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

Interim Condensed Consolidated Financial Information
For the three months ended 31 March 2010
With Review Report
(Unaudited)

Deloitte.

Al-ATEEQI
CERTIFIED
ACCOUNTANTS

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

Interim Condensed Consolidated Financial Information
For the three months ended 31 March 2010
With Review Report
(Unaudited)

Contents

	Pages
Review report	1 - 2
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	3
Interim Condensed Consolidated Statement of Income (Unaudited)	4
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	5
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	6
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	7
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	8 - 14

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Al Madina for Finance and Investment Company 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 financial position of Al Madina for Finance and Investment Company– (K.S.C.C.) "Parent Company" and its subsidiaries ("the Group") as of 31 March 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three 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).

Other Matter

Without qualifying our conclusion, we draw attention to Note 5.2 to the interim condensed consolidated financial information regarding an advance payment for a real estate project under progress. The Group is currently negotiating with the concerned parties the available alternatives to recover this advance or to restructure the terms of the project. The outcome of such negotiation cannot be currently determined.

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State of Kuwait

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

Report on Review of Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent 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 Parent Company have occurred during the three months period ended 31 March 2010 that might have had a material effect on the business of the Group or on its consolidated 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 three months period ended 31 March 2010, except what has been disclosed in (Note 9.3) to the interim condensed consolidated financial information.

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Kuwait

18 May 2010

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

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2010
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	31 March 2010	31 December 2009 (Audited)	31 March 2009
Assets				
Cash and cash equivalent		1,380,341	733,804	757,733
Murabaha and Mudaraba investments	3	10,799,510	10,799,510	24,941,021
Investments at fair value through profit or loss	4	13,753,938	13,946,564	12,241,694
Receivables and other debit balances	5	27,381,822	28,432,460	29,132,803
Investments in associates	6	52,323,884	52,770,521	58,547,914
Lands and Real Estates under development	7	8,632,971	8,301,717	9,095,253
Investments properties	8	43,118,288	43,106,769	50,203,141
Intangible assets		-	-	840,469
Property and equipment		5,867,634	5,455,521	6,369,573
Total assets		163,258,388	163,546,866	192,129,601
Liabilities and equity				
Liabilities				
Payables and other credit balances		13,703,957	13,491,079	22,495,466
Murabaha and Wakala payables	9	63,153,950	62,609,682	75,311,011
Employees' end of service indemnity		259,065	246,057	203,419
Total Liabilities		77,116,972	76,346,818	98,009,896
Equity				
Equity attributable to shareholders of the Parent Company				
Share capital		37,780,875	37,780,875	37,780,875
Share premium		30,936,375	30,936,375	30,936,375
Statutory reserve		3,507,676	3,507,676	3,507,676
Voluntary reserve		3,409,102	3,409,102	3,409,102
Treasury Shares	10	(5,010,415)	(5,007,330)	(5,077,087)
Other reserves	11	1,305,069	1,996,787	(1,069,850)
(Accumulated losses) / retained earnings		(5,051,624)	(4,874,749)	4,581,970
Total equity attributable to shareholders of the Parent Company		66,877,058	67,748,736	74,069,061
Non-controlling interest		19,264,358	19,451,312	20,050,644
Total equity		86,141,416	87,200,048	94,119,705
Total liabilities and Equity		163,258,388	163,546,866	192,129,601

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

Khalid Yacoub Al Mutawa
Chairman & Managing Director

Sheikh\ Hmoud Shamlan Alsubah
Vice chairman

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

Interim Condensed Consolidated Statement of Income For the three months ended 31 March 2010
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2010	**2009**
Revenues			
Gain / (loss) from investments	12	89,337	(336,699)
Group's share of associates' results		239,676	(665,702)
Loss from trading on associate shares		(7,447)	(256,189)
Gain from disposal of subsidiaries' shares		-	57,146
Investment properties income	13	2,825	4,434,386
Gross profit from oilfield service and others		379,042	181,379
Other income		136,096	129,665
Loss from currency exchange		(39,193)	(1,339,096)
		800,336	2,204,890
Expenses and other charges			
Finance charges		(650,317)	(1,259,381)
General and administrative expenses		(518,074)	(482,703)
Provision for doubtful debts		-	(237,399)
		(1,168,391)	(1,979,483)
Net (loss) / profit for the period		(368,055)	225,407
Attributable to:			
Shareholders of the Parent Company		(181,101)	(1,633,708)
Non-controlling interest		(186,954)	1,859,115
Net (loss) / profit for the period		(368,055)	225,407
Loss basic per share (fils)	14	(0.51)	(4.58)

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

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

Interim Condensed Consolidated Statement of Comprehensive Income For the three months ended 31 March 2010
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2010	**2009**
Net (loss) / profit for the period	(368,055)	225,407
Group's share of associate's reserves	(696,932)	(13,914)
Group's share from the gain resulted from sale of the associate treasury share	4,226	
Foreign translation reserve	5,214	119,011
Other comprehensive (loss) / income	(687,492)	105,097
Total other comprehensive (loss) / income for the period	(1,055,547)	330,504
Attributable to:		
Shareholders of the Parent Company	(868,593)	(1,528,611)
Non-controlling interest	(186,954)	1,859,115
	(1,055,547)	330,504

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

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

Interim Condensed Consolidated Statement of Changes in Equity For the three months ended 31 March 2010
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company								Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Other reserves (Note 11)	Retained earnings / (accumulated losses)	Total equity for shareholders of the Parent Company		
Balance as of 1 January 2009	37,780,875	30,936,375	3,507,676	3,409,102	(5,077,087)	(1,174,947)	8,314,232	77,696,226	18,203,493	95,899,719
Effect of reclassification of investments in associate	-	-	-	-	-	-	(2,098,554)	(2,098,554)	-	(2,098,554)
	37,780,875	30,936,375	3,507,676	3,409,102	(5,077,087)	(1,174,947)	6,215,678	75,597,672	18,203,493	93,801,165
Total comprehensive (losses) / income for the period	-	-	-	-	-	105,097	(1,633,708)	(1,528,611)	1,859,115	330,504
Increase of subsidiary's capital	-	-	-	-	-	-	-	-	(11,964)	(11,964)
Balance as of 31 March 2009	37,780,875	30,936,375	3,507,676	3,409,102	(5,077,087)	(1,069,850)	4,581,970	74,069,061	20,050,644	94,119,705
Balance as of 1 January 2010	37,780,875	30,936,375	3,507,676	3,409,102	(5,007,330)	1,996,787	(4,874,749)	67,748,736	19,451,312	87,200,048
Total comprehensive (loss) / income for the period	-	-	-	-	-	(691,718)	(176,875)	(868,593)	(186,954)	(1,055,547)
Purchase of treasury shares	-	-	-	-	(3,085)	-	-	(3,085)	-	(3,085)
Balance as of 31 March 2010	37,780,875	30,936,375	3,507,676	3,409,102	(5,010,415)	1,305,069	(5,051,624)	66,877,058	19,264,358	86,141,416

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

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

Interim Condensed Consolidated Statement of Cash Flows For the three months ended 31 March 2010
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2010	**2009**
Cash flows from operating activities		
Net (loss) / profit for the period	(368,055)	225,407
Adjustments:		
Gains / (losses) from investments	(89,337)	336,699
Group's share of associates' results	(239,676)	665,702
Losses / (gains) from investments properties	9,975	(4,434,386)
Finance cost	650,317	1,259,381
Losses from trading shares in associates	7,447	256,189
Gain from disposal of associates	-	(57,146)
Provision for doubtful debts	-	237,399
Depreciation and amortization	112,531	45,419
Employees' end of service's indemnity	13,008	31,434
Operating (gains) / losses before changing in the working capital	96,210	(1,433,902)
Investments at fair value through profit or loss	281,963	44,002
Finance lease receivables	-	48,140
Other debit balances	1,050,638	388,068
Payables and other credit balances	218,092	835,135
Net cash generated from / (used in) operating activities	1,646,903	(118,557)
Cash flows from investing activities		
Murabaha investment	-	13,801
Paid for purchase of investments in associates	(4,510,011)	(310,607)
Proceeds from sale of investments in associates	4,496,171	325,260
Paid for lands under development	(331,254)	(342,321)
Paid for purchase of investment properties	(21,494)	(30,577)
Paid for purchase of property and equipment	(524,644)	(567,269)
Net cash used in investing activities	(891,232)	(911,713)
Cash flows from financing activities		
Murabaha and Wakala payables	789,994	(1,125,680)
Paid from finance cost	(896,043)	1,847,225
Purchase of treasury shares	(3,085)	-
Change in non-controlling interest	-	(11,964)
Net cash (used in) / generated from financing activities	(109,134)	709,581
Net increase / (decrease) in cash and cash equivalent	646,537	(320,689)
Cash and cash equivalent at the beginning of the period	733,804	1,078,422
Cash and cash equivalent at the end of the period	1,380,341	757,733

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

Notes to the Interim Condensed Consolidated Financial Information For the three months ended 31 March 2010 (Unaudited)
(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation of the Group

Al Madina for Finance and Investment Company is a Closed Kuwaiti Shareholding Company ("The Parent Company") established in Kuwait in 1980, and is 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 head office is domiciled at Ahmed Al-Jaber Street, Sharq, Kuwait.

The consolidated financial information include subsidiaries controlled by the parent company (Together referred to "the Group"). The principle activities of the Group are represented in all investment's activities, finance and management of movable and unmovable funds and rights. Also trading, leasing and selling of lands and real estate to customers. The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

This interim condensed consolidated financial information includes the financial information of the Parent Company and the following subsidiaries:

Company Name	Legal form	Country of incorporation	Ownership 31 March	
			2010	2009
Al Madina Real Estate Development Company	K.S.C.C.	Kuwait	85.63%	90%
Rehab Al Madina Real Estate Company	B.S.C.C	Bahrain	85.63%	100%
Develop for general trading and constructing Co.	W.L.L.	Kuwait	85.63%	50.68
Al Madina Educational Company	K.S.C.C.	Kuwait	100%	100%
Al Sary National Holding Company	K.S.C.C.	Kuwait	100%	100%
Real Capital Company	W.L.L.	Kuwait	100%	100%
Stone for energy Company	K.S.C.C.	Kuwait	100%	100%
Stone for Drilling Services Company	E.S.C.	Egypt	100%	100%
Sarh Al Madina Real Estate Company	K.S.C.C.	Kuwait	50.68%	50.68%
Tri Building A Company	W.L.L.	Cayman islands	50.68%	50.68%
Tri Building B Company	W.L.L.	Cayman islands	50.68%	90%
Tri Building D Company	W.L.L.	Cayman islands	50.68%	90%
Tri Building E Company	W.L.L.	Cayman islands	50.68%	90%

For the consolidation purposes, the financial information of the subsidiaries have been used in the consolidation financial information, prepared by the management of those subsidiaries. The total assets of such subsidiaries amounting to KD 90,761,784 as of 31 March 2010 (KD 90,879,007 as of 31 December 2009), and their net profits amounting to KD 297,701 for the period ended 31 March 2010 (profit of KD 1,994,941 for the period ended 31 March 2009).

The General Assembly meeting had not been held for the year ended 31 December 2009, so the financial statements for the year ended 31 December 2009 has not been approved yet.

The interim condensed consolidated financial information was authorized for issuance by the Board of Directors meeting held on 18 May 2010.

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.

The impairment provision for Murabaha and Wakala receivables is determined in accordance with specific provision requirements of central bank of Kuwait, the Central Bank of Kuwait require making general provision on all Murabaha and Wakala receivables which have not been provided with specific provision net of the collaterals subject to the Central Bank of Kuwait instructions.

In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been include, in the condensed consolidation financial information.

The operating results for the Three months period ended 31 March 2010 are not necessarily indicative of the results that may be expected for the year ending 31 December 2010. For further information, refer to the consolidated financial statements for the year ended 31 December 2009 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 for the year ended 31 December 2009 in accordance with the International Financial Reporting Standards as adopted in the State of Kuwait, except of the following:

Following is the most significant changes in the accounting policies on the Group:

- -The acquisition-related cost is charged to the statement of income in the periods in which the costs are incurred.
- Changes in the interest of a subsidiary that will not result in loss of control are treated as group's equity transactions and they are accounted in equity.
- The interest held before obtaining control is re-measured at fair value at the date of obtaining control and the resulting gain or loss are charged to the statement of income.

There is no significant impact on the condensed consolidated financial information from these changes.

3. Investments in Murabahat and Mudarabat

	31 March 2010	31 December 2009 (Audited)	31 March 2009
Murabaha	491,500	491,500	4,604,333
Mudaraba	11,019,252	11,019,252	21,000,401
	11,510,752	11,510,752	25,604,734
Impairment in value provision	(711,242)	(711,242)	(663,713)
	10,799,510	10,799,510	24,941,021

3.1 This balance represents the amounts invested in Murabaha and Mudarabat agreements in Kuwaiti Dinars. The average effective rate of return is 8% as of 31 March 2010 (8% as of 31 December 2009 and 6.75%as at 31 March 2009).Mudaraba will mature on 30 June 2010.

3.2 This item includes an amount of KD 10,799,510 granted to related party as of 31 March 2010 (KD 10,799,510 as of 31 December 2009 and KD 24,476,986 as at 31 March 2009) secured by quoted investments at portfolio managed by the Group for those parties. The fair value of those securities amounted to KD 19,842,563 as of 31 March 2010 (KD 11,382,338 as of 31 December 2009) and against credit balance for the same party amounted to KD 1,182,240 as of 31 March 2010 (KD 1,007,354 as of 31 December 2009) and also secured by shares with nominal value of KD 2,657,200 presented from the same party to one of the local banks against one of the Parent Company's Murabaha payables.

4. Investments at fair value through profit or loss

	31 March 2010	31 December 2009 (Audited)	31 March 2009
Held for trading investments	2,232,172	2,493,109	615,695
Investments designated at fair value through profit or loss	11,521,766	11,453,455	11,625,999
	13,753,938	13,946,564	12,241,694
Investments in local shares – quoted	2,232,172	2,493,109	615,695
Investments in local shares – unquoted	4,533,228	4,546,463	7,690,585
Investments in foreign shares – unquoted	3,556,567	3,556,567	489,172
Investments in local funds – unquoted	2,061,740	1,980,194	1,915,126
Investments in foreign funds – unquoted	1,370,231	1,370,231	1,531,116
	13,753,938	13,946,564	12,241,694

- Investments in local and foreign unquoted shares are evaluated according to valuation methods based on the available information of the Financial Position, result of operation of investee companies and the expected future profits for these companies as of 31 December 2009.
- The fair value of the investments in unquoted funds is based on the net assets value as of 31 March 2010.
- Investments in quoted local shares include investments in Estrategia Investment Company (K.S.C) amounting to KD 1,792.869 as of 31 March 2010 (KS 2,004,929 as of 31 December 2009, Nil as of 31March 2009), there is a credit balance due against purchase of these investments of KD 3,977,707. Investments of KD 2,863,908 as of 31 March 2010 (KD 3,123,393 as of 31 December 2009) have been pledged against the credit balance due for purchase of investments. There is legal suit against the seller to revoke the purchase agreement and refund the amount paid as well as release of guarantees.

5. Receivable and other debit balances

	31March 2010	31 December 2009 (Audited)	31 March 2009
Receivables on sale of properties	4,618,263	5,426,532	8,115,150
Advance payments for purchase of real estates	14,933,680	14,933,680	17,598,862
Due from related parties	5,279,064	5,072,187	864,408
Rig lease receivables	709,587	1,256,715	455,195
Cash blocked against letters of guarantee	1,122,100	933,340	1,057,214
Commissions and accrued gain dividends	273,621	242,222	364,941
Prepaid expenses	32,414	32,757	44,302
Staff receivables	42,856	37,223	114,522
Other debit balances	370,237	497,804	518,209
	27,381,822	28,432,460	29,132,803

5.1 Receivables on sale of properties and an amount of KD 2,447,959 due from related party represent the balance due from selling of developed properties. The transfer of the ownership of these properties to the buyers takes place upon settlement the full amount due.

5.2 In July 2008, based on purchase agreement and promise for resale assigned with a third party, the Group acquired four companies established in Cayman Island engaged in a real estate development project in Reem Island-Abu Dhabi with an estimated development cost of KD 202,079,069 (equivalent to AED 2,582,480,000). The Group paid an amount of KD 14,933,680 (equivalent to AED 204,624,000) as advance payment for purchase of real estates. The Group is unable to resell the companies and is currently negotiating with the third party and the developer either to recover the advance payments or restructure the terms of the project in order to receive properties from the developer to the extent of the amount paid and rescheduling any other capital commitments may arise from this agreement.

6. Investments in associates

This following is Group's share in associates:

	Ownership %	31March 2010	Ownership %	31 December 2009	Ownership %	31March 2009
Ekttitab Holding Co. K.S.C.C.	22.53	6,680,072	22.53	7,328,172	23.73	10,300,318
Estrategia Investment Co.	-	-	-	-	22.03	2,087,239
Hits telecom Co.	40.61	42,490,186	40.61	42,549,334	43.36	46,160,357
Amlak Capital Holding Co.	35.24	3,153,626	35.24	2,893,015	-	-
		52,323,884		52,770,521		58,547,914

6.1 The Group has recorded its shares of associates' result based on the latest audited financial statements of these associates as of 31 December 2009.

6.2 The investments of in Ektitab Holding Company includes deferred revenue amounted to KD 194,963 as of 31 March 2010 (KD 194,963 as of 31 December 2009, KD 194,963 as of 31 March 2009).

6.3 Hits Telecom investments includes a goodwill of KD 5,605,920 as of 31 March 2010 (KD 5, 605,920 as of 31 December 2009, KD 7,196,796 as of 31 March 2009), and deferred revenues of KD 4,401,836 as of 31 March 2010 (KD 4,401,836 as of 31 December 2009, 4,822,600 as of 31 March 2009).

7. Land and real estate under development

Lands and real estate under development as of 31 March 2010 includes lands carried at KD 1,997,479 as of 31 March 2010 (KD 1,997,497 as of 31 December 2009, KD 4,392,169 as of 31 March 2009) in the Kingdom of Saudi Arabia under primary sharing contracts. The Group has filed a legal case to collect the amount paid along with compensation, as the seller refuse to transfer the lands' ownership. As per settlement agreement, the Group obtained a property with an amount of KD 151,763 (equivalent to SR 2,000,000) accordingly the Group has also obtained an amount of KD 37,940 (equivalent to SR 500,000). Currently, the necessary procedures are on going to collect the amounts paid from the Group.

8. Investment properties

8.1 The Group signed a contract to purchase a plot of land of UAE 160,098,220 (equivalent to KD 12,193,515) against purchase of investments properties receivables of UAE 25,696,938 (equivalent to KD 2,010,628)

8.2 Investments properties include a property recorded in the name of the Company. The book value of this property is KD 3,060,000 as of 31 March 2010. The Group acquired this property based on a purchase contract which was partially cancelled accordingly a final settlement of the purchase amount was not agreed upon. The fair value of the property was determined by an external valuer after deducting the installments was recorded as payable. Currently, there is formal warrant for the Group to recover the advance paid and also there is formal warrant from the seller party to force the Group to purchase the property according to the purchase contract with an amount of KD 5,878,750.

9. Murabaha and Wakala payables

9.1 The balance of Murabaha and Wakala investments represent contracts due in average period from three months to five years. The average effective yield rate ranged from 4% to 7.5% as of 31 March 2010 (from 4% to 7.5% as of 31 December 2009 from 7 to 9.7%of 31 March 2009).

9.2 Murabaha and Wakala payable are guarantee against pledging the following assets:

	31 March 2010	31 December 2009 (Audited)	31 March 2009
Investments in associates	32,051,448	31,740,856	34,167,792
Investments at fair value through profit or loss	2,500,649	1,160,199	1,282,184
Land and real estate under development	4,151,928	3,874,416	4,703,085
Investments property	4,346,147	4,334,628	1,209,171
	43,050,172	41,110,099	41,362,232

9.3 Murabaha and Wakala payables include KD 2,580,795 as of 31 March 2010 (KD 2,522,653 as of 31 December 2009) which represents Murabaha granted from investment funds. The Parent Company is currently in the process of paying some of amounts in their due dates and replacing them with finance from financial institutions.

9.4 Certain Wakala payables matured of KD 12,127,738 as of 31 March 2010, (KD 12,069,598 as of 31 December 2009) this Wakala was not renewed, or paid. There is a legal dispute with same parties regarding the amounts which must be paid out of Wakala payable with principal amount of KD 11,029,108. The liabilities were fully recorded till our date to face any result of the legal dispute.

10. Treasury shares

	31 March 2010	31 December 2009 (Audited)	31 March 2009
Number of shares (share)	22,500,000	22,460,000	21,220,000
Shareholding percentage (%)	5.95	5.94	5.62
Market value	1,440,000	1,662,040	1,782,480

11. Other reserves

	Employees stock option plan	Groups shares in associates reserve	Foreign currency translation reserve	Total
Balance as of 1 January 2009	490,500	(1,733,733)	68,286	(1,174,947)
Total comprehensive income for the period	-	(13,914)	119,011	105,097
Balance as of 31 March 2009	490,500	(1,747,647)	187,297	(1,069,850)
Balance as of 1 January 2010	490,500	888,006	618,281	1,996,787
Total comprehensive income for the period	-	(696,932)	5,214	(691,718)
Balance as of 31 March 2010	490,500	191,074	623,495	1,305,069

12. Gains / (losses) from investments

	Three months ended 31 March	
	2010	2009
Gain / (loss) from sale of investments at fair value through profit or loss	183,513	(216,871)
Change in fair value of investments at fair value through profit or loss	(94,176)	(607,478)
Murabaha income	-	487,650
	89,337	(336,699)

Notes to the Interim Condensed Consolidated Financial Information For the three months ended 31 March 2010 (Unaudited)
(All amounts are in Kuwaiti Dinars unless otherwise stated)

13. Gain from investment properties

	Three months ended 31 March	
	2010	2009
Loss from sale of investment properties	(9,975)	-
Gain from lease of investment properties	12,800	-
Change in fair vale of investment properties	-	4,434,386
	2,825	4,434,386

14. Basic loss per share

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

	Three months ended 31 March	
	2010	2009
Net loss for the period attributable to shareholders of the Parent Company	(181,101)	(1,633,708)
Weighted average number of issued and outstanding shares during the period (share)	355,292,306	356,588,750
Loss per share (fils)	(0.51)	(4.58)

15. 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 31 March The related parties significant transactions and outstanding balances were as follows:

	Three months ended 31 March	
	2010	2009
Transactions		
Murabaha and Mudaraba income	-	485,716
Senior and executive management remunerations	44,375	75,231

	31March 2010	31 December 2009 (Audited)	31March 2009
Financial Position			
Investments in Murabaha and Mudarabat	10,799,510	10,799,510	24,476,986
Receivable and other debit balances	5,279,064	5,072,187	864,408
Payables and other credit balances	3,102,091	2,794,523	3,729,191

The Group manages portfolios on behalf of related parties, the net assets of those portfolios amounted to KD 23,769,467 as of 31 March 2010 (KD 13,610,769 as of 31 December 2009 and KD 855,373 as of 31 march 2009) which is recognized off consolidated balance sheet items.

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

16. Contingent liabilities

Subsequent to the financial information date, an arbitration verdict was issued against the company to pay US $ 10,011,255 together with US $ 300,000 as compensation. In case of executing such verdict the company will acquire assets from this party against the payment.

As per the lawyer's opinion this case is in the preliminary phase and the Group plan to appeal and the outcome can not be determined. Accordingly the company management did not provide any provision against this case.

A cash at bank amounted to KD 42,671 was pledged against this case.

17. Segment distribution

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

- 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 three months period ended 31March is as follows:

	Real Estate		Investment finance		Total	
	2010	2009	2010	2009	2010	2009
Segment revenue	2,825	4,434,386	321,566	(1,201,444)	324,391	3,232,942
Segment results	2,825	4,284,386	(328,750)	(2,460,825)	(325,925)	1,823,561
Segment assets	71,303,202	85,012,406	76,877,333	96,651,139	148,180,535	181,663,545

	2010	2009
Total segment result	(325,925)	1,823,561
Other income	136,095	129,665
Foreign exchange losses	(39,193)	(1,339,096)
Gross profit from oilfield services and others	379,042	181,379
Provision for doubtful debts	-	(237,399)
General administrative expenses	(518,074)	(332,703)
Net profit before deduction	(368,055)	225,407
Total segment assets	148,180,535	181,663,545
Cash and cash equivalent	1,380,341	757,733
Trade and other receivables	7,829,879	3,338,750
Property, plant and equipment	5,867,633	6,369,573
Total assets	163,258,388	192,129,601

18. 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 49,663,849 as of 31 March 2010 (KD 40,360,187 as of 31 December 2009 and KD 30,317,000 as of 31 March 2009).