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Interim condensed consolidated financial information and review report

**Tamdeen Real Estate Company – KSC (Closed)**

**and its Subsidiaries**

**Kuwait**

**30 September 2011 (Unaudited)**

Interim condensed consolidated financial information and review report

**Tamdeen Real Estate Company – KSC (Closed)**

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**Kuwait**

30 September 2011 (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 30 September 2011 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-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 nine-month period ended 30 September 2011 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  
(Licence No. 80-A)  
of UHY-Fawzia Mubarak Al-Hassawi

Kuwait

14 November 2011

## Interim condensed consolidated statement of income

	Notes	Three months ended		Nine months ended	
		30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000	30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000
<b>Income</b>					
Operational income		2,051	4,859	6,917	14,148
Operational expenses		(750)	(1,072)	(2,697)	(4,225)
Net operational income		1,301	3,787	4,220	9,923
Other operational income		277	255	892	569
Fees from management of investment portfolios		5	10	16	32
Profit from sale of investments in lands and real estate held for trading	11	72	-	1,525	212
Profit from sale of a land from the projects in progress		-	-	-	147
Profit from sale of shares in associated companies	6	2,682	-	2,682	-
Net income from investments	3	270	459	3,908	6,237
Share of (loss)/profit in associated companies	6	(838)	(88)	954	1,757
Foreign currency exchange loss		(22)	(34)	(121)	(13)
Other income		431	153	859	1,127
		4,178	4,542	14,935	19,991
<b>Expenses and other charges</b>					
Staff costs		407	521	1,519	2,192
General and administrative expenses		714	1,147	2,186	2,805
Finance costs		1,457	2,740	5,038	8,576
		2,578	4,408	8,743	13,573
<b>Profit for the period before contribution to KFAS, contribution to Zakat and provision for NLST</b>					
		1,600	134	6,192	6,418
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	-	-	-
Contribution to Zakat		2	7	(2)	(1)
Provision for National Labour Support Tax (NLST)		7	(12)	(40)	(58)
<b>Profit for the period</b>		<b>1,609</b>	<b>129</b>	<b>6,150</b>	<b>6,359</b>
<b>Attributable to :</b>					
Owners of the parent company		775	21	3,869	3,690
Non-controlling interests		834	108	2,281	2,669
		1,609	129	6,150	6,359
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>					
	4	2.1 Fils	0.1 Fils	10.4 Fils	9.9 Fils

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

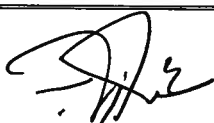
## Interim condensed consolidated statement of comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000	30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Profit for the period	1,609	129	6,150	6,359
<b>Other comprehensive income:</b>				
Exchange differences arising on translation of foreign operations	51	(306)	(241)	(400)
Available for sale investments:				
- Net change in fair value during the period	(1,683)	7,624	(1,358)	20,818
- Transferred to interim condensed consolidated statement of income on sale	7	(39)	(1,087)	(951)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	-	(602)	-
Total other comprehensive (loss)/income	(1,625)	7,279	(3,288)	19,467
<b>Total comprehensive (loss)/income for the period</b>	<b>(16)</b>	<b>7,408</b>	<b>2,862</b>	<b>25,826</b>
<b>Attributable to:</b>				
Owners of the parent company	(850)	7,300	581	23,157
Non-controlling interests	834	108	2,281	2,669
	(16)	7,408	2,862	25,826

*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	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
<b>Assets</b>				
<b>Non-current assets</b>				
Available for sale investments	5	100,666	104,759	113,986
Investments in associated companies	6	70,868	74,528	57,622
Investments in unconsolidated subsidiary company	7	540	540	900
Investment properties	8	48,725	48,725	141,580
Projects in progress	9	4,580	4,014	62,372
Property, plant and equipment		2,011	651	10,552
		<b>227,390</b>	<b>233,217</b>	<b>387,012</b>
<b>Current assets</b>				
Cash and bank balances		8,124	4,808	5,796
Short-term deposits		6,506	7,593	10,051
Investments at fair value through profit or loss		791	812	827
Accounts receivable and other debit balances	10	22,765	17,092	27,932
Investments in lands and real estate held for trading	11	16,418	41,007	52,283
		<b>54,604</b>	<b>71,312</b>	<b>96,889</b>
<b>Total assets</b>		<b>281,994</b>	<b>304,529</b>	<b>483,901</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)	(523)	(523)
Reserve of profit on sale of treasury shares		739	739	739
Legal reserve		7,649	7,649	7,172
Voluntary reserve		9,047	9,047	8,570
Foreign currency translation reserve		(148)	93	278
Retained earnings		13,917	13,755	13,774
Cumulative changes in fair value		22,342	25,389	26,698
<b>Equity attributable to the owners of the parent company</b>		<b>101,345</b>	<b>104,593</b>	<b>105,152</b>
<b>Non-controlling interests</b>		<b>49,099</b>	<b>50,125</b>	<b>132,961</b>
<b>Total equity</b>		<b>150,444</b>	<b>154,718</b>	<b>238,113</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Term loans	12	52,500	67,000	147,425
Refundable rental deposits		1,182	1,185	4,422
Provision for end of service indemnity		525	473	798
		<b>54,207</b>	<b>68,658</b>	<b>152,645</b>
<b>Current liabilities</b>				
Bank facilities	13	1,895	15,168	13,828
Accounts payable and other credit balances		10,448	10,985	20,058
Current portion of term loans	12	65,000	55,000	59,257
		<b>77,343</b>	<b>81,153</b>	<b>93,143</b>
<b>Total liabilities</b>		<b>131,550</b>	<b>149,811</b>	<b>245,788</b>
<b>Total equity and liabilities</b>		<b>281,994</b>	<b>304,529</b>	<b>483,901</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.

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

	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	-	-	-	-	-	-	-	-	-	-	(3,307)	(3,307)
Net change in treasury shares	-	-	(122)	-	-	-	-	-	-	(122)	-	(122)
Cash dividends (Note 16)	-	-	-	-	-	-	-	(3,707)	-	(3,707)	-	(3,707)
Transactions with the owners	-	-	(122)	-	-	-	-	(3,707)	-	(3,829)	(3,307)	(7,136)
Profit for the period	-	-	-	-	-	-	-	3,869	-	3,869	2,281	6,150
<b>Other comprehensive income:</b>												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(241)	-	-	(241)	-	(241)
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	(1,358)	(1,358)	-	(1,358)
- Transferred to interim condensed consolidated statement of income on sale	-	-	-	-	-	-	-	-	(1,087)	(1,087)	-	(1,087)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	-	-	-	-	-	-	-	(602)	(602)	-	(602)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(241)	3,869	(3,047)	581	2,281	2,862
<b>Balance as at 30 September 2011</b>	<b>37,312</b>	<b>11,132</b>	<b>(645)</b>	<b>739</b>	<b>7,649</b>	<b>9,047</b>	<b>(148)</b>	<b>13,917</b>	<b>22,342</b>	<b>101,345</b>	<b>49,099</b>	<b>150,444</b>



## Interim condensed consolidated statement of changes in equity (Unaudited) (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 2010	37,312	11,132	(201)	732	7,172	8,570	678	13,797	6,831	86,023	114,464	200,487
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	15,828	15,828
Net change in treasury shares	-	-	(322)	-	-	-	-	-	-	(322)	-	(322)
Net change in reserve of profit on sale of treasury shares	-	-	-	7	-	-	-	(3,713)	-	7	-	7
Cash dividends (Note 16)	-	-	-	-	-	-	-	(3,713)	-	(3,713)	-	(3,713)
Transactions with the owners	-	-	(322)	7	-	-	-	(3,713)	-	(4,028)	15,828	11,800
Profit for the period	-	-	-	-	-	-	-	3,690	-	3,690	2,669	6,359
<b>Other comprehensive income:</b>												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(400)	-	-	(400)	-	(400)
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	20,818	20,818	-	20,818
- Transferred to interim condensed consolidated statement of income on sale	-	-	-	-	-	-	-	-	(951)	(951)	-	(951)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(400)	3,690	19,867	23,157	2,669	25,826
<b>Balance as at 30 September 2010</b>	<b>37,312</b>	<b>11,132</b>	<b>(523)</b>	<b>739</b>	<b>7,172</b>	<b>8,570</b>	<b>278</b>	<b>13,774</b>	<b>26,698</b>	<b>105,152</b>	<b>132,961</b>	<b>238,113</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 cash flows

	Note	Nine months ended 30 Sept. 2011 (Unaudited) KD'000	Nine months ended 30 Sept. 2010 (Unaudited) KD'000
<b>OPERATING ACTIVITIES</b>			
Profit for the period attributable to the owners of the parent company		3,869	3,690
Adjustments:			
Depreciation		213	357
Provision for end of service indemnity		96	288
Profit from sale of investments in lands and real estate held for trading		(1,525)	(212)
Profit from sale of a land from the projects in progress		-	(147)
Unrealised loss/(profit) from investments at fair value through profit or loss		22	(251)
Net profit from sale of investments at fair value through profit or loss		-	(261)
Net profit from sale of available for sale investments		(1,176)	(2,585)
Impairment in value of available for sale investments		602	-
Dividends income		(3,289)	(2,965)
Interest income		(67)	(175)
Profit from sale of shares in associated companies		(2,682)	-
Share of profit in associated companies		(954)	(1,757)
Finance costs		5,038	8,576
		<b>147</b>	<b>4,558</b>
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable and other debit balances		11,445	1,698
Accounts payable and other credit balances		(46)	(1,123)
Refundable rental deposits		(3)	249
End of service indemnity paid		(44)	(60)
<b>Net cash from operating activities</b>		<b>11,499</b>	<b>5,322</b>
<b>INVESTING ACTIVITIES</b>			
Net purchase of available for sale investments		(3,756)	(16,821)
Proceeds from sale of available for sale investments		3,977	9,371
Purchase of investments in lands and real estate held for trading		-	(1)
Proceeds from sale of shares in associated companies		6,596	-
Investments in unconsolidated subsidiary company		-	(900)
Proceeds from sale of investments in lands and real estate held for trading		6,940	1,909
Investment properties		-	(1,779)
Projects in progress		(559)	(6,407)
Proceeds from sale of projects in progress		-	1,448
Proceeds from sale of investments at fair value through profit or loss		-	680
Net purchase of property, plant and equipment		(489)	(245)
Dividends income received		3,289	2,965
Interest income received		67	175
<b>Net cash from/(used in) investing activities</b>		<b>16,065</b>	<b>(9,605)</b>
<b>FINANCING ACTIVITIES</b>			
Cash dividends		(3,189)	(3,760)
Change in non-controlling interests		1,264	18,286
Change in bank facilities		(13,273)	(3,461)
Change in term loans		(4,500)	5,328
Change in foreign currency translation reserve		(241)	(400)
Net change in treasury shares		(122)	(315)
Finance costs paid		(5,274)	(10,369)
<b>Net cash (used in)/from financing activities</b>		<b>(25,335)</b>	<b>5,309</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,229</b>	<b>1,026</b>
Cash and cash equivalents at beginning of the period		12,401	13,760
Adjusted as a result of consolidation of previously unconsolidated subsidiary company		-	1,061
<b>Cash and cash equivalents at end of the period</b>	14	<b>14,630</b>	<b>15,847</b>

*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**

**30 September 2011 (Unaudited)**

## **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 nine - month period ended 30 September 2011 was authorised for issue by the parent company's board of directors on 14 November 2011.

## **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 annual consolidated financial statements of the group for the year ended 31 December 2010 except for adoption of 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 for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the 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 2010.

## **2 Basis of presentation (continued)**

Operating results for the nine month period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2010.

### *Adoption of amendments to standards and interpretations*

The following amendments to certain standards and interpretations relevant to the operations of the group have been adopted by the group in the current period:

<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>
IAS 1 Presentation of Financial Statements - amendment	1 January 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 Venture	1 January 2013
IFRS 7 Financial Instruments: Disclosures - amendment	1 July 2011
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements	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 interim condensed consolidated statement of comprehensive income based on those:

- a) Potentially reclassifiable to interim condensed consolidated statement of income in a subsequent period, and
- b) That will not be reclassified to interim condensed consolidated statement of income subsequently. The group will change the current presentation of the interim condensed consolidated statement of comprehensive income when the amendment becomes effective.

**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.

## **2 Basis of presentation (continued)**

### *Adoption of amendments to standards and interpretations (continued)*

#### IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off financial position 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.

#### IFRS 9 Financial Instruments: Classification and Measurements

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. 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 in the State of Kuwait decided on 30 December 2010, 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 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 nine months period ended 30 September 2011. All material balances and transactions between the parent company and its subsidiaries are eliminated upon consolidation.

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

<u>Name of the subsidiary company</u>	<u>Country of incorporation</u>	<u>Activity</u>	<u>Direct and indirect ownership percentage %</u>		
			<u>30 Sept. 2011 (Unaudited)</u>	<u>31 Dec. 2010 (Audited)</u>	<u>30 Sept. 2010 (Unaudited)</u>
Tamdeen Investment Company – KSC (Closed)	Kuwait	Investment	51.37	51.37	51.37
Tamdeen Shopping Centers Company – KSC (Closed) *	Kuwait	Real estate	-	-	30
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	51.41

**2 Basis of presentation (continued)**

Basis of consolidation (continued)

\* Effective from 1 October 2010, the parent company has been disengaged as a controlling company over the activities of Tamdeen Shopping Centers Company and which is stated in the management contract dated 30 September 2005. As from that date, the performance results of that company have been recorded as an associate by using the equity method.

**3 Net income from investments**

	Three months ended		Nine months ended	
	30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000	30 Sept. 2011 (Unaudited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Net profit/(loss) from sale of available for sale investments	2	(78)	1,176	2,585
Net profit from sale of investments at fair value through profit or loss	-	-	-	261
Unrealised (loss)/profit from investments at fair value through profit or loss	(16)	89	(22)	251
Impairment in value of available for sale investment	-	-	(602)	-
Dividends income	266	393	3,289	2,965
Interest income	18	55	67	175
	<b>270</b>	<b>459</b>	<b>3,908</b>	<b>6,237</b>

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

	Three months ended		Nine months ended	
	30 Sept. 2011 (Unaudited)	30 Sept. 2010 (Unaudited)	30 Sept. 2011 (Unaudited)	30 Sept. 2010 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD'000)	775	21	3,869	3,690
Weighted average number of outstanding shares (excluding treasury shares) (in thousand)	372,213	371,569	372,213	371,569
<b>Earnings per share attributable to the owners of the parent company</b>	<b>2.1 Fils</b>	<b>0.1 Fils</b>	<b>10.4 Fils</b>	<b>9.9 Fils</b>

**5 Available for sale investments**

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Local managed portfolios and funds	4,489	4,171	5,736
Participations in unquoted local companies shares	8,572	5,517	5,517
Participations in capital of companies located outside Kuwait	87,605	95,071	102,733
	<b>100,666</b>	<b>104,759</b>	<b>113,986</b>

## 5 Available for sale investments (continued)

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 KD81,343 thousand (KD84,237 thousand at 31 December 2010 and KD88,659 thousand including investments for a previously subsidiary company, presently associated, at 30 September 2010) mortgaged against term loans (Note 12) and bank facilities (Note 13).

## 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 %		
		30 Sept. 2011 (Unaudited)	31 Dec. 2010 (Audited)	30 Sept. 2010 (Unaudited)
Ajmal Holding Company - BSC	Bahrain	29	29	29
Barwat Al-Doha Real Estate Co. – WLL	Qatar	-	-	11
Tamdeen Holding Co. – KSC (Holding Closed)	Kuwait	43	43	43
Fucom for Central Markets – KSC (Closed)	Kuwait	25	25	33
Beyoo Leasing & Financing Co. – KSC (Closed)	Kuwait	-	21	21
Tamdeen Shopping Centers Company – KSC (Closed)	Kuwait	30	30	-
Tamdeen Franchises Holding Company – KSC (Holding Closed)	Kuwait	30	30	30
Tamdeen Resorts Company – WLL	Kuwait	25	25	25

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:

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Assets	121,817	131,782	80,937
Liabilities	(50,949)	(57,254)	(23,315)
<b>Net assets</b>	<b>70,868</b>	<b>74,528</b>	<b>57,622</b>
<b>Profit for the period/year</b>	<b>954</b>	<b>2,746</b>	<b>1,757</b>

The amount of profit from sale of shares in associated companies which was recognised in the interim condensed consolidated statement of income for the period, is mainly represented in the profit which has resulted from the sale transaction which was performed by the group during the period for its total share in Beyoo Leasing and Financing Company – KSC (Closed), and which has amounted to KD2,630 thousand (KD Nil at 30 September 2010). The sale value of that transaction has amounted to KD6,596 thousand.

## 7 Investments in unconsolidated subsidiary company

During 2010, the group completed the establishment of Al Maysam Trading Company – WLL of share capital amounting to KD one million, and the group's share in this company is 54%. The financial statements of this Kuwaiti subsidiary company have not been consolidated during the current period since it did not start its activity yet.

**8 Investment properties**

The investment properties are represented in a local property of the subsidiary company [Manshar Real Estate Company – KSC (Closed)] with fair value of KD48,725 thousand (KD48,725 thousand at 31 December 2010 and KD141,580 thousand including an investment property for a previously subsidiary company, presently associated, at 30 September 2010) mortgaged for local banks against term loans (Note 12) and bank facilities (Note 13).

**9 Projects in progress**

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
<b>Cost</b>			
At beginning of period/year	4,130	80,703	80,703
Additions	620	343	6,407
Transferred to investment properties	-	-	(15,182)
Transferred to property, plant and equipment	-	-	(8,139)
Disposals	(47)	-	(1,301)
Disposed as a result of loss of control of a subsidiary company and non consolidation	-	(76,916)	-
<b>At end of period/year</b>	<b>4,703</b>	<b>4,130</b>	<b>62,488</b>
<b>Impairment in value</b>			
At beginning of period/year	116	307	307
Charge for the period/year	7	-	-
Relating to disposals	-	(191)	(191)
<b>At end of period/year</b>	<b>123</b>	<b>116</b>	<b>116</b>
<b>Net book value</b>			
At end of period/year	<b>4,580</b>	<b>4,014</b>	<b>62,372</b>

**10 Accounts receivable and other debit balances**

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Receivable from tenants	1,854	1,700	2,338
Staff receivable	124	117	181
Prepaid expenses	277	328	502
Due from related parties (Note 11)	10,999	14,867	7,113
Accrued income	63	32	254
Paid for the acquisition of property, plant and equipment	-	-	12,814
Due from sale of investments in lands and real estate held for trading (Note 11)	10,023	-	-
Other debit balances	889	1,382	5,997
	<b>24,229</b>	<b>18,426</b>	<b>29,199</b>
Provision for doubtful debts	<b>(1,464)</b>	<b>(1,334)</b>	<b>(1,267)</b>
	<b>22,765</b>	<b>17,092</b>	<b>27,932</b>



**11 Investments in lands and real estate held for trading**

During the period, the group sold some of the real estate plots, which the group has invested in for a trading purpose, at a sale value of KD26,114 thousand (KD1,909 thousand at 30 September 2010), and these sale transactions have resulted in a net profit of KD1,525 thousand (net profit of KD212 thousand at 30 September 2010). Included in these transactions, a part of these real estate plots was sold to foreign parties at the amount of KD10,023 thousand, and the due balance from this amount was included in "Due from sale of investments in lands and real estate held for trading" (Note 10), and the amount of KD9,151 thousand, which was included in "Due from related parties" (Note 10).

**12 Term loans**

The loans are due for repayment as follows:

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Within one year – current portion	65,000	55,000	59,257
From one to five years	52,500	67,000	147,425
	<b>117,500</b>	<b>122,000</b>	<b>206,682</b>

All of the term loans are granted for the group by local banks. These loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 2% to 3% (2% to 3% at 31 December 2010 and 30 September 2010) 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 available for sale investments with a fair value of KD81,343 thousand (KD84,237 thousand at 31 December 2010 and KD88,659 thousand including investments for a previously subsidiary company, presently associated, at 30 September 2010) (Note 5) and mortgage of investment properties with fair value of KD48,725 thousand (KD48,725 thousand at 31 December 2010 and KD141,580 thousand including an investment property for a previously subsidiary company, presently associated, at 30 September 2010) (Note 8).

**13 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 8), and available for sale investments (Note 5).

**14 Cash and cash equivalents**

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

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
Cash and bank balances	8,124	4,808	5,796
Short-term deposits	6,506	7,593	10,051
	<b>14,630</b>	<b>12,401</b>	<b>15,847</b>

**15 Segmental analysis**

The trading activities of the group 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 30 September 2011 (Unaudited)</b>			
Gross income	5,335	9,600	14,935
(Loss)/profit for the period attributable to the owners of the parent company	(290)	4,159	3,869
Total assets	81,090	200,904	281,994
Total liabilities	(79,352)	(52,198)	(131,550)
Non-controlling interests	-	(49,099)	(49,099)
<b>Net assets employed</b>	<b>1,738</b>	<b>99,607</b>	<b>101,345</b>
<b>Year ended at 31 December 2010 (Audited)</b>			
Gross income	14,242	14,489	28,731
(Loss)/profit for the year attributable to the owners of the parent company	(1,391)	6,016	4,625
Total assets	95,733	208,796	304,529
Total liabilities	(91,410)	(58,401)	(149,811)
Non-controlling interests	-	(50,125)	(50,125)
<b>Net assets employed</b>	<b>4,323</b>	<b>100,270</b>	<b>104,593</b>
<b>Period ended at 30 September 2010 (Unaudited)</b>			
Gross income	10,892	9,099	19,991
(Loss)/profit for the period attributable to the owners of the parent company	(2,252)	5,942	3,690
Total assets	283,091	200,810	483,901
Total liabilities	(183,638)	(62,150)	(245,788)
Non-controlling interests	(84,528)	(48,433)	(132,961)
<b>Net assets employed</b>	<b>14,925</b>	<b>90,227</b>	<b>105,152</b>

**16 Dividends**

On 2 May 2011, the general assembly of shareholders approved the cash dividends of 10% or 10 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 2010 (cash dividends of 10% or 10 Kuwaiti Fils per share from the paid-up share capital to the shareholders for the year ended 31 December 2009).

**17 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:

	30 Sept. 2011 (Unaudited) KD'000	31 Dec. 2010 (Audited) KD'000	30 Sept. 2010 (Unaudited) KD'000
<b>Interim condensed consolidated statement of financial position</b>			
Accounts receivable and other debit balances	10,999	14,867	7,113
Accounts payable and other credit balances	532	820	6,491
Investments in lands and real estate held for trading	2,607	-	-
Cash at investment portfolios	-	20	673
<b>Interim condensed consolidated statement of income</b>			
Profit from sale of shares in associated companies	-	3,329	-
Profit from sale of investments in lands and real estate held for trading	1,440	218	-
Net profit from sale of available for sale investments	-	-	36
Management fees income and consultancies	324	158	73
Rent revenue	-	-	1,327
Other income	-	263	-
General and administrative expenses (top management salaries and remunerations)	338	536	492
Operational expenses	340	454	-
<b>Contra accounts - off interim condensed consolidated statement of financial position items</b>			
Net book value of customers' portfolios (major shareholders)	35,144	52,384	66,882

**18 Commitments and contingent liabilities**

At the date of the interim condensed consolidated statement of financial position, the parent company had commitments against letters of guarantee issued in favour of third parties of KD2,129 thousand (KD5,025 thousand at 31 December 2010 and 30 September 2010). One of the subsidiary companies had contingent liabilities of KD Nil (KD Nil at 31 December 2010 and KD11,392 thousand at 30 September 2010).