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**Interim Condensed Consolidated Financial Information and Review Report  
Tamdeen Real Estate Company – KSC (Closed) and its Subsidiaries  
Kuwait  
31 March 2012 (Unaudited)**

Interim Condensed Consolidated Financial Information and Review Report  
**Tamdeen Real Estate Company – KSC (Closed) and its Subsidiaries**

**Kuwait**

31 March 2012 (Unaudited)

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## Report on review of interim condensed consolidated financial information

To the board of directors of  
Tamdeen Real Estate Company – KSC (Closed)  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (A Kuwaiti Closed Shareholding Company) and its subsidiaries as of 31 March 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and 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 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 condensed consolidated 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**

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 2012 that might have had a material effect on the business or financial position of the Company.

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

Fawzia Mubarak Al-Hassawi  
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Kuwait  
13 May 2012

## Interim condensed consolidated statement of income

	Notes	Three months ended 31 March 2012 (Unaudited) KD'000	Three months ended 31 March 2011 (Unaudited) KD'000
<b>Income</b>			
Operational income		2,246	2,392
Operational expenses		(741)	(785)
<b>Net operational income</b>		<b>1,505</b>	<b>1,607</b>
Other operational income		155	222
Fees from management of investment portfolios		13	7
Profit from sale of investments in lands and real estate held for trading		-	292
Net income from investments	3	3,317	3,073
Share of profit in associated companies	6	1,208	717
Foreign currency exchange gain/(loss)		1	(41)
Other income		463	288
		<b>6,662</b>	<b>6,165</b>
<b>Expenses and other charges</b>			
Staff costs		658	638
General and administrative expenses		873	804
Finance costs		1,380	1,828
		<b>2,911</b>	<b>3,270</b>
<b>Profit for the period before contribution to KFAS, contribution to Zakat and provision for NLST</b>		<b>3,751</b>	<b>2,895</b>
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	-
Contribution to Zakat		-	(1)
Provision for National Labour Support Tax (NLST)		(16)	(17)
<b>Profit for the period</b>		<b>3,735</b>	<b>2,877</b>
<b>Attributable to :</b>			
Owners of the parent company		2,217	1,719
Non-controlling interests		1,518	1,158
		<b>3,735</b>	<b>2,877</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>	4	<b>6 Fils</b>	<b>4.6 Fils</b>

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.


## Interim condensed consolidated statement of comprehensive income


	Three months ended 31 March 2012 (Unaudited) KD'000	Three months ended 31 March 2011 (Unaudited) KD'000
Profit for the period	3,735	2,877
<b>Other comprehensive income:</b>		
Exchange differences arising on translation of foreign operations	212	(52)
Available for sale investments:		
- Net change in fair value during the period	(3,240)	(1,464)
- Transferred to interim condensed consolidated statement of income on impairment in value	203	29
Total other comprehensive loss	(2,825)	(1,487)
<b>Total comprehensive income for the period</b>	<b>910</b>	<b>1,390</b>
<b>Attributable to:</b>		
Owners of the parent company	(608)	232
Non-controlling interests	1,518	1,158
	<b>910</b>	<b>1,390</b>

*The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.*

## Interim condensed consolidated statement of financial position

	Notes	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
<b>Assets</b>				
<b>Non-current assets</b>				
Available for sale investments	5	92,280	97,358	102,803
Investments in associated companies	6	71,727	71,064	75,440
Investment properties	7	49,750	49,750	48,725
Projects in progress	8	5,460	4,421	4,138
Property, plant and equipment		1,888	1,982	630
		<b>221,105</b>	<b>224,575</b>	<b>231,736</b>
<b>Current assets</b>				
Cash and bank balances		1,824	2,741	10,110
Short-term deposits		6,135	5,313	3,723
Investments at fair value through profit or loss		701	757	807
Accounts receivable and other debit balances	9	24,383	21,317	37,560
Investments in lands and real estate held for trading		15,987	15,987	20,898
		<b>49,030</b>	<b>46,115</b>	<b>73,098</b>
<b>Total assets</b>		<b>270,135</b>	<b>270,690</b>	<b>304,834</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		37,312	37,312	37,312
Share premium		11,132	11,132	11,132
Treasury shares		(645)	(645)	(645)
Reserve of profit on sale of treasury shares		739	739	739
Legal reserve		8,045	8,045	7,649
Voluntary reserve		9,443	9,443	9,047
Foreign currency translation reserve		212	-	41
Retained earnings		15,297	13,080	15,474
Cumulative changes in fair value		17,475	20,512	23,954
<b>Equity attributable to the owners of the parent company</b>		<b>99,010</b>	<b>99,618</b>	<b>104,703</b>
<b>Non-controlling interests</b>		<b>45,839</b>	<b>46,953</b>	<b>50,204</b>
<b>Total equity</b>		<b>144,849</b>	<b>146,571</b>	<b>154,907</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Term loans	10	60,500	60,500	67,000
Refundable rental deposits		1,144	1,144	1,168
Provision for end of service indemnity		600	559	478
		<b>62,244</b>	<b>62,203</b>	<b>68,646</b>
<b>Current liabilities</b>				
Bank facilities	11	2,617	1,811	16,615
Accounts payable and other credit balances		10,425	10,105	9,666
Current portion of term loans	10	50,000	50,000	55,000
		<b>63,042</b>	<b>61,916</b>	<b>81,281</b>
<b>Total liabilities</b>		<b>125,286</b>	<b>124,119</b>	<b>149,927</b>
<b>Total equity and liabilities</b>		<b>270,135</b>	<b>270,690</b>	<b>304,834</b>

  
Mohammed Jassim Al Marzouq  
Chairman and CEO

  
Ali Yacoub Ghafil Aryan  
Vice-Chairman

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the parent company										Total KD'000	
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Legal reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Retained earnings KD'000	Cumulative changes in fair value KD'000	Sub- total KD'000		Non- controlling interests KD'000
Balance as at 1 January 2012	37,312	11,132	(645)	739	8,045	9,443	-	13,080	20,512	99,618	46,953	146,571
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,632)	(2,632)
Transactions with the owners	-	-	-	-	-	-	-	-	-	-	(2,632)	(2,632)
Profit for the period	-	-	-	-	-	-	-	2,217	-	2,217	1,518	3,735
<b>Other comprehensive income:</b>												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	212	-	-	212	-	212
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	(3,240)	(3,240)	-	(3,240)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	-	-	-	-	-	-	-	203	203	-	203
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	212	2,217	(3,037)	(608)	1,518	910
<b>Balance as at 31 March 2012</b>	<b>37,312</b>	<b>11,132</b>	<b>(645)</b>	<b>739</b>	<b>8,045</b>	<b>9,443</b>	<b>212</b>	<b>15,297</b>	<b>17,475</b>	<b>99,010</b>	<b>45,839</b>	<b>144,849</b>



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

	Equity attributable to the owners of the parent company										Total KD'000	
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Legal reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Retained earnings KD'000	Cumulative changes in fair value KD'000	Sub- total KD'000		Non- controlling interests KD'000
Balance as at 1 January 2011	37,312	11,132	(523)	739	7,649	9,047	93	13,755	25,389	104,593	50,125	154,718
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,079)	(1,079)
Net change in treasury shares	-	-	(122)	-	-	-	-	-	-	(122)	-	(122)
Transactions with the owners	-	-	(122)	-	-	-	-	-	-	(122)	(1,079)	(1,201)
Profit for the period	-	-	-	-	-	-	-	1,719	-	1,719	1,158	2,877
<b>Other comprehensive income:</b>												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(52)	-	-	(52)	-	(52)
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	(1,464)	(1,464)	-	(1,464)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	-	-	-	-	-	-	-	29	29	-	29
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(52)	1,719	(1,435)	232	1,158	1,390
Balance as at 31 March 2011	37,312	11,132	(645)	739	7,649	9,047	41	15,474	23,954	104,703	50,204	154,907

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2012 (Unaudited) KD'000	Three months ended 31 March 2011 (Unaudited) KD'000
<b>OPERATING ACTIVITIES</b>			
<b>Profit for the period attributable to the owners of the parent company</b>		2,217	1,719
Adjustments:			
Depreciation		61	48
Provision for end of service indemnity		43	21
Profit from sale of investments in lands and real estate held for trading		-	(292)
Unrealised loss from investments at fair value through profit or loss		56	6
Net loss/(profit) from sale of available for sale investments		4	(45)
Impairment in value of available for sale investments		203	29
Dividends income		(3,556)	(3,023)
Interest income		(24)	(40)
Share of profit in associated companies		(1,208)	(717)
Finance costs		1,380	1,828
		(824)	(466)
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable and other debit balances		449	(360)
Accounts payable and other credit balances		320	(150)
Refundable rental deposits		-	(17)
End of service indemnity paid		(2)	(17)
<b>Net cash used in operating activities</b>		(57)	(1,010)
<b>INVESTING ACTIVITIES</b>			
Net purchase of available for sale investments		(85)	(256)
Proceeds from sale of available for sale investments		60	225
Projects in progress		(1,039)	(124)
Net disposal/(purchase) of property, plant and equipment		33	(28)
Dividends income received		41	3,023
Interest income received		24	40
<b>Net cash (used in)/from investing activities</b>		(966)	2,880
<b>FINANCING ACTIVITIES</b>			
Change in non-controlling interests		1,524	1,031
Change in bank facilities		806	1,447
Cash dividends		(9)	-
Change in foreign currency translation reserve		212	(52)
Net change in treasury shares		-	(122)
Finance costs paid		(1,605)	(2,742)
<b>Net cash from/(used in) financing activities</b>		928	(438)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(95)	1,432
Cash and cash equivalents at beginning of the period		8,054	12,401
<b>Cash and cash equivalents at end of the period</b>	12	7,959	13,833

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

## Notes to the interim condensed consolidated financial information

### **1 Incorporation and activities of the parent company**

Tamdeen Real Estate Company – KSC (Closed) (the parent company) was incorporated in Kuwait on 16 December 1982 in accordance with the Commercial Companies Law. Its shares are listed on the Kuwait Stock Exchange

The principal activities of the parent company are represented in the real estate investments inside and outside the State of Kuwait, for the purposes of ownership, resale, leasing and renting. The parent company is also engaged in the development of real estate projects and construction contracts of buildings, managing the properties of others, establishing and managing real estate investment funds, real estate studies and consultancy, and investing in companies with activities similar to its own and in financial portfolios managed by professional companies and authorities.

The address of the parent company's registered office is PO Box 21816, Safat 13079, State of Kuwait.

The interim condensed consolidated financial information for the three-month period ended 31 March 2012 was authorised for issue by the parent company's board of directors on 13 May 2012.

### **2 Basis of presentation**

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2011 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional currency of the parent company.

This interim condensed consolidated financial information does not include all information and disclosures required to prepare the consolidated financial statements in accordance with the 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.

The preparation of interim condensed consolidated financial information 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 expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2011.

Operating results for the three month period ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012. For further details, refer to the consolidated financial statements of the group and its disclosures for the year ended 31 December 2011.

## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of presentation (continued)

#### Adoption of new IASB standards and amendments during the period

The group has adopted the following amended IFRS during the period:

##### *IFRS 7 Financial Instruments: Disclosures- amendment*

The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off financial position activities. The amendments allows 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 standard also required additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of these amendments is not expected to have any significant impact on the financial position or performance of the group.

#### IASB standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations have been published by the IASB but are not yet effective, and have not been adopted early by the group.

Management anticipates that all of the relevant amendments will be adopted in the group's accounting policies for the first period beginning at or after the effective date of the new standard, amendment or interpretation that is expected to be relevant to the group's consolidated financial statements and as provided below, and there are also some interpretations and standards that have been issued but are not expected to have a material effect on the group's consolidated financial statements.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Presentation of Financial Statements – amendment	1 July 2012
IAS 27 Consolidated and Separate Financial Statements - Revised as IAS 27 Separate Financial Statements	1 January 2013
IAS 28 Investments in Associates - Revised as IAS 28 Investments – Associates and Joint Ventures	1 January 2013
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interest in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013

##### *IAS 1 Presentation of Financial Statements*

The amendment to IAS 1 requires entities to group other comprehensive income items presented in the consolidated statement of comprehensive income based on those:

- Potentially reclassifiable to consolidated statement of income in a subsequent period, and
- That will not be reclassified to consolidated statement of income subsequently.

The group will change the current presentation of the consolidated statement of comprehensive income when the amendment becomes effective.

## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of presentation (continued)

#### *IAS 27 Consolidated and Separate Financial statements – Revised as IAS 27 Separate Financial Statements*

As a result of the consequential amendments, IAS 27 now deals with separate financial statements.

#### *IAS 28 Investments in Associates – Revised as IAS 28 Investments in Associates and Joint Ventures*

As a result of the consequential amendments, IAS 28 brings investments in joint ventures into its scope. However, the equity accounting methodology under IAS 28 remains unchanged.

#### *IFRS 9 Financial Instruments*

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with the replacement standard to be effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

- Phase 1: Classification and Measurement
- Phase 2: Impairment methodology
- Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition.

Although earlier application of this standard is permitted, the Technical Committee of the Ministry of Commerce and Industry of Kuwait decided on 30 December 2009, to postpone this early application till further notice, due to the non-completion of the remaining stages of the standard.

#### *IFRS 10 Consolidated Financial Statements*

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements. It revised the definition of control together with accompanying guidance to identify an interest in subsidiary. However, the requirements and procedures of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

#### *IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 is designed to complement the other new standards. It sets out consistent disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities. The disclosure requirements are extensive and will result in significant amounts of new disclosures for some companies. Structured entities were previously referred to in SIC 12 as special purpose entities. The disclosures required by IFRS 12 aim to provide transparency about the risks a company is exposed to through its interests in other entities.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 does not affect which items to be fair valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. The adoption of this standard is not expected to have a significant impact on the financial position and performance of the group.

#### **Basis of consolidation**

The interim condensed consolidated financial information includes the financial information of the parent company and its subsidiaries for the three months period ended 31 March 2012. All material balances and transactions between the parent company and its subsidiaries are eliminated upon consolidation.

## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of presentation (continued)

#### Basis of consolidation (continued)

The list of the consolidated subsidiary companies of the parent company is as follows:

Name of the subsidiary company	Country of incorporation	Activity	Direct and indirect ownership percentage %		
			31 March 2012 (Unaudited)	31 Dec. 2011 (Audited)	31 March 2011 (Unaudited)
Tamdeen Investment Company – KSC (Closed)	Kuwait	Investment	51.37	51.37	51.37
Manshar Real Estate Company – KSC (Closed)	Kuwait	Real estate	75.685	75.685	75.685
Tamdeen Housing Company – KSC (Closed)	Kuwait	Real estate	45.41	45.41	45.41

### 3 Net income from investments

	Three months ended 31 March 2012 (Unaudited) KD'000	Three months ended 31 March 2011 (Unaudited) KD'000
Net (loss)/profit from sale of available for sale investments	(4)	45
Impairment in value of available for sale investments	(203)	(29)
Unrealised loss from investments at fair value through profit or loss	(56)	(6)
Dividends income	3,556	3,023
Interest income	24	40
	<b>3,317</b>	<b>3,073</b>

### 4 Earnings per share attributable to the owners of the parent company

	Three months ended 31 March 2012 (Unaudited)	Three months ended 31 March 2011 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD'000)	2,217	1,719
Weighted average of the outstanding number of shares (excluding treasury shares) (in thousand)	370,712	371,107
<b>Earnings per share attributable to the owners of the parent company</b>	<b>6 Fils</b>	<b>4.6 Fils</b>

## Notes to the interim condensed consolidated financial information (continued)

### 5 Available for sale investments

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
Local managed portfolios and funds	4,895	4,424	4,144
Participations in unquoted local companies shares	7,879	7,879	5,412
Participations in capital of companies located outside Kuwait	79,506	85,055	93,247
	<b>92,280</b>	<b>97,358</b>	<b>102,803</b>

Participations in capital of companies located outside Kuwait include investments of one of the consolidated subsidiary companies [Tamdeen Investment Co. – KSC (Closed)] that represent investments in quoted foreign financial markets. These participations include investments with a total fair value of KD68,054 thousand (KD75,879 thousand at 31 December 2011 and KD82,485 thousand at 31 March 2011) mortgaged against term loans (Note 10) and bank facilities (Note 11).

### 6 Investments in associated companies

This item includes the investments of the group in the following associated companies:

Name of the company	Place of incorporation	Direct and indirect ownership percentage %		
		31 March 2012 (Unaudited)	31 Dec. 2011 (Audited)	31 March 2011 (Unaudited)
Ajmal Holding Company - BSC	Bahrain	29	29	29
Tamdeen Holding Co. – KSC (Holding Closed)	Kuwait	43	43	43
Fucom for Central Markets – KSC (Closed)	Kuwait	25	25	25
Beyoo Leasing & Financing Co. – KSC (Closed)	Kuwait	-	-	21
Tamdeen Shopping Centers Co. – KSC (Closed)	Kuwait	30	30	30
Tamdeen Franchises Holding Company – KSC (Holding Closed)	Kuwait	30	30	30
Tamdeen Resorts Company – WLL	Kuwait	25	25	25
Al-Maysam Trading Company – WLL	Kuwait	46	46	46

As follows, the group's share in the net assets and profit for the period/year of the associated companies according to the latest financial statements available as at the date of the interim condensed consolidated statement of financial position:

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
Assets	118,743	121,329	137,073
Liabilities	(47,016)	(50,265)	(61,633)
<b>Net assets</b>	<b>71,727</b>	<b>71,064</b>	<b>75,440</b>
<b>Profit for the period/year</b>	<b>1,208</b>	<b>1,328</b>	<b>717</b>

## Notes to the interim condensed consolidated financial information (continued)

### 7 Investment properties

The investment properties are represented in a local property of the subsidiary company [Manshar Real Estate Company – KSC (Closed)] with a fair value of KD49,750 thousand (KD49,750 thousand at 31 December 2011 and KD48,725 thousand at 31 March 2011) mortgaged for local banks against term loans (Note 10) and bank facilities (Note 11).

The fair value of the local investment properties is estimated by an interdependent real estate office and by a local bank at the end of each financial year.

Based on these estimations, the management has made the necessary deductions there from and included the value of the investment properties as stated above.

### 8 Projects in progress

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
<b>Cost</b>			
At beginning of period/year	5,044	4,130	4,130
Additions	1,039	963	124
Disposals	-	(49)	-
<b>At end of period/year</b>	<b>6,083</b>	<b>5,044</b>	<b>4,254</b>
<b>Impairment in value</b>			
At beginning of period/year	623	116	116
Additions	-	507	-
<b>At end of period/year</b>	<b>623</b>	<b>623</b>	<b>116</b>
<b>Net book value</b>			
<b>At end of period/year</b>	<b>5,460</b>	<b>4,421</b>	<b>4,138</b>

### 9 Accounts receivable and other debit balances

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
Receivable from tenants	1,784	1,810	1,948
Staff receivable	64	79	131
Prepaid expenses	650	319	575
Due from related parties	9,403	9,081	26,371
Accrued income	3,617	76	15
Due from sale of investments in lands and real estate held for trading	8,769	10,030	8,769
Other debit balances	1,400	1,339	1,194
	<b>25,687</b>	<b>22,734</b>	<b>39,003</b>
Provision for doubtful debts	(1,304)	(1,417)	(1,443)
	<b>24,383</b>	<b>21,317</b>	<b>37,560</b>



## Notes to the interim condensed consolidated financial information (continued)

### 10 Term loans

The loans are due for repayment as follows:

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
Within one year – current portion	50,000	50,000	55,000
From one to five years	60,500	60,500	67,000
	<b>110,500</b>	<b>110,500</b>	<b>122,000</b>

All of the term loans are granted for the parent company and its subsidiaries by local banks. These loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 2% to 2.5% (2% to 2.5% at 31 December 2011 and 2% to 3% at 31 March 2011) over the discount rate announced by the Central Bank of Kuwait. The total amount of the instalments relating to the loans which are due to be repaid within twelve months from the date of the interim condensed consolidated statement of financial position is shown as a current liability.

The loans granted to the subsidiary companies are against the mortgage of shares included in investments with a fair value of KD68,054 thousand (KD75,879 thousand at 31 December 2011 and KD82,485 thousand at 31 March 2011) (Note 5) and mortgage of investment properties with fair value of KD49,750 thousand (KD49,750 thousand at 31 December 2011 and KD48,725 thousand at 31 March 2011) (Note 7), and mortgage of a land included in investments in lands and real estate held for trading with value of KD11,364 thousand (KD11,364 thousand 31 December 2011 and KD Nil at 31 March 2011).

### 11 Bank facilities

The bank facilities represent the balances of overdraft facilities which are granted to the group by local banks to finance the working capital and the real estate activities. They are repayable on demand with annual floating interest rate which is equal to the current interest rate in the market. The bank facilities are granted against the mortgage of investment properties (Note 7), and available for sale investments (Note 5) and investments in lands and real estate held for trading.

### 12 Cash and cash equivalents

Cash and cash equivalents which are shown in the interim condensed consolidated statement of cash flows comprise of following:

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
Cash and bank balances	1,824	2,741	10,110
Short-term deposits (mature within three months)	6,135	5,313	3,723
	<b>7,959</b>	<b>8,054</b>	<b>13,833</b>

## Notes to the interim condensed consolidated financial information (continued)

### 13 Segmental analysis

The trading activities of the parent company and its subsidiaries are principally carried out within the State of Kuwait. With the exception of some participations in capital of companies located outside Kuwait (Note 5), all of the group's assets and liabilities are located in Kuwait.

A segmental analysis of gross income, (loss)/profit for the period/year attributable to the owners of the parent company, total assets, total liabilities, non-controlling interests and net assets employed by activities is as follows:

	Real estate KD'000	Investment KD'000	Total KD'000
<b>Period ended at 31 March 2012 (Unaudited)</b>			
Gross income	1,660	5,002	6,662
(Loss)/profit for the period attributable to the owners of the parent company	(88)	2,305	2,217
Total assets	80,674	189,461	270,135
Total liabilities	(77,914)	(47,372)	(125,286)
Non-controlling interests	-	(45,839)	(45,839)
<b>Net assets employed</b>	<b>2,760</b>	<b>96,250</b>	<b>99,010</b>
<b>Year ended at 31 December 2011 (Audited)</b>			
Gross income	8,021	9,538	17,559
Profit for the year attributable to the owners of the parent company	214	3,610	3,824
Total assets	79,712	190,978	270,690
Total liabilities	(76,932)	(47,187)	(124,119)
Non-controlling interests	-	(46,953)	(46,953)
<b>Net assets employed</b>	<b>2,780</b>	<b>96,838</b>	<b>99,618</b>
<b>Period ended at 31 March 2011 (Unaudited)</b>			
Gross income	1,829	4,336	6,165
(Loss)/profit for the period attributable to the owners of the parent company	(259)	1,978	1,719
Total assets	95,910	208,924	304,834
Total liabilities	(91,467)	(58,460)	(149,927)
Non-controlling interests	-	(50,204)	(50,204)
<b>Net assets employed</b>	<b>4,443</b>	<b>100,260</b>	<b>104,703</b>

## Notes to the interim condensed consolidated financial information (continued)

### 14 Dividends

On 13 May 2012, the general assembly of shareholders approved the cash dividends of 8% or equivalent to 8 Kuwaiti Fils per share from the paid-up share capital to the shareholders registered at that date as per records for the year ended 31 December 2011 (cash dividends of 10% or equivalent to 10 Kuwaiti Fils per share from the paid-up share capital to the shareholders for the year ended 31 December 2010).

### 15 Related party transactions

Included in the transactions carried out by the group during the period, there are certain transactions with related parties within the normal activities of the group involving shareholders who are represented in the board of directors, in addition to other major shareholders. These transactions were incorporated in the interim condensed consolidated financial information as follows:

	31 March 2012 (Unaudited) KD'000	31 Dec. 2011 (Audited) KD'000	31 March 2011 (Unaudited) KD'000
<b>Interim condensed consolidated statement of financial position</b>			
Accounts receivable and other debit balances	9,403	9,081	26,371
Accounts payable and other credit balances	250	111	730
Cash at investment portfolios	-	-	47
Investments in lands and real estate held for trading	-	2,607	-
<b>Interim condensed consolidated statement of income</b>			
Profit from sale of investments in lands and real estate held for trading	-	-	292
Management fees income and consultancies	94	515	134
Other income	-	433	-
General and administrative expenses (top management salaries and remunerations)	126	546	126
Operational expenses	112	498	110
<b>Contra accounts - off interim condensed consolidated statement of financial position items</b>			
Net book value of customers' portfolios (major shareholders)	40,398	36,471	39,626

### 16 Commitments and contingent liabilities

At the date of the interim condensed consolidated statement of financial position, the Group had commitments against letters of guarantee issued in favour of third parties of KD2,129 thousand (KD2,129 thousand at 31 December 2011 and KD5,025 thousand at 31 March 2011).