.3 During the period, the group recognised an impairment loss of KD60,703 (31 March 2010: KD154,892) for certain local and foreign unquoted shares.

9 Investment properties

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Investment properties	8,800,332	8,947,445	7,316,144
Land and properties under development	80,158,439	80,149,031	74,828,076
	88,958,771	89,096,476	82,144,220

The movement for investment properties is as follows:

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Balance as of 1 January	89,096,476	81,973,269	81,973,269
Additions during the period/year	9,409	1,968,597	145,055
Change in fair value	-	5,468,909	-
Foreign currency translation adjustment arising on consolidation	(147,114)	(314,299)	25,896
	88,958,771	89,096,476	82,144,220

9 Investment properties (continued)

Investment properties with a carrying value of KD5,611,374 (31 December 2010: KD5,637,945 and 31 March 2010 : KD Nil) of a local subsidiary are pledged against Islamic debt instruments of the same subsidiary.

The above properties are located in GCC and other Middle Eastern countries.

The group evaluates its investment properties by independent valuers semi annually.

10 Borrowings

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Loans	27,750,000	29,818,953	42,665,841
Islamic debt instruments (refer note 5)	18,746,758	18,610,428	16,457,512
	46,496,758	48,429,381	59,123,353

10.1 The following is the maturity analysis of loans and Islamic debt instruments:

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Less than 1 year	18,250,000	18,818,953	41,888,030
From 1 year to 5 years	28,246,758	29,610,428	17,235,323
	46,496,758	48,429,381	59,123,353

10.2 Loans and facilities have been granted to the parent company based on negative pledges on the parent company's assets.

10.3 Investment properties and term deposits of a local subsidiary are pledged against Islamic debt instruments of KD7,746,758 (31 December 2010: KD7,610,428 31 March 2010: KD Nil) related to that subsidiary.

10.4 The effective interest rate of loans is 6.5% (31 December 2010: 6.5% and 31 March 2010: 5.97%).

10.5 The effective cost rate of the Islamic debt instruments is 7.46% (31 December 2010: 7.46% and 31 March 2010: 7%).

11 Bonds

During October 2007, the parent company entered into an agreement to issue unsecured fixed rate bonds of KD 10,000,000 and floating rate bonds of KD3,320,000 at an issue price of 100% of their principal amount. The bonds mature on 2 October 2010, however on 23 September 2010 the maturity of the bonds were extended up to 2 October 2012. The bonds bear fixed interest rate at 8.875% per annum and the floating bonds bear floating interest rate at 5.5% over the Central Bank of Kuwait discount rate. Interest is payable semi-annually in arrears.

On 5 April 2005, the parent company issued unsecured bonds of KD20,000,000 at an issue price of 100% of their principal amount. The bonds mature on 5 April 2010, however on 29 March 2010 the maturity of the bonds were extended upto 5 April 2011. The bonds bear fixed interest rate at 8.375% per annum. Interest is payable semi-annually in arrears. These bonds were fully settled in April 2011.

12 Share capital
The authorised, issued and paid up capital of the parent company amounts to KD52,828,125 distributed over 528,281,250 shares with 100 fils par value each as of 31 March 2011, 31 December 2010 and 31 March 2010.

13 Related party transactions

Related parties represent associates, directors and key management personnel of the group, and other related parties such as 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.

Significant transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

	31 March 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	31 March 2010 (Unaudited) KD
Balances in the interim condensed consolidated statement of financial position:			
Due from related parties (see note 7)*	7,186,345	7,273,868	239,061
Due to related parties **	3,113,709	3,181,456	330,859
Due to related parties included in trade payables	1,643,425	1,643,634	-

* Due from related parties include an advance of KD7,175,895 (net of provision) for increase in share capital of Mazaya Gateway an associate company (31 December 2010: KD7,015,943 and 31 March 2010: KD9,698,687).

** During 2010, the group received an interest free advance of KD2,750,000 from a related party with no specific repayment terms.

Transactions included in the interim condensed consolidated statement of income:	Three months ended 31 March 2011 (Unaudited) KD	Three months ended 31 March 2010 (Unaudited) KD
Key management compensation:	79,968	71,031
Short term benefits		
Employees end of service indemnity	4,427	4,802

14 Segmental information

The group activities are concentrated in three main segments: real estate, investment and finance. The segments' results are based on internal management reporting information that is reported to the higher management of the group.

14 Segmental information (continued)

The following is the segments information, which conforms with the internal reporting presented to management.

	Real estate	Investments	Financing	Unallocated	Total
	KD	KD	KD	KD	KD
Three months ended 31 March 2011					
Net income	-	(322,161)	193,452	701,429	572,720
Expenses and other charges	-	(2,207,825)	(1,542,519)	(817,112)	(4,567,456)
Loss for the period	-	(2,529,986)	(1,349,067)	(115,683)	(3,994,736)
Assets	88,958,771	63,640,997	11,686,236	29,782,612	194,068,616
Three months ended 31 March 2010					
Net income	228,813	1,184,244	-	(408,681)	1,004,376
Expenses and other charges	-	(154,892)	(1,694,978)	(787,601)	(2,637,471)
Profit/(Loss) for the period	228,813	1,029,352	(1,694,978)	(1,196,282)	(1,633,095)
Assets	82,144,220	76,212,896	26,017,773	9,031,106	193,405,994

15 Contingent liabilities and commitments

	31 March 2011	31 Dec 2010	31 March 2010
	(Unaudited) KD	(Audited) KD	(Unaudited) KD
Bank guarantees	56,050	56,050	56,050
Uncalled instalment for financial investments	1,048,582	1,061,386	2,803,074
Capital commitment related to intangible asset	1,325,151	1,350,378	1,629,665

16 Assets under management

The Group manages mutual funds, portfolios on behalf of its major shareholders, other related parties and outsiders, and maintains securities in fiduciary accounts which are not reflected in the Group's statement of financial position. Assets under management at 31 March 2011 amounted to KD36,493,000 (31 December 2010: KD28,373,000 and 31 March 2010: KD29,173,000) of which assets managed on behalf of its related parties amounted to KD10,000,000 (31 December 2010: KD10,000,000 and 31 March 2010: KD10,000,000).

17 Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation in the current period. Such reclassification does not affect previously reported net assets, net equity and net results for the period or net increase in cash and cash equivalents.