Al Madina for Finance and Investment – K.S.C. (Closed)
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
For the six months ended 30 June 2008
With
Review Report
(Unaudited)

PRICEWATERHOUSECOOPERS

AL-ATEEQI
CERTIFIED
ACCOUNTANTS

Al Madina for Finance and Investment – K.S.C. (Closed)
And its subsidiaries
State of Kuwait

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Al Madina for Finance and Investment K.S.C.C
State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Al Madina for Finance and Investment– (K.S.C.C.) "Parent Company" and its subsidiaries ("the Group") as of 30 June 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation as disclosed in note (2). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation as disclosed in Note (2).

Report on Review of Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information agrees with the books of the Parent Company and to the extent of information made available to us, nothing has come to our attention that causes us to believe that there are contraventions of the Commercial Companies Law of year 1960, as amended or of the Parent Company's Articles during the six months period ended 30 June 2008 that might have a material effect on the Group's activities 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, the organization of banking business and its related regulations during the six months period ended 30 June 2008.

Bader A. Al-Wazzan
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Independent Member of B.K.R. International

Kuwait, 28 July 2008

Al Madina for Finance and Investment – K.S.C. (Closed)
And its subsidiaries

Interim Condensed Consolidated Balance Sheet as of 30 June 2008
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	30 June 2008	31 December 2007 (Audited)	30 June 2007
Assets				
Cash and cash equivalent	3	5,934,830	24,313,623	3,917,072
Investments in Murabaha	4	4,223,638	4,529,065	8,674,286
Investments at fair value through profit and loss	5	31,576,374	21,910,445	15,588,461
Finance lease receivables		294,115	3,198,640	4,237,636
Other debit balances	6	20,594,683	43,669,311	39,477,836
Lands and real estates under development	7	44,832,088	33,868,098	-
Investments property	7	25,105,795	31,577,418	24,787,814
Investments in associates	8	64,007,604	36,321,462	10,621,078
Investment in unconsolidated subsidiary		-	-	4,496,555
Intangible assets	9	9,389,967	7,947,890	-
Property and equipment	10	5,078,987	270,876	153,162
Total Assets		211,038,081	207,606,828	111,953,899
Liabilities and equity				
Liabilities				
Payables and other credit balances		49,700,061	36,130,186	8,673,810
Murabaha and Wakala payables	11	91,557,066	115,249,331	76,219,899
Employees' end of service indemnity		510,004	179,728	70,770
Total Liabilities		141,767,131	151,559,245	84,964,479
Equity				
Equity attributable to shareholders of the Parent Company				
Share Capital	12	20,208,375	17,422,500	17,422,500
Proceeds from capital increase		4,081,716		
Share premium		184,500	36,000	36,000
Treasury Shares	13	(1,656,007)	-	-
Statutory reserve		3,387,160	3,387,160	1,228,327
Voluntary reserve		3,288,586	3,288,586	1,129,753
Other reserves	14	(553,261)	(113,250)	490,500
Retained earnings		17,706,650	17,946,343	6,682,340
Total equity attributable to shareholders of the Parent		46,647,719	41,967,339	26,989,420
Minority interest		22,623,231	14,080,244	-
Total equity		69,270,950	56,047,583	26,989,420
Total Liabilities and Equity		211,038,081	207,606,828	111,953,899

The accompanying notes from (1) to (22) form an integral part of this interim condensed consolidated financial information

Humoud Shamlan Al-Sabah
Vice Chairman

شركة المدينة للتمويل والاستثمار
AL-MADINA FOR FINANCE AND INVESTMENT

Interim Condensed Consolidated Statement of Income for the six months ended 30 June 2008
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2008	2007	2008	2007
Revenues					
Investments income	15	4,799,585	4,115,454	11,282,067	5,188,099
Group's share of associates' results		1,967,087	-	2,887,157	588,636
Finance income		-	147,981	-	296,163
Consulting services income		223,575	50,136	354,219	77,883
Lands and real estates income		-	(4,863)	-	2,481,202
Gross operating profit		597,911	-	597,911	-
Other Income		414,029	3,650	996,718	15,735
		8,002,187	4,312,358	16,118,072	8,647,718
Expenses and other charges					
Finance charges		1,618,574	1,442,985	3,230,804	2,261,799
General and administrative expenses		1,127,465	530,947	2,182,949	710,200
Loss from impairment of investments in associates		-	441,967	-	457,972
Provision for doubtful debts		(145,000)	120,035	10,500	275,535
Depreciation and amortization		42,665	20,423	81,666	37,450
Contribution Kuwait Foundation for Advancement of Science "KFAS"		19,365	22,335	58,636	22,335
National Labor Support Tax		59,058	43,591	170,898	121,871
Zakat expense		57,346	-	68,359	-
		2,779,473	2,622,283	5,803,812	3,887,162
Net profit for the period		5,222,714	1,690,075	10,314,260	4,760,556
Net profit attributable to:					
shareholders of the Parent Company		4,501,294	1,690,075	9,425,182	4,760,556
Minority interest		721,420	-	889,078	-
		5,222,714	1,690,075	10,314,260	4,760,556
Basic earning per share (fils)	16	22.62	8.43	47.21	23.73
Diluted earning per share (fils)	16	15.71	5.89	32.83	16.58

The accompanying notes from (1) to (22) form an
integral part of this interim condensed consolidated financial information

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2008
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Shareholders of the Parent Company									Minority interest	Total equity
	Share capital	Proceeds from capital increase	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 14)	Retained earnings	Total equity attributable to shareholders of the Parent Company		
Balance as of 1 January 2007	15,150,000	-	36,000	-	1,228,327	1,129,753	310,120	7,225,664	25,079,864	-	25,079,864
Net profit for the period	-	-	-	-	-	-	-	4,760,556	4,760,556	-	4,760,556
Total profit recognized in equity	-	-	-	-	-	-	-	4,760,556	4,760,556	-	4,760,556
Employees' stock option Plan	-	-	-	-	-	-	189,000	-	189,000	-	189,000
Dividends of bonus shares	2,272,500	-	-	-	-	-	-	(2,272,500)	-	-	-
Cash Dividends	-	-	-	-	-	-	-	(3,030,000)	(3,030,000)	-	(3,030,000)
Purchase of treasury shares	-	-	-	(365,000)	-	-	-	-	(365,000)	-	(365,000)
Sale of treasury shares	-	-	-	365,000	-	-	(8,620)	(1,380)	355,000	-	355,000
Balance as of 30 June 2007	17,422,500	-	36,000	-	1,228,327	1,129,753	490,500	6,682,340	26,989,420	-	26,989,420
Balance as of 1 January 2008	17,422,500	-	36,000	-	3,387,160	3,288,586	(113,250)	17,946,343	41,967,339	14,080,244	56,047,583
Foreign currency translation reserve	-	-	-	-	-	-	(440,011)	-	(440,011)	-	(440,011)
Profit recognized directly in equity	-	-	-	-	-	-	(440,011)	-	(440,011)	-	(440,011)
Net profit for the period	-	-	-	-	-	-	-	9,425,182	9,425,182	889,078	10,314,260
Total profit recognized in equity	-	-	-	-	-	-	(440,011)	9,425,182	8,985,171	889,078	9,874,249
Paid up capital according to employees' stock option plan	150,000	-	148,500	-	-	-	-	-	298,500	-	298,500
Dividends of bonus shares (Note 19)	2,635,875	-	-	-	-	-	-	(2,635,875)	-	-	-
Cash dividends (Note 19)	-	-	-	-	-	-	-	(7,029,000)	(7,029,000)	-	(7,029,000)
Purchase of treasury shares	-	-	-	(1,656,007)	-	-	-	-	(1,656,007)	-	(1,656,007)
Proceeds from capital increase	-	4,081,716	-	-	-	-	-	-	4,081,716	-	4,081,716
Minority share in capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	3,645,465	3,645,465
Sale of subsidiaries	-	-	-	-	-	-	-	-	-	4,008,444	4,008,444
Balance as of 30 June 2008	20,208,375	4,081,716	184,500	(1,656,007)	3,387160	3,288,586	(553,261)	17,706,650	46,647,719	22,623,231	69,270,950

The accompanying notes from (1) to (22) form an integral part of this interim condensed consolidated financial information

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2008
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	For the six months ended 30 June	
	2008	2007
Cash flows from operating activities		
Net profit for the period	10,314,260	4,760,556
Adjustments:		
Depreciation and amortization	81,666	37,450
Provision for doubtful debts	10,500	275,535
Investments income	(11,282,067)	(5,188,099)
Group's share of associates' results	(2,887,157)	(588,636)
Lands and real estates income	-	(2,481,202)
Finance charges	3,230,804	2,261,799
Cost of employees' stock option plan	-	189,000
Employees' end of service's indemnity	330,276	27,109
Operating (loss) before changing in the working capital	(201,718)	(706,488)
Investments at fair value through profit and loss	(4,977,822)	1,282,585
Finance lease receivables	2,894,025	142,005
Other debit balances	19,049,081	(21,346,504)
Payables and other credit balances	9,863,286	5,345,939
Net cash generated (used in) operating activities	26,626,852	(15,282,463)
Cash flows from investing activities		
Investments in Murabaha	514,966	3,825,589
Dividends received	646,921	83,240
Payment for purchase of investments in associates	(44,307,403)	(650,400)
Proceeds from sale of investments in associates	27,451,310	3,749,040
Payment for purchase of investments in subsidiaries	(6,961,467)	(16,801,354)
Proceeds from sale of investments in a subsidiary	7,867,386	-
Payment for purchase of investment properties	(245,822)	(10,077,231)
Payment for purchase of lands under development	(4,246,545)	-
Payment for purchase of property and equipment	(4,889,778)	(57,858)
Net cash used in investing activities	(24,170,432)	(19,928,974)
Cash flows from financing activities		
Murabaha and Wakala payables	(23,989,794)	39,847,752
Payment from finance cost	(2,933,274)	(1,538,728)
Paid from capital according to employees' stock option plan	298,500	-
Proceeds from capital increase	4,081,716	-
Purchase of treasury shares	(1,656,007)	(365,000)
Sale of treasury shares	-	355,000
Cash dividends paid	(4,290,263)	(3,030,000)
Change in minority interest	7,653,909	-
Net cash (used in) generated from financing activities	(20,835,213)	35,269,024
Net increase in cash and cash equivalent	(18,378,793)	57,587
Cash and cash equivalent at the beginning of the period	24,313,623	3,859,485
Cash and cash equivalent at the end of the period	5,934,830	3,917,072

The accompanying notes from (1) to (22) form
an integral part of this interim condensed consolidated financial information

1. Incorporation of the Group

Al Madina for Finance and Investment is a Closed Kuwaiti Shareholding Company ("The Parent Company") established in Kuwait in 1980, and has been registered as an investment company with the Central Bank of Kuwait on 27 April 2005. The shares of the Parent Company were listed on Kuwait Stock Exchange in 24 April 2006.

The Parent Company's headquarter office is domiciled at Ahmed Al-Jaber Street - Sharq - Kuwait.

The principle activities of the Group are representing in all operations of investment, finance and management of movable and unmovable funds and rights, trading, leasing and selling of lands and real estates to company and its customers. The activities of the Parent Company and its subsidiaries are carried out in accordance with Noble Islamic Share'a principles.

This Interim Condensed Consolidated Financial Information includes the financial statements of the Parent Company and the following subsidiaries (the Group):

Company Name	Legal form	Country of incorporation	Ownership	
			30 June 2008	31 December 2007
Al Madina Real Estate Development Company	K.S.C.C.R	Kuwait	90%	100%
Al Madina Educational Company	K.S.C.C.	Kuwait	100%	100%
Twenty Four Seven for Central Markets Company	K.S.C.C.	Kuwait	100%	100%
Bohaz Al Madina Real Estate Company	B.S.C.C	Bahrain	100%	100%
Real Capital Company	W.L.L	Kuwait	100%	100%
Kuwaiti National Investment Company	K.S.C.C.	Kuwait	100%	100%
Sarh Al Madina Real Estate Company	K.S.C.C.	Kuwait	39.68%	49.68%
Hits Telecom Holding Co. (Formerly Al-Nibras) Holding Company***	K.S.C.C.	Kuwait	75%	76%
Stone for Drilling Services Company	E.S.C.	Egypt	100%	-

Financial information of the subsidiaries used in the consolidation are management accounts except for Hits Telecom Holding Company which have been consolidated on reviewed financial information for the period ended 31 May 2008.

During the period, the Parent Company sold 10% from its shares at Al Madina Real Estate Company and Sarh Al Madina Real Estate Company to one of its associates with an amount of 4,773,747 Dinar Kuwaiti, which result profit amounted to 821,586 Dinar Kuwaiti, an amount of KD 252,109 was eliminated during the preparation of the interim condensed consolidated financial information as per the requirements of the International Financial Reporting Standards.

During the period, the Group has finalized the establishment procedures of Stone for Drilling Services Company E.S.C. – completely owned subsidiary.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors meeting held on 28 July 2008.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34), applicable to Interim Financial Reporting.

Interim condensed consolidated financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards as adopted in the State of Kuwait for financial institutions that are under supervision of Central Bank of Kuwait.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the Interim condensed consolidated financial information.

The operating results for the six months period ended 30 June 2008 are not necessarily indicative of the results that may be expected for the year ending 31 December 2008. For further information, refer to the consolidated financial statements for the year ended 31 December 2007 and its related disclosures.

The Interim Condensed Consolidated Financial Information have been prepared in accordance with the same accounting principles and methods of calculation used in the latest annual financial statements in accordance with the International Financial Reporting Standards as adopted in the State of Kuwait.

3. Cash and cash equivalent

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Cash at banks and financial institutions	5,816,680	20,233,492	995,020
Cash at Kuwait Clearing Company	116,258	4,079,439	2,919,418
Cash on hand	1,892	692	2,634
Ending balance of the period/ year	5,934,830	24,313,623	3,917,072

4. Investments in Murabaha

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Short term Murabaha in Kuwaiti Dinars	4,223,638	4,529,065	8,674,286
Average rate of return (%)	6.75	6.75	6.75

Investments in Murabaha include an amount of KD 3,367,213 granted to related parties as of 30 June 2008 (KD 3,668,075 as of 31 December 2007 and KD 3,059,096 as of 30 June 2007)

5. Investments at fair value through profit and loss

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Held for trading investments	15,570,231	4,530,030	2,344,094
Investments designated at fair value through profit and loss at inception	16,006,143	17,380,415	13,244,367
	31,576,374	21,910,445	15,588,461
Investments in local shares – quoted	15,570,231	4,530,030	2,344,094
Investments in local shares – unquoted	5,604,638	3,644,371	1,690,179
Investments in foreign shares – unquoted	3,726,567	3,670,297	3,237,394
Investments in local funds – unquoted	4,824,938	8,215,747	6,466,294
Investments in foreign funds – unquoted	1,850,000	1,850,000	1,850,500
	31,576,374	21,910,445	15,588,461

5.1 Valuation of investments in unquoted shares is carried out according to the estimated operations and on the available information in terms of the financial position, results of operation of investee companies, and the available information regarding the expected future profits of these companies, Recent arm's length market transactions on the shares with other parties in investee companies or similar companies are taken into consideration. The unrealized gain from the evaluation of such shares amounted to KD 1,961,867 during the six months ended 30 June 2008 (Nil - 30 June 2007).

5.2 The fair value of the investments in funds is determined based on last available reports for the net units value.

6. Other debit balances

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Receivable on sale of properties and investments	10,335,611	21,280,154	14,212,671
Advance payments for purchase of investments	5,082,718	-	-
Financial instruments (Right issue in subscription)	-	-	12,304,799
Due from related parties	2,188,506	16,142,685	6,818,752
Commissions and accrued dividends	308,452	3,443,578	763,644
Advance payments for purchasing of investments property	-	-	3,804,751
Prepaid expenses	310,162	685,122	236,583
Staff receivables	126,243	152,953	105,260
Other debit balances	2,242,991	1,964,819	1,231,375
	20,594,683	43,669,311	39,477,835

6.1 Receivables on sale of properties represents in the sale of number of properties, which is secured against sold properties. The ownership of these properties will be transferred to buyers after the settlement of total amounts receivables; this balance is related to two subsidiaries.

6.2 During the period, the group signed an agreement approved from all parties in order to settle some of the amounts due from and due to related parties.

7. Lands and real estates under development

During the period ended 30 June 2008, one of the subsidiaries has reclassified its properties with an amount of KD 6,717,445 as of 30 June 2008 from investments property to lands and real estates under development

8. Investments in associates

	Ownership %	30 June 2008	Ownership %	31 December 2007	Ownership %	30 June 2007
Ekttitab Holding Company K.S.C.C.	32.07	37,719,124	26.77	22,458,747	-	-
Safat Global Company K.S.C.C.	-	-	15.99	1,699,783	12.63	734,162
Estratigia for Investment Company K.S.C.C	21.6	7,652,265	-	-	-	-
Hits Africa Company	50	16,725,783	50	10,252,500	-	-
First Jallia Bank - Kinia	31	1,910,432	31	1,910,432	20	810,432
Sarh Al Madina Real estate	-	-	-	-	49.68	9,076,484
		64,007,604		36,321,462		10,621,078

8.1 During the period, the Parent Company has traded on Ekttitab Holding Company's shares, which resulted trading gain amounted to KD 5,394,454 during the six months ended 30 June 2008, also the Group's share in Ekttitab Holding reached to 32.07% as of 30 June 2008. Preparation of the necessary studies is currently in the process to identify the resulted goodwill from the ownership percentage increase. The investment balance includes goodwill amounted to KD 3,282,366 as of 30 June 2008 and 31 December 2007 (Nil as of 30 June 2007).

8.2 During the period ended 30 June 2008, the Group has paid its share in Hits Africa Company's capital increase; therefore, the Group's share in Hits Africa Company has reached 50% as of 30 June 2008, subsequently the Group sold its share in Hits Africa Company to Hits Telecom Holding Company "one of the Group's subsidiaries" which has resulted gain amounted to KD 11,593,549, this gain have been fully eliminated during the preparation of the interim consolidated financial information as per the requirements of International Financial Reporting Standards.

8.3 During the period ended 30 June 2008 the Group has lost its significant influence on Safat Global Company K.S.C.C (formerly Gulf Horizon Holding Company), the Group has traded on the associate's shares which lead to the decreasing of its share to 14.76%, hence the Group has reclassified these investments to investments at fair value through profit or loss.

8.4 The Group has recorded its share in the results of associates based on the latest financial statements available as of 31 March 2008.

8.5 During the period ended 30 June 2008, the Group has acquired Estratigia for Investment Company K.S.C.C. with an amount of KD 7,652,265. The Parent Company paid an amount of KD 1,837,279 and the remaining amount of KD 5,814,986 has been recorded as payables on purchase of investments, The Parent Company has pledged investments amounted to KD 9,635,465 as of 30 June against the unpaid amount; preparation of the necessary studies is currently in the process to identify the resulted goodwill from acquisition. The provisional goodwill calculated amounted to KD 3,270,856.

9. Intangible assets

The balance of intangible assets is represented in the goodwill amounted to KD 9,308,758 as of 30 June 2008 resulted from an acquisition of Hits Telecom Holding Company (formerly Al Nibras Holding) and goodwill amounted to KD 81,209 as of 30 June 2008 resulted from an acquisition of Sarh Al Madina Real Estate Company.

The goodwill was calculated initially till allocate the purchase cost over the fair value of the acquired assets and liabilities.

10. Property and equipment

Additions on property and equipment includs a rig amounted to KD 4,817,994 as of 30 June 2008, which operate in Arab Republic of Egypt.

11. Murabaha and Wakala payables

- Murabaha and Wakala payables are due within one year and capable to renewal.
- The average effective cost rate is 7 – 9.75% as of 30 June 2008 (7 - 9.75%: 31 December 2007, 6.25 – 10%: 30 June 2007).
- A part of investments in associates amounted to KD 28,325,907, part of lands and real estates under development and part of investment properties amounted to KD 18,730,000 and also Murabaha and investments owned to related parties as of 30 June 2008 are pledged against Murabaha and Wakala payables.

12. Share capital

	Shares	Value
Paid up capital at the beginning of the period	174,225,000	17,422,500
Employees Stock Option Plan	1,500,000	150,000
Bonus Shares (Note 19)	26,358,750	2,635,875
Paid up capital at the end of the period	202,083,750	20,208,375

The Parent Company's shareholders approved in there General Assembly meeting held on 13 May 2008 the following:

- Share capital increase of the Parent Company's with 100% through issuing 175,725,000 shares to the registered shareholders according to the Company's registers as at the date of General Assembly meeting with an amount of 275 fils per share (100 fils nominal value of 175 fils share premium).
- Increasing the Share capital of the Parent Company by issuing 1,500,000 share of 240 fils per share according to employees' stock option plan (note 20).

During the period ended 30 June 2008 the Board of Directors of the parent company has recalled the capital increase from the shareholders, and an amount of KD 4,081,716 has been collected till 30 June 2008, such amounts had been classified as proceeds from the capital increase in equity till ending of subscription process.

13. Treasury shares

Treasury shares	30 June 2008	31 December 2007	30 June 2007
Number of shares (share)	2,760,000	-	-
Shareholding percentage (%)	1.3	-	-
Market value	1,283,400	-	-

14. Other Reserves

	Gain from sale of treasury shares	Employee's stock option reserve	Foreign currency translation reserve	Total
Balance as of 1 January 2007	8,620	301,500	-	310,120
Employees' stock option plan	-	189,000	-	189,000
Sale of treasury shares	(8,620)	-	-	(8,620)
Balance as of 30 June 2007	-	490,500	-	490,500
Balance as of 1 January 2008	-	490,500	(603,750)	(113,250)
Foreign currency translation reserve	-	-	(440,011)	(440,011)
Balance as of 30 June 2008	-	490,500	1,043,761	(553,261)

15. Investments income

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007
Profits from sale of investments at fair value through profit and loss	(208,113)	757,231	188,686	977,395
Change in fair value of investments at fair value through profit and loss	3,057,005	938,617	2,481,992	1,317,468
Dividends	89,922	22,707	89,922	83,240
Gain from partial disposal of investments in subsidiaries	1,372,787	-	2,917,473	-
Gain from trading in shares of associates (Note 8)	394,492	2,228,637	5,394,454	2,228,637
Murabaha income	93,492	168,262	209,540	581,359
	4,799,585	4,115,454	11,282,067	5,188,099

During the period, the Group has traded on Hits Telecom Company shares "formerly Al Nibras Holding", which resulted in profit amounted to KD 2,347,996 for the period ended 30 June 2008).

16. Earning per share for the Parent Company's Shareholders

Basic earning per share:

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

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007
Net profit for the period attributable to shareholders of the Parent Company	4,501,294	1,690,075	9,425,182	4,760,556
Weighted average number of issued and outstanding shares (share)	198,994,080	200,583,750	199,647,766	200,583,750
Earning per share (fils)	22.62	8.43	47.21	23.73

Earning per share for the current period has been calculated and the Earning per share for the comparative period have been recalculated taking into consideration the issued bonus shares that have been approved on distributing it from the shareholders in the general assembly (Note 19).

Diluted earnings per share:

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007
Net profit for the period	4,501,294	1,690,075	9,425,182	4,760,556
Weighted average number of issued outstanding shares taking into consideration the shares that may be issued according to employees stock option plan (share)	286,471,941	287,042,895	287,125,627	287,042,895
Diluted earning per share (fils)	15.71	5.89	32.83	16.58

Diluted earning per share for the current period have been calculated and the diluted earnings per share for the comparative period have been recalculated taking into consideration the shares that will be issued according to the approval of the General Assembly of the shareholders on increasing of the share capital (note 12).

17. Related parties' transactions

Related parties are representing in the Group's shareholders who have representation in the board of directors, members of the board of directors, senior management, associates, and subsidiaries. In the normal course of business, subject to the Group's management approval, there were transactions with related parties during the period ended 30 June 2008. The related parties significant transactions and outstanding balances were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007
Transactions				
Murabaha Income	59,836	-	140,972	47,091
Senior and executive management remunerations	31,500	123,367	119,985	270,787

	30 June 2008	31 December 2007	30 June 2007
Balances			
Investment at fair value through profit or loss	1,827,201	1,218,134	-
Other debit balances	201,279	16,142,685	5,836,360
Payables and other credit balances	10,323,877	9,871,500	71,886
Investments in Murabaha	3,367,213	3,668,075	4,828,548

The Group manages portfolios on behalf of related parties. The net assets of those portfolios amounted to KD 44,124,344 as of 30 June 2008 (KD 29,784,945 as of 31 December 2007 and KD 44,747,947 as of 30 June 2007) which is recognized off consolidated balance sheet items.

All related parties transactions are subject to the approval of the General Assembly of the shareholders.

18. Segment distribution

The Group carries out the majority of its activities in the State of Kuwait through three major segments:

- Financing segment: represented in financing consumers and companies with all of their miscellaneous needs according to contracts complying with Noble Islamic Share'a principles.
- Real estate segment: represents in selling lands and properties for trading or after development in cash or under Istisna'a contracts.
- Investment segment: represents in management of real estate portfolios and investment funds on behalf of third parties and management of the Group's investments.

Analysis of the financial information according to segments for the six months period ended 30 June is as follows:

	Finance		Real Estate		Investment		Unallocated items		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Segment revenues	-	296,163	-	2,481,202	15,232,000	5,854,618	886,072	15,735	16,118,672	8,647,718
Segment expenses	(121,146)	(457,972)	-	-	(3,230,804)	(2,261,799)	(2,451,862)	(1,167,391)	(5,803,812)	(3,887,162)
Segment results	(121,146)	(161,809)	-	2,481,202	12,001,196	3,592,819	1,565,790	(1,151,656)	(10,314,260)	4,760,556
Segment assets	214,939	4,660,346	70,156,055	24,787,814	107,184,810	51,685,178	33,482,277	30,820,561	211,038,081	111,953,899
Segment liabilities	-	76,219,899	24,300,379	3,328,253	116,990,932	4,942,418	475,881	473,909	141,767,131	84,964,479

19. Dividends

The General Assembly meeting held on 13 May 2008 has approved the financial statements for the year ended 31 December 2007, and cash dividends of 40% for the year ended 31 December 2007 (20% - 2006), and dividends of bonus shares with percentage of 15% from the paid up capital of 15 share for each 100 share for the year ended 31 December 2007 (15% - 2006).

20. Cost of employees' stock option plan

20.1 A full subscription for the 1,500,000 shares as per the employees' stock option plan approved from the General Assembly meeting of the Parent Company dated 29 April 2007.

20.2 In accordance with the resolution of the General Assembly of the Parent Company Shareholders held on 13 May 2008, approved the increase of the Parent Company's share capital by an amount of KD 150,000 by issuing 1,500,000 shares for the employees of the Parent Company under the proposed employees' stock option plan, currently, the determination and completeness of program implantation conditions, in terms of the methods of shares issuance, the program duration, and the allocation conditions of the employees' who has the privilege to use the program.

21. Off balance sheet items

The Group manages portfolios on behalf of others, which are not included in the balance sheet of the Group. The net assets of these portfolios amounted to KD 58,562,000 as of 30 June 2008 (KD 55,973,000 as of 31 December 2007 and KD 44,747,947 as of 30 June 2007).

22. Comparative figures

Certain comparative figures have been reclassified to conform to the current presentation of the interim condensed consolidated financial information as of 30 June 2008.