Interim condensed consolidated financial information and review report

National Industries Group Holding – SAK and subsidiaries

Kuwait

30 June 2013 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
National Industries Group Holding – SAK
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated financial position of National Industries Group Holding (A Kuwaiti Shareholding Company) and its subsidiaries as of 30 June 2013 and the related interim condensed consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-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 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 matters

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 Companies Law No. 25 of 2012, or of the articles and memorandum of association of the Company, as amended, have occurred during the six-month period ended 30 June 2013 that might have had a material effect on the business or financial position of the Company.

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Kuwait
7 August 2013

Interim condensed consolidated statement of income

	Note	Three months ended 30 June 2013 (Unaudited) KD '000	Three months ended 30 June 2012 (Unaudited) KD '000 (Restated)	Six months ended 30 June 2013 (Unaudited) KD '000	Six months ended 30 June 2012 (Unaudited) KD '000 (Restated)
Continuing operations					
Sales		**27,665**	28,926	**52,795**	55,111
Cost of sales		**(20,397)**	(22,247)	**(40,439)**	(42,146)
Gross profit		**7,268**	6,679	**12,356**	12,965
Income from investments	3	**20,047**	7,512	**32,174**	25,385
Profit on disposal of associate	6	**994**	-	**994**	-
Share of results of associates		**5,300**	5,928	**10,530**	9,239
Changes in fair value of investment properties		**-**	1,735	**-**	1,735
Interest and other income	4	**2,779**	1,588	**4,495**	3,116
Distribution costs		**(1,108)**	(1,132)	**(2,171)**	(2,135)
General, administrative and other expenses		**(5,971)**	(5,230)	**(11,186)**	(10,338)
Loss on foreign currency exchange		**(400)**	(2,227)	**(1,691)**	(1,861)
		28,909	14,853	**45,501**	38,106
Finance costs		**(10,073)**	(9,203)	**(18,049)**	(18,455)
Dilution loss on associate		**-**	(253)	**-**	(253)
Impairment in value of investment in associate		**(118)**	-	**(118)**	-
Impairment in value of available for sale investments	8	**(8,043)**	(2,475)	**(10,449)**	(5,273)
Impairment in value of accounts receivables and other assets		**(627)**	-	**(627)**	-
Profit before taxation, NLST and Zakat		**10,048**	2,922	**16,258**	14,125
Taxation of foreign subsidiaries		**(59)**	(65)	**(78)**	(65)
Provision for National Labour Support Tax (NLST)		**-**	98	**-**	-
Provision for Zakat		**-**	36	**-**	-
Profit from continuing operations		**9,989**	2,991	**16,180**	14,060
Discontinued operations					
Loss for the period from discontinued operations		**-**	(5)	**-**	(164)
Profit for the period		**9,989**	2,986	**16,180**	13,896
Attributable to :					
Owners of the parent company		**5,702**	1,061	**10,434**	10,482
Non-controlling interests		**4,287**	1,925	**5,746**	3,414
		9,989	2,986	**16,180**	13,896
Basic and diluted earnings per share attributable to the owners of the parent company	5				
- From continuing operations		**4.5 Fils**	0.8 Fils	**8.3 Fils**	8.4 Fils
- From discontinued operations		**-**	-	**-**	(0.1) Fils
		4.5 Fils	0.8 Fils	**8.3 Fils**	8.3 Fils

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended		Six months ended	
	30 June 2013 (Unaudited) KD '000	30 June 2012 (Unaudited) KD '000 (Restated)	30 June 2013 (Unaudited) KD '000	30 June 2012 (Unaudited) KD '000 (Restated)
Profit for the period	**9,989**	2,986	**16,180**	13,896
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences arising on translation of foreign operations	**3**	1,021	**291**	(663)
Available for sale investments:				
- Net changes in fair value arising during the period	**(18,740)**	(52,847)	**(6,887)**	(13,251)
- Transferred to interim condensed consolidated statement of income on disposals	**(7,615)**	(1,757)	**(13,779)**	(4,562)
- Transferred to interim condensed consolidated statement of income on impairment	**8,043**	2,475	**10,449**	5,273
Share of other comprehensive income of associates				
- Change in fair value	**(822)**	(25)	**(1,674)**	2,311
- Exchange differences	**(444)**	(1,004)	**(326)**	(1,421)
Total other comprehensive income to be reclassified to profit or loss in subsequent periods	**(19,575)**	(52,137)	**(11,926)**	(12,313)
Items not to be reclassified to profit or loss in subsequent periods				
Defined benefit plan actuarial gains/(loss)	**82**	(561)	**649**	2
Total other comprehensive income not being reclassified to profit or loss in subsequent periods	**82**	(561)	**649**	2
Total other comprehensive income for the period	**(19,493)**	(52,698)	**(11,277)**	(12,311)
Total comprehensive income for the period	**(9,504)**	(49,712)	**4,903**	1,585
Total comprehensive income attributable to:				
Owners of the parent company	**(10,756)**	(39,121)	**(504)**	2,548
Non-controlling interests	**1,252**	(10,591)	**5,407**	(963)
	(9,504)	(49,712)	**4,903**	1,585

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000 (Restated)
Assets				
Non-current assets				
Goodwill		**6,810**	7,083	6,876
Property, plant and equipment		**68,637**	63,994	65,371
Investment in associates	6	**293,546**	287,497	289,486
Investment properties	7	**26,342**	25,259	24,388
Available for sale investments	8	**675,565**	698,095	728,628
Accounts receivable		**2,017**	1,969	7,770
Total non-current assets		**1,072,917**	1,083,897	1,122,519
Current assets				
Inventories		**27,307**	25,644	23,164
Available for sale investments	8	**74,468**	79,847	75,137
Accounts receivable and other assets		**68,039**	62,176	60,406
Murabaha and wakala investments		**1,044**	11,293	9,009
Investments at fair value through profit or loss	9	**58,316**	61,992	74,289
Short-term deposits	12	**5,195**	6,129	77,338
Bank balances and cash	12	**53,815**	57,072	38,478
Total current assets		**288,184**	304,153	357,821
Total assets		**1,361,101**	1,388,050	1,480,340
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	10	**129,510**	129,510	129,510
Treasury shares		**(30,375)**	(30,375)	(30,375)
Share Premium	10	**122,962**	122,962	122,962
Cumulative changes in fair value		**128,487**	140,199	133,114
Other components of equity	11	**17,046**	16,921	13,968
Retained earnings		**13,994**	2,911	4,872
Equity attributable to owners of the parent		**381,624**	382,128	374,051
Non-controlling interests		**134,952**	141,790	139,280
Total equity		**516,576**	523,918	513,331
Non-current liabilities				
Long-term borrowings		**446,174**	523,935	414,211
Leasing creditors		**74**	152	223
Provisions		**14,129**	15,139	14,627
Total non-current liabilities		**460,377**	539,226	429,061
Current liabilities				
Accounts payable and other liabilities		**52,590**	50,686	48,236
Trust certificates issued – current portion		**-**	-	133,309
Short-term borrowings		**305,818**	256,323	329,774
Due to banks	12	**25,740**	17,897	26,629
Total current liabilities		**384,148**	324,906	537,948
Total liabilities		**844,525**	864,132	967,009
Total equity and liabilities		**1,361,101**	1,388,050	1,480,340

مجموعة شركة الصناعات الوطنية (القابضة)
NI Group
National Industrial Group (Holding) (S.A.K.)

Sa'ad Mohammed Al-Sa'ad
Chairman

Ahmad Mohammed Hassan
Chief Executive Officer

The notes set out on pages 9 to 25 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								
	Share Capital KD '000	Treasury shares KD '000	Share Premium KD '000	Cumulative changes in fair value KD '000	Other Components of equity (Note 11) KD '000	Retained earnings KD '000	Sub-Total KD '000	Non-controlling interests KD '000	Total KD '000
Balance at 1 January 2013	129,510	(30,375)	122,962	140,199	16,921	2,911	382,128	141,790	523,918
Transactions with owners									
Redemption of units of non-controlling interests of subsidiary	-	-	-	-	-	-	-	(1,229)	(1,229)
Redemption of share capital by non controlling interests of subsidiary	-	-	-	-	-	-	-	(6,642)	(6,642)
Dividend paid to non controlling interests of subsidiaries	-	-	-	-	-	-	-	(4,558)	(4,558)
Net change in non-controlling interests	-	-	-	-	-	-	-	184	184
Total transactions with owners	-	-	-					(12,245)	(12,245)
Comprehensive income									
Profit for the period	-	-	-	-	-	10,434	10,434	5,746	16,180
Other comprehensive income for the period (actuarial gains and others)	-	-	-	(11,712)	125	649	(10,938)	(339)	(11,277)
Total comprehensive income for the period	-	-	-	(11,712)	125	11,083	(504)	5,407	4,903
Balance at 30 June 2013	**129,510**	**(30,375)**	**122,962**	**128,487**	**17,046**	**13,994**	**381,624**	**134,952**	**516,576**

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the parent company								
	Share Capital KD '000	Treasury shares KD '000	Share Premium KD '000	Cumulative changes in fair value KD '000	Other Components of equity (Note 11) KD '000	(Accumulated losses)/ retained earnings KD '000	Sub-Total KD '000	Non-controlling interests KD '000	Total KD '000
Balance at 1 January 2012 – as restated	129,510	(30,375)	151,719	139,662	17,123	(36,136)	371,503	144,686	516,189
Transactions with owners									
Offset of accumulated losses (refer note 10b)	-	-	(28,757)	-	(1,767)	30,524	-	-	-
Redemption of units by non-controlling interests of subsidiary	-	-	-	-	-	-	-	(147)	(147)
Dividend paid to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	(3,410)	(3,410)
Net change in non-controlling interests	-	-	-	-	-	-	-	(886)	(886)
Total transactions with owners	-	-	(28,757)	-	(1,767)	30,524	-	(4,443)	(4,443)
Comprehensive income									
Profit for the period	-	-	-	-	-	10,482	10,482	3,414	13,896
Other comprehensive income for the period (actuarial gains and others)	-	-	-	(6,548)	(1,388)	2	(7,934)	(4,377)	(12,311)
Total comprehensive income for the period	-	-	-	(6,548)	(1,388)	10,484	2,548	(963)	1,585
Balance at 30 June 2012	129,510	(30,375)	122,962	133,114	13,968	4,872	374,051	139,280	513,331

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Six months ended 30 June 2013 (Unaudited) KD '000	Six months ended 30 June 2012 (Unaudited) KD '000 (Restated)
OPERATING ACTIVITIES		
Profit before taxation, NLST and Zakat	**16,258**	14,125
Adjustments for :		
Depreciation of property, plant and equipment	**3,465**	3,707
Change in fair value of investment properties	**-**	(1,735)
Loss on disposal of property, plant and equipment	**23**	6
Share of results of associates	**(10,530)**	(9,239)
Dilution loss on associate	**-**	253
Profit on disposal of associate	**(994)**	-
Impairment in value of investments in associate	**118**	-
Dividend income from available for sale investments	**(18,123)**	(18,703)
Effect on unwinding discount of account receivables	**(236)**	-
Unrealised gain on interest rate SWAPs	**-**	(12)
Impairment in value of available for sale investments	**10,449**	5,273
Impairment in value of accounts receivable and other assets	**627**	-
Profit on sale of available for sale investments	**(13,232)**	(6,411)
Net provision released	**(1,010)**	(437)
Finance costs	**18,049**	18,455
Interest/profit on bank balances, short-term deposits, wakala and murabaha investments	**(263)**	(1,104)
	4,601	4,178
Changes in operating assets and liabilities:		
Inventories	**(1,663)**	438
Accounts receivable and other assets	**(10,493)**	7,894
Investments at fair value through profit or loss	**3,676**	7,527
Accounts payable and other liabilities	**420**	(8,170)
Cash from operations	**(3,459)**	11,867
Taxation paid	**(161)**	-
KFAS paid	**-**	(83)
Net cash (used in)/from operating activities	**(3,620)**	11,784

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (continued)

	Note	Six months ended 30 June 2013 (Unaudited) KD '000	Six months ended 30 June 2012 (Unaudited) KD '000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(3,014)**	(4,202)
Proceeds from sale of property, plant and equipment		**-**	152
Purchase of investment properties		**(1,083)**	(8,741)
Proceeds from disposal of associate		**3,206**	-
Addition to investment in associates		**(5,931)**	(1,891)
Dividend received from associates		**6,368**	4,652
Purchase of available for sale investments		**(19,177)**	(4,082)
Proceeds from sale of available for sale investments		**40,361**	16,118
Decrease/(increase) in wakala investments maturing after three months		**10,249**	(1,596)
Decrease/(increase) in block balances		**5,155**	(2,311)
Dividend income received from available for sale investments		**18,123**	18,703
Interest/profit received from bank balances, short-term deposits, wakala and murabaha investments		**266**	1,104
Net cash from investing activities		**54,523**	17,906
FINANCING ACTIVITIES			
Finance lease (payment)/receipts		**(74)**	488
Net (decrease)/increase in long-term borrowings, bonds and trust certificates		**(77,761)**	23,221
Net increase/(decrease) in short-term borrowings		**49,495**	(34,380)
Dividend paid to owners of the parent		**(33)**	(137)
Finance costs paid		**(17,127)**	(19,665)
Decrease in non-controlling interests		**(12,245)**	(4,443)
Net cash used in financing activities		**(57,745)**	(34,916)
Net decrease in cash and cash equivalents		**(6,842)**	(5,226)
Translation difference		**(37)**	(7)
		(6,879)	(5,233)
Cash and cash equivalents at beginning of the period		**37,608**	91,994
Cash and cash equivalents at end of the period	12	**30,729**	86,761

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Notes of the interim condensed consolidated financial information

1 Incorporation and activities

National Industries Group Holding – SAK ('the parent company') was incorporated in 1961 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law in the State of Kuwait and in April 2003, its status was transformed to a 'Holding Company'. The parent company along with its subsidiaries are jointly referred to as "the Group". The parent company's shares are traded on the Kuwait Stock Exchange and Dubai Financial Market.

The main objectives of the parent company are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns 20% or more of the capital of the borrowing company, along with acting as guarantor on behalf of these companies.
- Owning industrial equities such as patents, industrial trade marks, royalties, or any other related rights, and franchising them to other companies or using them within or outside the State of Kuwait.
- Owning real estate and moveable property to conduct its operations within the limits as stipulated by law.
- Employing excess funds available with the company by investing them in investment and real estate portfolios managed by specialised companies.

In accordance with Law No. 97 of 2013 amending certain articles of the Amiri Decree Law No. 25 of 2012 regarding the issuance of the Companies Law, all existing companies are required to comply with the new companies Law in accordance with the rules and regulations stipulated in the Executive By-Laws due to be issued by the Minister of Commerce and Industry within six months from the date of issuance of the Law No. 97 in the official gazette on 27 March 2013. Further, all other supervisory bodies are required to issue their respective regulations within this time frame.

The address of the parent company's registered office is PO Box 417, Safat 13005, State of Kuwait.

The board of directors of the parent company approved this interim condensed consolidated financial information for issue on 7 August 2013.

2 Basis of preparation and significant accounting policies

Basis of preparation

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

The 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 parent company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and significant accounting policies (continued)

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 expense. 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 2012.

Results for the six months period ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013. For further details, refer to the annual consolidated financial statements and its related disclosures for the year ended 31 December 2012.

Changes to accounting policies

Adoption of new IASB Standards and amendments during the period

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and amendments effective as of 1 January 2013.

The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group or the interim consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

Standard	*Effective for annual periods beginning*
IAS 1 Presentation of Financial Statements – amendment	1 July 2012
IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements	1 January 2013
IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IFRS 7 Financial Instruments: Disclosures – amendments	1 January 2013
Annual Improvements 2009-2011	1 January 2013

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and significant accounting policies (continued)

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:

a) Potentially reclassifiable to consolidated statement of income in a subsequent period, and

b) That will not be reclassified to consolidated statement of income subsequently.

The amendments to IAS 1 changed the current presentation of the consolidated statement of comprehensive income of the Group; however the amendment affected presentation only and had no impact on the Group's financial position or performance.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC 12 Consolidation – Special Purpose Entities. It revises the definition of control together with accompanying guidance to identify an interest in a subsidiary. To meet the definition of control in IFRS 10, all six criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. However, the requirements and procedures of consolidation and the accounting for any non-controlling interests and changes in control remain the same. IFRS 10 did not change the classification (as subsidiaries or otherwise) of any of the Group's existing investees.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 supersedes IAS 31 Interests in Joint Ventures (IAS 31). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates. As a consequence of the new IFRS 11, IAS 28 brings investments in joint ventures into its scope, however, the equity accounting methodology under IAS 28 remains unchanged.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments including subsidiaries, joint arrangements, associates and unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial information, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and significant accounting policies (continued)

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A (j), thereby affecting the interim condensed consolidated financial statements period. The Group has applied this requirement for the first time and has provided these disclosures in Note 15. The provisions in IAS 34 and transition provisions of IFRS 13 do not require comparative information for periods before initial application of IFRS 13. Consequentially, the Group does not provide the comparative information.

IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Qualitative and quantitative disclosures have been added to IFRS 7 'Financial Instruments: Disclosures' (IFRS 7) relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

Annual Improvements 2009-2011 (the Annual Improvements)

The Annual Improvements 2009-2011 (the Annual Improvements) made several minor amendments to a number of IFRSs. The amendments relevant to the Group are summarised below:

Clarification of the requirements for opening statement of financial position (amendments to IAS 1):

- clarifies that the appropriate date for the opening statement of financial position ("third balance sheet") is the beginning of the preceding period (related notes are no longer required to be presented)
- addresses comparative requirements for the opening statement of financial position when an entity changes accounting policies or makes retrospective restatements or reclassifications, in accordance with IAS 8.

  Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

Clarification of the requirements for comparative information provided beyond minimum requirements (amendments to IAS 1):

- clarifies that additional financial statement information need not be presented in the form of a complete set of financial statements for periods beyond the minimum requirements
- requires that any additional information presented should be presented in accordance with IFRS and the entity should present comparative information in the related notes for that additional information.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and significant accounting policies (continued)

Annual Improvements 2009-2011 (the Annual Improvements) (continued)

Tax effect of distribution to holders of equity instruments (Amendments to IAS 32):

- addresses a perceived inconsistency between IAS 12 'Income Taxes' (IAS 12) and IAS 32 'Financial Instruments: Presentation' (IAS 32) with regards to recognising the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction
- clarifies that the intention of IAS 32 is to follow the requirements in IAS 12 for accounting for income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

The amendment did not have an impact on the interim condensed consolidated financial information for the Group, as there is no tax consequences attached to cash or non-cash distribution.

Segment information for total assets and liabilities (amendments to IAS 34):

- clarifies that the total assets and liabilities for a particular reportable segment are required to be disclosed in interim financial information if, and only if: (i) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; (ii) there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment.

The Group provides this disclosure as total segment assets were reported to the chief operating decision maker (CODM). As a result of this amendment, the Group now also includes disclosure of total segment liabilities as these are reported to the CODM. See Note 13.

IASB Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards 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 pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's statements.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IAS 32 Financial Instruments: Presentation – amendments	1 January 2014

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and changes to accounting policies (continued)

IFRS 9 Financial Instruments

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues.

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.

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

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The Amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- that some gross settlement systems may be considered equivalent to net settlement.

The Amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. Management does not anticipate a material impact on the Group's consolidated financial statements from these Amendments.

3 Income from investments

	Three months ended		Six months ended	
	30 June 2013 (Unaudited)	30 June 2012 (Unaudited)	**30 June 2013 (Unaudited)**	30 June 2012 (Unaudited)
	KD '000	KD '000	**KD '000**	KD '000
Dividend income:				
- From investments at fair value through profit or loss	**194**	204	**207**	226
- From available for sale investments	**12,819**	8,757	**18,123**	18,703
Profit on sale of available for sale investments	**6,687**	1,662	**13,232**	6,411
Realised gains on investments at fair value through profit or loss	**296**	13	**256**	657
Unrealised gain/(loss) on investments at fair value through profit or loss	**51**	(3,124)	**356**	(612)
	20,047	7,512	**32,174**	25,385

Notes to the interim condensed consolidated financial information (continued)

4 Interest and other income

	Three months ended		Six months ended	
	30 June 2013 (Unaudited)	30 June 2012 (Unaudited)	30 June 2013 (Unaudited)	30 June 2012 (Unaudited)
	KD '000	KD '000	KD '000	KD '000
Interest/profit on bank balances, short term deposits, wakala and murabaha investments	121	489	263	1,104
Income from financing of future trade by customers	136	17	251	166
Net income from hotel business of a foreign subsidiary	496	-	687	-
Effect of unwinding of discount on receivables	118	-	236	-
Rental income	390	204	842	511
Income from IT services of subsidiary (net)	120	306	332	306
Reversal of impairment provision on accounts receivable	694	-	694	-
Management and placement fees	147	431	236	883
Other income	557	141	954	146
	2,779	1,588	4,495	3,116

5 Basic and diluted earnings per share attributable to the owners of the parent

Earnings per share is calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the period as follows:

	Three months ended		Six months ended	
	30 June 2013 (Unaudited)	30 June 2012 (Unaudited) (Restated)	30 June 2013 (Unaudited)	30 June 2012 (Unaudited) (Restated)
Profit for the period attributable to the owners of the parent (KD '000)				
- from continuing operations	5,702	1,066	10,434	10,646
- from discontinued operations	-	(5)	-	(164)
Total	5,702	1,061	10,434	10,482
Weighted average number of shares outstanding during the period (excluding treasury shares) – shares	1,261,959,044	1,261,959,044	1,261,959,044	1,261,959,044
Basic and diluted earnings per share				
- from continuing operations	4.5 Fils	0.8 Fils	8.3 Fils	8.4 Fils
- from discontinued operations	-	-	-	(0.1) Fils
Total	4.5 Fils	0.8 Fils	8.3 Fils	8.3 Fils

Notes to the interim condensed consolidated financial information (continued)

6 Investment in associates

The movement in associates during the period/year is as follows:

	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000
Balance at 1 January	**287,497**	283,126	283,126
Additions during the period/year	**5,931**	6,690	1,891
Capital reduction and redemption of units by associates	**-**	(4,078)	-
Share of results	**10,530**	16,647	9,239
Share of other comprehensive income	**(2,000)**	1,845	890
Dividend received	**(6,368)**	(7,779)	(4,652)
Dilution loss of an associate	**-**	(253)	-
Disposal of associates	**(2,212)**	(7,003)	(253)
Impairment in value	**(118)**	(584)	-
Reclassification of remaining investment to available for sale investments on disposal	**-**	(1,297)	-
Other adjustments	**286**	183	(755)
Balance at the end of the period/year	**293,546**	287,497	289,486

A major portion of an associate with a carrying value of KD86,220 thousand (31 December 2012: KD83,941 thousand and 30 June 2012: KD Nil) have been subject to an exchangeable options to the lenders of the group.

During the period, the group partially disposed an insignificant stake in one of its quoted associate's which resulted in a gain of KD994 thousand.

7 Investment properties

a) Investment properties amounting to KD14,960 thousand (31 December 2012: KD13,700 thousand and 30 June 2012: KD Nil) are secured against term loans.

c) During the year 2011, the Group disposed its investment property located in Saudi Arabia for a consideration of KD26,535 thousand and the total cash received on this sale up to 31 December 2012 amounted to KD9,914 thousand. Out of the balance of KD 16,621 thousand (which was due in two installments in November 2012 and November 2013), during the period an amount of KD 3,603 thousand was received in cash and the buyer partially settled the remaining balance due as of November 2012 by transferring another real estate property (Hotel property) situated in Saudi Arabia which has been valued at KD4,803 thousand. This property has been classified under property, plant and equipment. The remaining balance due on sale of investment property is included in account receivables and other assets and is due to be settled in November 2013.

c) During the period, the group decided to evaluate its investment properties by independent valuers annually instead of evaluating them, semi annually as done previously.

Notes to the interim condensed consolidated financial information (continued)

8 Available for sale investments

	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000
Non Current			
Managed funds	**175,751**	189,703	193,656
Unquoted equity participations	**201,781**	203,161	191,697
Quoted shares	**298,033**	305,231	343,275
	675,565	698,095	728,628
Current			
Quoted shares	**74,468**	79,847	75,137
	750,033	777,942	803,765

a) The quoted shares classified as current represents the remaining investments from those which were transferred from investments at fair value through profit or loss as of 1 July 2008.

b) At the end of the period, the group recognised a total impairment loss of KD10,449 thousand (30 June 2012: KD5,273 thousand) for certain quoted, unquoted shares and managed funds.

c) Quoted shares with a fair value of KD44,485 thousand (31 December 2012: KD61,476 thousand and 30 June 2012: KD43,807 thousand) are secured against term loans.

9 Investments at fair value through profit or loss

	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000
Held for trading :			
Quoted shares and debt instruments	**29,747**	32,381	32,865
Designated on initial recognition :			
Local funds	**14,082**	14,426	16,496
International managed portfolios and funds	**14,487**	15,185	24,928
	28,569	29,611	41,424
	58,316	61,992	74,289

Quoted shares, held by local subsidiaries, with a fair value of KD13,626 thousand (31 December 2012: KD15,433 thousand and 30 June 2012: KD15,264 thousand) are secured against term loans.

10 Share capital and share premium

a) As of 30 June 2013, authorized issued and fully paid share capital in cash of the parent company comprised of 1,295,098,167 shares of 100 Fils each (31 December 2012 and 30 June 2012: 1,295,098,167 shares).

b) The shareholders of the parent company approved at the shareholders Annual General Assembly held on 24 May 2012, to offset the accumulated losses, amounting to KD30,524 thousand against general reserve (KD856 thousand), statuary reserve (KD911 thousand) and then share premium (KD28,757 thousand).

c) During the period, shareholders of one of the local subsidiary's of the Group decided to decrease its capital resulting in an amount payable of KD6,642 thousand to the non – controlling interest of the Group. Consequently, an amount of KD5,257 thousand has been paid at the reporting date and the balance amount is shown under accounts payable and other liabilities.

c) Share premium is not available for distribution.

Notes to the interim condensed consolidated financial information (continued)

11 Other components of equity

	Statutory reserve KD '000	General reserve KD '000	Gain on Sale of treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances at 1 January 2013	1,232	507	18,452	(3,270)	16,921
Other comprehensive income:					
Currency translation differences	-	-	-	125	125
Balances at 30 June 2013	**1,232**	**507**	**18,452**	**(3,145)**	**17,046**
Balances at 1 January 2012 – as restated	911	856	18,452	(3,096)	17,123
Transaction with owners:					
Offset of accumulated losses (refer note 10b)	(911)	(856)	-	-	(1,767)
Total transaction with owners	(911)	(856)	-	-	(1,767)
Other comprehensive income:					
Currency translation differences	-	-	-	(1,388)	(1,388)
Balances at 30 June 2012	-	-	18,452	(4,484)	13,968

12 Cash and cash equivalents

	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000
Short-term deposits	**5,195**	6,129	77,338
Bank balances and cash	**53,815**	57,072	38,478
Due to banks	**(25,740)**	(17,897)	(26,629)
	33,270	45,304	89,187
Less: Blocked balances	**(2,541)**	(7,696)	(2,426)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	30,729	37,608	86,761

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis

The group's format for reporting segment information is business segments; which conforms to the internal reporting presented to management:

	Investment		Building materials		Specialist engineering		Total	
	30 June 2013 KD '000	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 (Restated) KD '000
Three months ended								
Segment revenue	**29,120**	16,763	**11,212**	11,248	**16,453**	17,678	**56,785**	45,689
Less:								
Income from investments							**(20,047)**	(7,512)
Share of results of associates							**(5,300)**	(5,928)
Profit on disposal of associate							**(994)**	-
Change in fair value of investment properties							**-**	(1,735)
Interest and other income							**(2,779)**	(1,588)
Sales, as per interim condensed consolidated statement of income							**27,665**	28,926
Segment profit	**16,695**	10,598	**1,916**	2,443	**1,910**	1,311	**20,521**	14,352
Less:								
Finance costs							**(10,073)**	(9,203)
Other unallocated expenses							**(400)**	(2,227)
Profit for the period before taxation, NLST and Zakat as per the interim condensed consolidated statement of income							**10,048**	2,922

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Investment		Building materials		Specialist engineering		Total	
	30 June 2013 KD '000	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 KD '000	**30 June 2013 KD '000**	30 June 2012 (Restated) KD '000
Six months ended								
Segment revenue	**48,193**	39,475	**21,963**	21,936	**30,832**	33,175	**100,988**	94,586
Less:								
Income from investments							**(32,174)**	(25,385)
Share of results of associates							**(10,530)**	(9,239)
Profit on disposal of associate							**(994)**	-
Change in fair value of investment properties							**-**	(1,735)
Interest and other income							**(4,495)**	(3,116)
Sales, per the interim condensed consolidated statement of income							**52,795**	55,111
Segment profit	**30,011**	27,008	**3,859**	4,935	**2,128**	2,498	**35,998**	34,441
Less:								
Finance costs							**(18,049)**	(18,455)
Other unallocated expenses							**(1,691)**	(1,861)
Profit for the period before taxation, NLST and Zakat as per the interim condensed consolidated statement of income							**16,258**	14,125
Segment assets	**1,234,534**	1,353,388	**53,681**	54,836	**72,886**	72,116	**1,361,101**	1,480,340
Segment liabilities	**(29,530)**	(23,077)	**(15,132)**	(14,200)	**(22,131)**	(25,809)	**(66,793)**	(63,086)
Segment net asset	**1,205,004**	1,330,311	**38,549**	40,636	**50,755**	46,307	**1,294,308**	1,417,254
Trust certificates issued							**-**	(133,309)
Borrowings and due to banks							**(777,732)**	(770,614)
Total equity per interim condensed consolidated statement of financial position							**516,576**	513,331

Notes to the interim condensed consolidated financial information (continued)

14 Related party transactions

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

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

	30 June 2013 (Unaudited) KD '000	31 Dec. 2012 (Audited) KD '000	30 June 2012 (Unaudited) KD '000
Balances included in interim condensed consolidated statement of financial position			
Due from related parties (included in accounts receivable and other assets)			
- Due from associate companies	**5,709**	4,708	3,507
- Due from other related parties	**1,052**	1,144	19
- Due from key management personnel	**233**	233	231
Due to related parties (included in accounts payable and other liabilities)			
- Due to associates	**9,628**	9,667	4,413
- Due to other related parties	**39**	448	-
Long term borrowings – murabaha payable to an associate	**15,083**	15,098	-

	Three months ended		Six months ended	
	30 June 2013 (Unaudited) KD '000	30 June 2012 (Unaudited) KD '000	30 June 2013 (Unaudited) KD '000	30 June 2012 (Unaudited) KD '000
Transactions included in interim condensed consolidated statement of income				
Cost of raw materials – from associates	**1,205**	1,594	**2,605**	3,033
Finance cost charged by an associate	**247**	-	**491**	-
Management fees and placement fees earned from related parties	**105**	91	**124**	91
Compensation of key management personnel of the group				
Short term employee benefits	**788**	780	**1,682**	1,695
End of service benefits	**25**	27	**51**	117
	813	807	**1,733**	1,812

15 Financial instruments

Financial instruments comprise of financial assets (accounts receivable and other assets, available for sale investments, murabaha and wakala investments, investment at fair value through profit or loss, short term deposits and bank balances and cash) and financial liabilities (due to banks, short term and long term borrowings, trust certificates issued, leasing creditors and accounts payable and other liabilities).

Except for certain available for sale investments which are carried at cost (KD76,013 thousand), the carrying amounts of financial assets and liabilities as at 30 June 2013, approximate their fair values.

Notes to the interim condensed consolidated financial information (continued)

15 Financial instruments (continued)

Fair value hierarchy for financial instruments measured at fair value
The following table presents the financial assets and liabilities which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into six levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows;

At 30 June 2013

	Note	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total Balance KD'000
Assets at fair value					
Available for sale investments					
-Managed funds					
Private equity funds	a	-	-	62,077	62,077
Other managed portfolio	a	-	9,365	86,297	95,662
-Unquoted equity participations	b	-	-	143,780	143,780
-Quoted shares	c	372,501	-	-	372,501
Investment at fair value through profit or loss					
-Quoted shares	c	27,786	-	-	27,786
- Quoted debt instruments	c	1,961	-	-	1,961
-Local funds	d	-	14,082	-	14,082
-International managed portfolios and funds	e	-	-	14,487	14,487
Total assets		402,248	23,447	306,641	732,336

Fair value measurements
The group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	30 June 2013 KD'000
Opening balance	319,317
Net change in fair value recognised in other comprehensive income	1,857
Impairment recognised in profit or loss	(4,368)
Net change in fair value recognised in profit or loss	546
Net disposals during the period	(10,711)
Closing balance	306,641

Notes to the interim condensed consolidated financial information (continued)

15 Financial instruments (continued)

Fair value hierarchy for financial instruments measured at fair value (continued)

Fair value measurements (continued)
Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.

Measurement at fair value
The methods and valuation techniques used for the purpose of measuring fair value are as follows:

a) Managed funds
Private equity funds
The underlying investments in these private equity funds mainly represent foreign quoted and unquoted securities. Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Other managed portfolios
The underlying investments of other managed portfolios represent local and foreign quoted and unquoted securities managed by specialized portfolio managers. They are valued based on periodic reports received from the portfolio managers.

b) Unquoted equity participations
The consolidated financial statements include holdings in unlisted securities which are measured at fair value. Fair value is estimated using discounted cash flow model or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Quoted shares & debt instruments
Quoted shares and debt instruments represent all listed equity securities and debt instruments which are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

d) Local funds
The underlying investments of these funds mainly comprise of local quoted shares and money market instruments and the fair value of the investment has been determined based on net asset values reported by the fund manager as of the reporting date.

e) International managed portfolios and funds
The underlying investments of international managed portfolios and funds represent quoted and unquoted securities. They are valued based on fund managers' report.

Notes to the interim condensed consolidated financial information (continued)

16 Discontinued operations

The Group's discontinued operations comprise of operations of two of its subsidiaries (George Wilson Industrial Limited disposed in September 2012 and BI Composites Limited put into administration in November 2012) and the operating losses of those two subsidiaries are summarised below:

	Three months ended 30 June 2012 KD '000 (Restated)	Six months ended 30 June 2012 KD '000 (Restated)
Sales	1,458	2,698
Cost of sales	(1,321)	(2,538)
Gross profit	137	160
Distribution costs	(54)	(111)
General, administrative and other expenses	(64)	(176)
	19	(127)
Finance costs	(24)	(37)
Loss from discontinued operations before and after tax	(5)	(164)

17 Annual general assembly

The general assembly of the shareholders held on 5 May 2013 approved the consolidated financial statements for the year ended 31 December 2012 and the Director's proposal not to distribute any dividends for the year then ended.

18 Contingent liabilities

At 30 June 2013, the group had contingent liabilities in respect of outstanding bank guarantees amounting to KD11,383 thousand (31 December 2012: KD11,858 thousand and 30 June 2012: KD13,907 thousand).

19 Fiduciary assets

One of the subsidiaries of the group manages mutual funds, portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 30 June 2013 amounted to KD12,665 thousand (31 December 2012: KD26,996 thousand and 30 June 2012: KD37,861 thousand) of which assets managed on behalf of related parties amounted to KD9,849 thousand (31 December 2012: KD8,444 thousand and 30 June 2012: KD9,006 thousand).

20 Capital commitments

At the reporting date the group had commitments for the purchase of investments and the acquisition of property, plant and equipment totalling to KD28,422 thousand (31 December 2012: KD28,219 thousand and 30 June 2012: KD30,035 thousand).

Notes to the interim condensed consolidated financial information (continued)

21 Comparative information

The comparative interim condensed consolidated statement of income has been re-presented as if an operation discontinued during the previous year has been discontinued from the start of the comparative year (refer note 16).

The balances which have been restated in the interim condensed consolidated financial information for the period ended 30 June 2012, due to the early adoption of IAS 19 during the year ended 31 December 2012 are as follows:

Three months ended

	30 June 2012 KD'000 (Previously reported)	30 June 2012 KD'000 (Restated)	Net impact on comprehensive income KD'000
Interim condensed consolidated statement of comprehensive income			
Profit for the period	2,986	2,986	-
Defined benefit plan – actuarial losses	-	(561)	(561)
Exchange differences	995	1,021	26
			(535)

Six months ended

	30 June 2012 KD'000 (Previously reported)	30 June 2012 KD'000 (Restated)	Net impact on comprehensive income KD'000
Interim condensed consolidated statement of comprehensive income			
Profit for the period	13,896	13,896	-
Defined benefit plan – actuarial gains	-	2	2
Exchange differences	(743)	(663)	80
			82

	30 June 2012 KD'000 (Previously reported)	30 June 2012 KD'000 (Restated)
Interim condensed consolidated statement of financial position		
Provisions	9,174	14,627
Goodwill	6,761	6,876
Retained earnings	10,482	4,872
Other components of equity – foreign currency translation reserve	(4,756)	(4,484)

In addition certain other comparative figures has been reclassified to conform to the presentation in the current year, and such reclassification does not affect previously reported net assets, net equity and net results for the year or net decrease in cash and cash equivalents.