

International Investment Group Company  
K.S.C. (Closed)  
State of Kuwait

Interim Condensed Financial Information  
For the period ended 30 June 2007  
and Review Report  
(Unaudited)

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International Investment Group  
K.S.C. (Closed)  
Kuwait

## Report on Review of Interim Financial Information to the Board of Directors

### Introduction

We have reviewed the accompanying condensed balance sheet of International Investment Group K.S.C. (Closed) "the Company" as of 30 June 2007 and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with the basis of preparation 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 financial information are not presented fairly, in all material respects, in accordance with the basis of preparation set out in Note (2).

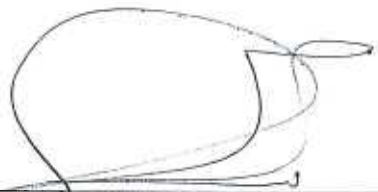
### Emphasis of matter

Without qualifying our conclusion, we draw attention to Note (11) to this interim condensed financial information, which indicate that the Company sold unquoted shares to a related party which is to be settled on an installment basis ending 2008. This transaction has resulted in a realized profit of KD 7,954,369.

### Report on Review

Further, based on our review, the interim condensed financial statements are 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, as amended, or of the Articles of Association of the Company have occurred during the period ended 30 June 2007 that might have had a material affect on the business of the Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the Organization of Banking Business and its related regulations during the six ended 30 June 2007.



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International Investment Group Company  
K.S.C. (Closed)

Interim Condensed Balance Sheet as at 30 June 2007

		Kuwaiti Dinars		
		30 June 2007	31 December 2006 (Audited)	30 June 2006
	Note			
<b>Assets</b>				
Cash and cash equivalents		31,639,073	12,532,027	4,498,993
Murabahat and Wakalat investments		9,267,930	16,421,120	2,031,906
Mudarabat investments		603,979	3,793,582	575,099
Investments at fair value through profit or loss		3,891,383	2,534,780	17,739,719
Receivables and other debit balances	3	26,580,727	10,654,835	7,446,036
Available for sale Investments	4	15,769,144	32,018,694	21,748,064
Investment in associates	5	90,178,009	65,234,249	46,603,959
Investment in unconsolidated subsidiaries		6,310,951	10,994,823	4,300,000
Property and equipment		49,754	26,940	22,812
<b>Total assets</b>		<b>184,290,950</b>	<b>154,211,050</b>	<b>104,966,588</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
Payables and other credit balances	6	20,053,323	28,956,847	27,139,588
Islamic debt instruments	7	77,870,668	42,626,303	9,695,883
Employees' end of service indemnity		215,669	207,497	228,695
<b>Total liabilities</b>		<b>98,139,660</b>	<b>71,790,647</b>	<b>37,064,166</b>
<b>Equity</b>				
Share capital	8	36,536,280	31,818,800	31,818,800
Share premium		1,633,320	-	-
Treasury shares	9	(7,525,282)	(7,074,614)	(5,383,118)
Other reserves	10	27,075,654	31,943,226	21,274,782
Retained earnings		28,431,318	25,732,991	20,191,958
<b>Total equity</b>		<b>86,151,290</b>	<b>82,420,403</b>	<b>67,902,422</b>
<b>Total liabilities and equity</b>		<b>184,290,950</b>	<b>154,211,050</b>	<b>104,966,588</b>

The accompanying notes form an integral part of this interim condensed financial information.

  
Sami Bader Al - Jenaai

Chairman and Managing Director

Interim Condensed Statement of Income for the period ended 30 June 2007

	Note	Kuwaiti Dinars			
		Three months ended		Six months ended	
		30 June		30 June	
		2007	2006	2007	2006
<b>Revenue</b>					
Gain on investment	11	8,187,297	6,862,557	8,080,028	10,725,611
Company's share in results of associates	5.3	2,184,585	4,225,635	5,436,280	7,059,242
Gain from sale of shares in associates	5.4	325,871	-	3,923,270	-
Gain from sale of shares in subsidiary	5.2	-	-	266,815	-
Management, consulting and subscription fees	12	39,674	42,851	1,367,500	112,250
Other income		7,500	-	7,500	38,461
		<u>10,744,927</u>	<u>11,131,043</u>	<u>19,081,393</u>	<u>17,935,564</u>
<b>Expenses and other charges</b>					
Finance costs		799,572	125,447	1,822,525	125,447
General and administrative expenses		133,575	507,989	282,049	630,091
Staff Cost		155,750	268,601	701,625	469,171
Employees stock option plan	13	2,694,280	-	2,694,280	-
Claims provision		766,004	3,129,239	766,004	3,129,239
Provision for doubtful debts		160,000	-	206,457	-
Kuwait Foundation for Advancement of Science share "KFAS"		29,224	24,342	59,113	55,505
National Labour Support Tax		96,279	124,835	179,304	266,051
		<u>4,834,684</u>	<u>4,180,453</u>	<u>6,711,357</u>	<u>4,675,504</u>
Net profit for the period		<u>5,910,243</u>	<u>6,950,590</u>	<u>12,370,036</u>	<u>13,260,060</u>
Basic earnings per share (fils)	14	<u>17.46</u>	<u>20.92</u>	<u>36.74</u>	<u>38.85</u>

The accompanying notes form an integral part of this interim condensed financial information.

Interim Condensed Statement of Changes in Equity for the period ended 30 June 2007

	Kuwaiti Dinars				
	Share Capital	Share premium	Treasury shares	Other reserves (Note 10)	Retained earnings
Balance as of December 2005	21,944,000	-	(350,947)	4,051,905	23,105,174
Change in fair value of investments	-	-	-	14,525,192	-
Company's share in associates' reserves	-	-	-	440,171	-
Net income recognized directly in equity	-	-	-	14,965,363	-
Net profit during the period	-	-	-	-	13,260,060
Total recognized profit for the period	-	-	-	14,965,363	13,260,060
Cash dividend for 2005	-	-	-	-	28,225,423
Bonus dividend for 2005	-	-	-	-	(6,298,476)
Purchase of treasury share	9,874,800	-	-	-	(9,874,800)
Sale of treasury share	-	-	(11,459,700)	-	-
Balance as of 30 June 2006	31,818,800	-	6,427,529	2,257,514	(11,459,700)
			(5,383,118)	21,274,782	8,685,043
Balance as of 31 December 2006	31,818,800	-	(7,074,614)	31,943,226	20,191,958
Change in fair value of investments	-	-	-	(120,879)	-
Transfer to income statement from sale of investments	-	-	-	(9,044,617)	-
Net income recognized directly in equity	-	-	-	(9,165,496)	-
Net profit during the period	-	-	-	-	(9,165,496)
Total recognized profit for the period	-	-	-	-	12,370,036
Cash dividend for 2006	-	-	-	(9,165,496)	-
Bonus dividend for 2006	3,321,480	-	-	-	12,370,036
Issuance of shares as per the employees stock option plan	1,396,000	1,633,320	-	-	3,204,540
Convertible sukuk	-	-	-	-	(6,350,229)
Purchase of treasury shares	-	-	-	2,694,280	(3,321,480)
Sale of treasury shares	-	-	(5,424,031)	1,838,232	-
Balance as of 30 June 2007	36,536,280	1,633,320	4,973,363	(234,588)	5,723,600
			(7,525,282)	27,075,654	1,838,232
					(5,424,031)
					4,738,775
					86,151,290

The accompanying notes form an integral part of this interim condensed financial information.



International Investment Group Company K.S.C. (Closed)  
Kuwait

Interim Condensed Statement of Cash Flows for the period ended 30 June 2007  
(Unaudited)

	Note	Kuwaiti Dinars	
		For the six months ended 30 June	
		2007	2006
<b>Cash flows from operating activities</b>			
Net profit for the period		12,370,036	13,260,060
<i>Adjustments:</i>			
Depreciation and amortisation		6,216	4,091
Gain on investments	11	(8,080,028)	(10,725,611)
Company's share in results of associates	5.3	(5,436,280)	(7,059,242)
Gain from sale of investments in associates		(3,923,270)	-
Gain from sale of investments in subsidiary		(266,815)	-
Finance costs		1,822,525	125,447
Employees stock option plan cost		2,694,280	-
Provisions for claims		766,004	3,129,239
Provision for doubtful debts		206,457	-
Employees' end of service indemnity		8,172	20,292
Operating profit/ (loss) before changes in operating assets and liabilities		167,297	(1,245,724)
Investments at fair value through profit or loss		(1,966,073)	9,520,320
Receivables and other debit balances		(6,627,349)	(3,680,265)
Payables and other credit balances		(15,612,200)	3,956,716
Net cash (used in)/ generated from operating activities		(24,038,325)	8,551,047
<b>Cash flows from investing activities</b>			
Mudarat investments		3,189,603	1,428
Paid for purchase of shares in associates		(41,025,286)	(13,774,602)
Proceeds from sale of shares in associates		31,478,587	849,814
Proceeds from Murabahat investment		7,613,533	102,176
Proceed from sale of available for sale investments		30,189	12,545,436
Paid for purchase of available for sale investments		(165,000)	(4,300,000)
Paid for purchase of property and equipment		(29,030)	(1,076)
Murabaha income and dividends received		105,038	81,952
Net cash generated from/ (used in) investing activities		1,197,634	(4,494,872)
<b>Cash flows from financing activities</b>			
Net Islamic debt instruments		(15,007,516)	(651,245)
Finance costs paid		(1,170,112)	(125,447)
Cash dividends paid		(495,652)	-
Net proceed from finance convertible Sukuk		56,276,953	-
Proceed from capital and share premium		3,029,320	-
Purchase of treasury shares		(5,424,031)	(11,459,700)
Sale of treasury shares		4,738,775	8,685,043
Net cash generated from/ (used in) in financing activities		41,947,737	(3,551,349)
<b>Net change in cash and cash equivalents</b>		19,107,046	504,826
Cash and cash equivalents at beginning of period		12,532,027	3,994,167
Cash and cash equivalents at end of period		31,639,073	4,498,993

The accompanying notes form an integral part of this interim condensed financial information.

**1. Incorporation of the Company**

International Investment Group Company is a closed Kuwaiti Shareholding Company established in 1987, and registered as an investment company in the Central Bank of Kuwait. The shares of the Company were listed in the Kuwait Stock Exchange on 23 November 1997.

The Company's office is domiciled at Kuwait Stock Exchange Building – fifth floor, P.O. Box 29448 Safat, 13155 - State of Kuwait.

The principle activities of the Company are representing in investment activities, managing financial portfolios and investment funds for others, also real estate activity. The activities of the Company are carried out in accordance with Noble Islamic Shariae principles.

The interim condensed financial statements were approved for issue by the Board of Directors on 12 August 2007.

**2. Basis of preparation**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed financial information does not include all information and notes that are required for complete financial statements as per the International Financial Reporting Standards as adopted for use by the Government of Kuwait for financial institutions regulated by the Central Bank of Kuwait.

The provision for impairment in Murabaha, Wakala and Mudarba receivables is determined according to Central Bank of Kuwait requirements in respect of the specific provisions. Further, the Central Bank of Kuwait requires forming a minimum general provision to be provided for Murabaha, Wakala and Mudarba receivables that are not subject to specific provisions net of certain restricted categories of collaterals that are under instruction of Central Bank of Kuwait.

Starting from 1 January 2007, the general provision percentage was decreased to 1% as a minimum for cash finance and investment transactions to 0.5% as a minimum for non cash finance and investment transactions instead of 2% without affecting the outstanding general provision surplus as at 31 December 2006 until there is another instruction from Central Bank of Kuwait.

In the opinion of the management, all necessary adjustments including recording accruals have been included in the interim condensed financial statements for fair presentation.

The operating results for the period ended 30 June 2007 are not necessarily indicative of the results that may be expected for the year ending 31 December 2007. For further information, you may refer to the financial statements and its related notes for the year ended 31 December 2006.

The interim condensed financial statements were prepared in accordance with the same accounting policies and methods of computation followed in the latest annual financial statements which were prepared in accordance with the International Financial Reporting Standards as adopted in the State of Kuwait except the following:

**2.1 Convertible Sukuk**

Liabilities arising from Sukuk are initially recognised at fair values less transactions costs.

The fair value of the liabilities arising from convertible Sukuk is determined using a market rate of return of similar Sukuk and non-convertible Sukuk. This liability is recognized on an amortized cost basis until the date of there sukuk is converted into shares or utilities materiality date.

The remaining amount collected from Sukuk which represent the fair value of the convertible option of Sukuk to share is recognized in shareholders' equity under Convertible Sukuk.



Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

**2.2 Employees Stock option plan**

The share option program allows employees to acquire the company's shares. According to the requirements of IFRS (2) - "Share based payment". The fair value of options granted is recognised as an employee expense with corresponding increase in equity. The fair value is measured at grant date and allocated over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest during each financial year.

The proceeds from share option plan received net of any directly attributable transaction costs are credited to share capital by nominal value and any excess is recorded as share premium.

**3. Receivables and other debit balances**

	Kuwaiti Dinars		
	30 June 2007	31 December 2006 (Audited)	30 June 2006
Margin deposit for letter of guarantee*	6,306,237	6,271,334	-
Trade receivables (Net)	796,023	681,005	1,192,308
Due from related parties	17,671,227	3,450,150	4,935,965
Accrued income	1,400,970	198,004	1,153,394
Prepaid expenses	16,716	39,330	41,478
Other debit balances	389,554	15,012	122,891
	<u>26,580,727</u>	<u>10,654,835</u>	<u>7,446,036</u>

\* This represents restricted amounts at one of the local banks against letter of guarantee issued to third party (Note 18).

**4. Available for sale investments**

	Kuwaiti Dinars		
	30 June 2007	31 December 2006 (Audited)	30 June 2006
Investment in quoted shares	-	3,557,200	19,284,559
Investments in unquoted shares	14,979,274	24,549,585	445,690
Investments in funds	789,870	3,911,909	2,017,815
	<u>15,769,144</u>	<u>32,018,694</u>	<u>21,748,064</u>

Investments in unquoted shares include KD 560,777 as of 30 June 2007 (KD 951,091 as of 31 December 2006 and KD 2,463,505 as of 30 June 2006) carried at cost less impairment losses.

**5. Investments in associates**

5.1 During the period, the Company has purchased shares in Osoul Leasing & Finance Company with a percentage of 32.33%. The Company currently is in the process of allocating the purchase price over the fair value of identifiable assets and liabilities of the acquired company at the acquisition date in order to calculate the goodwill. The balance of this investment amounted to KD 20,965,494 as of 30 June 2007.

5.2 During the period, the Company sold part of its investments in "The First Kuwait for Marine & Environmental Projects" representing 17.5% of the share capital of that company with profit of KD 266,815. This resulted in the dilution of the Company's ownership percentage to be 45%, thus the investment was reclassified from investments unconsolidated subsidiaries to investments in associates. The carrying amount of this investment amounted to KD 2,480,311 as of 30 June 2007.

Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

- 5.3 The Company recorded an amount of KD 5,436,280 in the statement of income for the period ended 30 June 2007 (7,059,242 as of 30 June 2006) which represent the Company's share in the results of associates, based on the latest available financial statements.
- 5.4 During the current period, the Company has traded on a percentage 1-4% of its shares in some associate companies. This resulted to recognition of gains amounting to KD 3,923,270 that were recorded in the statement of income.
- 5.5 Investment in associate include amount of KD 65,153,134 pledge in portfolio managed by local company against Islamic Sukuk as of 30 June 2007.

6. Payables and other credit balances

	Kuwaiti Dinars		
	30 June 2007	31 December 2006 (Audited)	30 June 2006
Proceeds from subscriptions in companies	-	9,577,316	-
Due to related parties	1,165,823	3,585,295	10,684,744
Provision for claims	6,227,209	6,582,488	5,910,856
Investment funds payable	2,005,286	2,005,286	2,005,286
Dividends payable	8,343,372	2,488,795	6,318,092
Fiduciary assets payable	-	1,992,608	-
Board remuneration	-	-	854,470
Accrued expense	809,078	1,270,637	49,833
KFAS	59,113	72,924	251,843
National labour support tax	1,041,905	1,019,150	812,813
Others	401,537	362,348	251,651
	<u>20,053,323</u>	<u>28,956,847</u>	<u>27,139,588</u>

7. Islamic debt instruments

	Average effective yield rate	Kuwaiti Dinars		
		30 June 2007	31 December 2006 (Audited)	30 June 2006
Convertible Islamic Sukuk	8%	54,595,624	-	-
Wakala contracts	7%	16,053,447	34,848,866	2,121,233
Mudarba contracts	7%	6,509,097	6,352,437	5,430,285
Murabaha contracts	7%	712,500	1,425,000	2,144,365
		<u>77,870,668</u>	<u>42,626,303</u>	<u>9,695,883</u>

- 7.1 On 7 June 2007, the company obtained a finance from the global market through an Islamic Mudaraba Sukuk convertible to shares that will be matured on 10 July 2012 with a total value of KD 57,607,500 (equivalent to USD 200 million) paid quarterly starting from January 2010 till the maturity date.

- 7.2 The summary of the conditions of transferring Sukuk into ordinary shares is represented in:

- ◀ Early voluntary conversion of the Sukuk to shares could be exercised on January, April, July and October in each year starting from 2008 at maximum value of USD 10 Million in each date.
- ◀ Unlimited early voluntary conversion of Sukuk to shares: could be exercised on April 2010, 2011, 2012 for the outstanding Sukuk balance.
- ◀ Contingent voluntary redemption to Sukuk which can be exchanged into shares: could be exercised on April 2009, where the shares price increase to 140 % of the weighted average price of International Investment Group Shares *at the time of Issuance of Sukuk.*

In case the company could not transfer the shares to the Sukuk certificate holders, the shares not transferred fair value amount will be paid to the Sukuk holders.

Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

7.3 Sukuk are due to early voluntary redemption in case the company did not commit to any of the conditions mentioned in the agreement with the Sukuk holders in which one of them is the significant change in the company's shareholding structure.

7.4 Sukuk are secured with a mortgage of the shares of associated companies amounted to KD 65,153,134 and investments at fair value through profit or loss amounted by KD 1,737,500.

The price for which Sukuk can be exchanged to common shares is 500 fils for normal share (USD 1.738).

The carrying amount of Sukuk as of 30 June 2007 is as follows:

	30 June 2007
Proceed from convertible Sukuk issue	57,607,500
Less: issue cost	(1,418,642)
Net proceed from issue of convertible Sukuk	56,188,858
Recognized in equity	(1,838,232)
Carrying amount of liabilities in initial recognition	54,350,626
Finance cost carried on income statement during the period	244,998
Net book value for Sukuk as of 30 June 2007	54,595,624

8. Share capital

8.1 During the period ended in 30 June 2007, the employees have subscribed fully in issued share of employees stock options plan for a total of 13,960,000 shares at 217 fils per share through paying the nominal value of shares of KD 1,396,000 and premium share of KD 1,633,320.

8.2 The Shareholders General Assembly of the Company held on 30 May 2007, approved increase in capital by issue bonus shares at 10% which equal 33,214,800 share.

Accordingly the issue share capital of the company and fully paid is KD 36,536,280 distributed over 365,362,800 shares as of 30 June 2007 (paid is KD 31,818,800 as of 31 December 2006, paid is KD 31,818,800 as of 30 June 2006).

9. Treasury shares

	Kuwaiti Dinars		
	30 June 2007	31 December 2006 (Audited)	30 June 2006
Number of treasury shares (share)	17,330,186	14,261,533	11,706,533
Ownership percentage (%)	4.74	4.48	3.68
Market value	7,105,376	7,130,767	6,555,658





Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

11. Gain on investment

	Kuwaiti Dinars			
	Three months ended		Six months ended	
	30 June		30 June	
	2007	2006	2007	2006
Gain/ (Loss) from sale of investments				
at fair value through profit or loss	46,642	927,081	(360,086)	1,043,278
Change in fair value of investments				
at fair value through profit or loss	(205,605)	5,350,658	(249,384)	(1,340,551)
Gain from sale of available for sale investments	7,953,750	404,584	8,324,241	10,768,372
Impairment losses in value of				
available for sale investments	-	-	(360,124)	-
Dividends income	94,530	180,234	105,038	254,512
Murabaha income	297,980	-	620,343	-
	<u>8,187,297</u>	<u>6,862,557</u>	<u>8,080,028</u>	<u>10,725,611</u>

On 15 May 2007, The Company sold unquoted shares amounted to KD 9,345,000 to related party, this amount is due on settlements ended 15 August 2008. This transaction has resulted a realized profit by KD 7,954,369. These shares have been deposit in portfolio managed by a related party on behalf to the buyer and the portfolio was pledged for the favor of the company as collateral until repayment of sale dues.

This transaction has been eliminated from the statement of cash flow for the investment activities and operation activities as its a non cash transaction.

12. Management, consulting and subscription fees

During the period, the company has marketed securities owned to related party against marketing commission. As per the contract conditions and to the extent of the securities quantities which have been marketed, the company is entitled to earn commission amounting to KD 1,286,725.

13. Employees stock options plan

The General Assembly Meeting held on 24 May 2006, approved the increase in the share capital by an amount of KD 1,396,000 by issuing 13,960,000 shares for the employees under the proposed employee stock option plan (ESOP). At 28 July 2006, the Board of Directors approved the employees stock option plan as the subscribe price is KD 217 fils per share.

During the period ended in 30 June 2007, the way of share issue, vesting period and qualifies employees have been completed and determined. The employees have fully subscribed in issued share of employees stock options plan of 13,960,000 shares with nominal value of 100 fils and premium share of 117 fils paid in cash, the cost of applying this plan is determined as the difference between the fair value of shares and amount paid in subscription. The fair value in shares is estimated of 410 fils which represents the market value on the date of granted shares for employees, Accordingly the deference between the fair value of shares and the amount paid for the granted shares was KD 2,694,280 for the period ended in 30 June 2007, this amount has been charges into the statement of income under separate line item and was included in the equity as "Reserve result from applying employee stock options plan".



Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

14. Earnings per share

- Basic earning per share:

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of outstanding shares during the period as follows:

	Kuwaiti Dinars			
	Three months ended		Six months ended	
	30 June		30 June	
	2007	2006	2007	2006
Net profit for the period	5,910,243	6,950,590	12,370,036	13,260,060
Weighted average number of issued and outstanding shares (share)	338,469,581	332,177,170	336,652,774	341,279,703
Basic earnings per share (fils)	17.46	20.92	36.74	38.85

The Earning per share for the comparative figures has been adjusted taking into consideration the bonus share which have been approved by the shareholders in their General assembly meeting dated 30 May 2007.

15. Related parties' transactions

Related parties are the Company's shareholders who have representation in the board of directors, members of the board of directors, senior management, associates. In the normal course of business, subject to the Company's management approval, there were transactions with related parties during the period ended 30 June 2007. The related parties significant transactions and outstanding balances were as follows:

	Kuwaiti Dinars	
	2007	2006
<b>Transactions</b>		
Management and consulting and subscription fees	1,367,500	79,367
Dividends	12,000	1,073,560
Unrealised (loss)/ gain from change in fair value of investment at fair value through profit or loss	(105,267)	(1,443,683)
Gain on sale of available for sale investments	7,954,369	-
Murabaha income	277,636	-
Gain on sale of investment in subsidiary	266,815	-
Finance cost	843,497	-
Top management benefits	100,650	183,600
	<b>30 June</b>	<b>30 June</b>
	<b>2007</b>	<b>2006</b>
<b>Balances</b>		
Investment in Murabahat	4,175,430	2,024,881
Investment in Mudarabat	603,979	575,099
Investment at fair value through profit or loss	2,871,220	16,807,495
Available for sale investments	14,418,497	21,001,434
Due from related parties	17,671,227	4,935,965
Accrued revenues	1,352,342	1,089,835
Due to related parties	1,165,823	10,684,744
Mudarabat and wakalat payable	20,371,688	5,430,285
Investment fund payables	2,005,286	2,005,286
Fiduciary assets receivables/ payables	369,878	77,652
Portfolios managed on behalf related parties	39,731,193	54,527,612

All related parties transactions are subject to the approval of the general assembly of the shareholders.

Notes to the Interim Condensed Financial Statements - 30 June 2007  
(Unaudited)

**16. Proposed dividends**

Shareholders General Assembly Meeting held on 30 May 2007 approved the financial statement for the year ending in 31 December 2006 and approved a cash dividends of 20% which is 20 fils per share and bonus shares of 10% of the paid up capital which is 10 shares for each 100 shares for the year ended 31 December 2006.

Shareholders' General Assembly meeting held on 24 May 2006 approved cash dividends of 30% of the paid up capital for the year ended 31 December 2005 and approved the dividends of bonus shares with 45% of the paid up capital with 45 shares for each 100 shares for the year ending in 31 December 2005.

**17. Geographical distribution of assets and liabilities**

	Kuwaiti Dinars			Kuwaiti Dinars		
	Assets			Liabilities		
	30 June 2007	31 December 2006 (Audited)	30 June 2006	30 June 2007	31 December 2006 (Audited)	30 June 2006
Kuwait	169,872,453	130,612,553	99,866,022	34,060,353	63,131,700	29,449,032
Other GCC	14,418,497	23,598,497	5,100,566	9,483,683	8,658,947	7,615,134
Other	-	-	-	54,595,624	-	-
	<u>184,290,950</u>	<u>154,211,050</u>	<u>104,966,588</u>	<u>98,139,660</u>	<u>71,790,647</u>	<u>37,064,166</u>

**18. Contingent liabilities**

At the date of balance sheet, there are letters of guarantee amounted to KD 6,158,497 as of 30 June 2007 (KD 5,753,024 as of 31 December 2006 and KD 2,795,669 as of 30 June 2006).

The Company is contingently liable for legal cases in courts under different judicial stages. In the preceding period, an initial verdict was issued against the Company relating to redemptions of capital and accrued profits of investments funds managed by the Company in United States. A full provision has been formed against those verdicts issued.

**19. Off balance sheet items**

The Company manages portfolios on behalf of others, which are not included in the balance sheet of the Company. The total net value of the managed assets on behalf of others amounted to KD 165,569,646 as of 30 June 2007 (KD 176,354,000 as of 31 December 2006 and KD 139,187,794 as of 30 June 2006).

**20. Comparative figures**

Certain comparative figures have been reclassified to conform with the current presentation of the interim condensed financial information as of 30 June 2007.