

Ekttitab Holding Company  
K.S.C. (Holding)  
And its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Financial Information  
For the Period ended 30 September 2009  
With Review Report  
(Unaudited)

**Ekttitab Holding Company  
K.S.C. (Holding)  
(Formerly Kadhma Holding Company K.S.C.Holding)  
And its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
For the Period ended 30 September 2009  
With Review Report  
(Unaudited)**

**C o n t e n t s**

|                                                                               | <b>Pages</b> |
|-------------------------------------------------------------------------------|--------------|
| Review Report                                                                 |              |
| Interim Condensed Consolidated Statement of Financial Position (Unaudited)    | 1            |
| Interim Condensed Consolidated Statement of Income (Unaudited)                | 2            |
| Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)  | 3            |
| Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)     | 4            |
| Interim Condensed Consolidated Statement of Cash Flows (Unaudited)            | 5            |
| Notes to the Interim Condensed Consolidated Financial Information (Unaudited) | 6 - 11       |

**Ektitab Holding Company - K.S.C. - Holding**  
**(Formerly Kadhma Holding Company)**  
**Kuwait**

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

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ektitab Holding Company (formerly Kadhma Holding Company) K.S.C.H. "the Parent Company" and its subsidiaries together referred to "the Group" as at 30 September 2009 and the related interim condensed consolidated statement of income, comprehensive income, statement of changes in equity and statement of cash flows for the Nine month period then ended. The Parent Company management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with IAS (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*

Except what was mentioned in our basis of qualified conclusion, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim condensed consolidated 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.

*Basis of Qualified Conclusion*

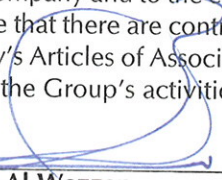
As explained in note (5) to this interim condensed financial information. The Group has reclassified one of its investments from at fair value through profit or loss category to investment in an associate, with presumption that the Group has obtained significant influence because of the reasons mentioned in the note. The Group did not prepare impairment study for this investment as of the date of the financial information as required by International Financial Reporting Standards and related interpretations. Had we been able to complete the review of investment in associates, matters might have come to our attention that would have identified the existence of material adjustments on the interim condensed consolidated financial information.

*Qualified Conclusion*

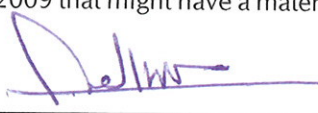
Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. "34" - Interim Financial Reporting.

**Report on Review of Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information agree 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 of Association during the Nine month period ended 30 September 2009 that might have a material effect on the Group's activities or on its financial position.

  
**Bader A. Al Wazzan**  
Licence No. 62A  
PricewaterhouseCoopers

Kuwait, 8 November 2009

  
**Barrk Al-Ateeqi**  
Licence No. 69A  
An Independent Member of  
B.K.R International

Kittitab Holding Company  
K.S.C. (Holding)  
(Formerly Kadhima Holding Company K.S.C.Holding)  
And its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2009  
(Unaudited)  
(All amounts are in Kuwaiti Dinars)

|                                                   | Note | 30 September<br>2009 | 31 December<br>2008<br>(Audited) | 30 September<br>2008 |
|---------------------------------------------------|------|----------------------|----------------------------------|----------------------|
| <b>Assets</b>                                     |      |                      |                                  |                      |
| Cash and cash equivalent                          |      | 4,907,213            | 3,760,897                        | 18,709,237           |
| Investments at fair value through profit and loss | 3    | 16,377,996           | 48,355,471                       | 27,528,265           |
| Available for sale investment                     | 4    | 7,339,380            | 10,653,314                       | 20,871,437           |
| Investment in associates                          | 5    | 21,865,881           | -                                | -                    |
| Murabaha investment                               | 6    | 13,642,709           | 6,568,130                        | 3,360,797            |
| Receivables and other debit balances              |      | 287,098              | 254,990                          | 914,503              |
| Due from related parties                          | 11   | 1,007,149            | 4,519,653                        | 11,206,191           |
| Property and equipment                            |      | 21,925               | 25,440                           | 30,129               |
| <b>Total assets</b>                               |      | <b>65,449,351</b>    | <b>74,137,895</b>                | <b>82,620,559</b>    |
| <b>Liabilities and equity</b>                     |      |                      |                                  |                      |
| <b>Liabilities</b>                                |      |                      |                                  |                      |
| Murabaha payable                                  | 7    | 7,546,383            | 7,337,534                        | 8,323,665            |
| Due to related parties                            | 11   | 3,119,668            | 3,314,991                        | 24,726               |
| Payables and other credit balances                |      | 357,801              | 328,367                          | 1,283,447            |
| Payables from purchase investments                |      | 2,986,172            | 2,946,929                        | -                    |
| <b>Total liabilities</b>                          |      | <b>14,010,024</b>    | <b>13,927,821</b>                | <b>9,631,838</b>     |
| <b>Equity</b>                                     |      |                      |                                  |                      |
| Share capital                                     |      | 51,700,000           | 51,700,000                       | 51,700,000           |
| Treasury shares                                   | 8    | -                    | (2,184)                          | (42,444)             |
| Statutory reserve                                 |      | 1,545,914            | 1,545,914                        | 1,545,914            |
| Voluntary reserve                                 |      | 1,545,914            | 1,545,914                        | 1,545,914            |
| Group's share in associate reserve                |      | 515,946              | -                                | -                    |
| Change in the fair value reserve                  |      | 864,979              | (396,000)                        | (3,680,594)          |
| (Losses)/ retained earnings                       |      | (10,399,522)         | 766,822                          | 16,921,679           |
|                                                   |      | 45,773,231           | 55,160,466                       | 67,990,469           |
| Non-controlling interest                          |      | 5,666,096            | 5,049,608                        | 4,998,252            |
| <b>Total equity</b>                               |      | <b>51,439,327</b>    | <b>60,210,074</b>                | <b>72,988,721</b>    |
| <b>Total liabilities and equity</b>               |      | <b>65,449,351</b>    | <b>74,137,895</b>                | <b>82,620,559</b>    |

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

Dr. Ali Darweesh AlShamali  
Chairman & Managing Director

Mamdouh Al Sherbiny  
Vice Chairman

**Ekttitab Holding Company**  
**K.S.C. (Holding)**  
**(Formerly Kadhma Holding Company K.S.C.Holding)**  
**And its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Income for the Nine months ended 30 September 2009**  
**(Unaudited)**  
*(All amounts are in Kuwaiti Dinars)*

|                                                                        | Note | Three months ended<br>30 September |                  | Nine months ended<br>30 September |                    |
|------------------------------------------------------------------------|------|------------------------------------|------------------|-----------------------------------|--------------------|
|                                                                        |      | 2009                               | 2008             | 2009                              | 2008               |
| <b>Revenues</b>                                                        |      |                                    |                  |                                   |                    |
| Gain/ (loss) from investments at fair value<br>through profit and loss | 9    | 27,032                             | 2,968,437        | (2,264,687)                       | 17,213,944         |
| Gain from available for sale investments                               |      | 265,032                            | -                | 440,086                           | -                  |
| Group's share in associate results                                     |      | (7,365)                            | -                | (89,550)                          | -                  |
| Murabaha income                                                        |      | 306,465                            | 67,565           | 1,082,678                         | 474,607            |
| (Expenses) / other income                                              |      | (49,461)                           | 1,217            | 98,517                            | 1,720              |
|                                                                        |      | <u>541,703</u>                     | <u>3,037,219</u> | <u>(732,956)</u>                  | <u>17,690,271</u>  |
| <b>Expenses and other charges</b>                                      |      |                                    |                  |                                   |                    |
| Impairment of available for sale investments                           | 4    | -                                  | -                | (696,941)                         | -                  |
| Finance cost                                                           |      | (107,051)                          | (205,011)        | (427,137)                         | (581,555)          |
| General and administrative expenses                                    |      | (105,629)                          | (310,465)        | (271,217)                         | (507,834)          |
|                                                                        |      | <u>(212,680)</u>                   | <u>(515,476)</u> | <u>(1,395,295)</u>                | <u>(1,089,389)</u> |
| Net profit / (loss) for the period before<br>deductions                |      | 329,023                            | 2,521,743        | (2,128,251)                       | 16,600,882         |
| Kuwait Foundation for the Advancement of<br>Science (KFAS)             |      | -                                  | (22,730)         | -                                 | (149,424)          |
| National Labor Support Tax                                             |      | -                                  | (63,087)         | -                                 | (393,539)          |
| Zakat expense                                                          |      | -                                  | (25,129)         | -                                 | (157,316)          |
| <b>Net profit/ (loss) for the period</b>                               |      | <u>329,023</u>                     | <u>2,410,797</u> | <u>(2,128,251)</u>                | <u>15,900,603</u>  |
| <b>Attributable to the following:</b>                                  |      |                                    |                  |                                   |                    |
| Parent Company shareholders                                            |      | 284,434                            | 2,412,545        | (2,327,989)                       | 15,902,351         |
| Non-controlling interest                                               |      | 44,589                             | (1,748)          | 199,738                           | (1,748)            |
|                                                                        |      | <u>329,023</u>                     | <u>2,410,797</u> | <u>(2,128,251)</u>                | <u>15,900,603</u>  |
| <b>Earning / (losses) per share (fils)</b>                             | 10   | <u>0.55</u>                        | <u>4.71</u>      | <u>(4.50)</u>                     | <u>30.93</u>       |

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

Ekttitab Holding Company  
K.S.C. (Holding)  
(Formerly Kadhma Holding Company K.S.C.Holding)  
And its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income for the Nine months ended 30 September 2009

(Unaudited)

(All amounts are in Kuwaiti Dinars)

|                                                                                                | Three months ended<br>30 September |              | Nine months ended<br>30 September |             |
|------------------------------------------------------------------------------------------------|------------------------------------|--------------|-----------------------------------|-------------|
|                                                                                                | 2009                               | 2008         | 2009                              | 2008        |
| <b>Revenues</b>                                                                                |                                    |              |                                   |             |
| Net gain/ (loss) for the period                                                                | 329,023                            | 2,410,797    | (2,128,251)                       | 15,900,603  |
| Group's share in associate reserve                                                             | 205,388                            | -            | 515,946                           | -           |
| Change in fair value of available for sale investments                                         | 458,497                            | (13,200,487) | 864,979                           | (3,680,594) |
| Transfer to the statement of income as the result of<br>sale of available for sale investments | -                                  | -            | 396,000                           | -           |
| Other comprehensive income/ (loss) for the period                                              | 663,885                            | (13,200,487) | 1,776,925                         | (3,680,594) |
| Total comprehensive income/ (loss) for the period                                              | 992,908                            | (10,789,690) | (351,326)                         | 12,220,009  |
| Attributable to the following:                                                                 |                                    |              |                                   |             |
| Parent Company shareholders                                                                    | 948,319                            | (10,787,942) | (551,064)                         | 12,221,757  |
| Non-controlling interest                                                                       | 44,589                             | (1,748)      | 199,738                           | (1,748)     |
|                                                                                                | 992,908                            | (10,789,690) | (351,326)                         | 12,220,009  |

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

Ektitab Holding Company  
K.S.C. (Holding)  
(Formerly Kadhma Holding Company K.S.C.Holding)  
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State of Kuwait

Interim Condensed Consolidated Statement of Changes in Equity for the Nine months ended 30 September 2009  
(Unaudited)

(All amounts are in Kuwaiti Dinars)

|                                                                                                                        | Shareholders of the Parent Company |                 |                                   |                   |                   |                                      |                              | Non-controlling interest | Total equity      |                   |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------|-----------------------------------|-------------------|-------------------|--------------------------------------|------------------------------|--------------------------|-------------------|-------------------|
|                                                                                                                        | Share capital                      | Treasury shares | Gain from sale of treasury shares | Statutory reserve | Voluntary reserve | Group's share from associate reserve | Change in fair value reserve |                          |                   | Retained earnings |
| <b>Balance at 1 January 2008</b>                                                                                       | 47,000,000                         | (286,032)       | 32,692                            | 1,545,914         | 1,545,914         | -                                    | -                            | 8,834,369                | 58,672,857        | 58,672,857        |
| Total comprehensive (loss)/ income for the period                                                                      | -                                  | -               | -                                 | -                 | -                 | -                                    | (3,680,594)                  | 15,902,351               | 12,221,757        | (1,748)           |
| Cash dividends (note 12)                                                                                               | -                                  | -               | -                                 | -                 | -                 | -                                    | -                            | (2,343,438)              | (2,343,438)       | -                 |
| Bonus dividends (note 12)                                                                                              | -                                  | -               | -                                 | -                 | -                 | -                                    | -                            | (4,700,000)              | -                 | -                 |
| Purchase of treasury shares                                                                                            | -                                  | (61,985,832)    | -                                 | -                 | -                 | -                                    | -                            | -                        | (61,985,832)      | -                 |
| Sale of treasury shares                                                                                                | 4,700,000                          | 62,229,420      | (32,692)                          | -                 | -                 | -                                    | -                            | (771,603)                | 61,425,125        | 61,425,125        |
| Change in non-controlling interest                                                                                     | -                                  | -               | -                                 | -                 | -                 | -                                    | -                            | -                        | 5,000,000         | 5,000,000         |
| <b>Balance at 30 September 2008</b>                                                                                    | <u>51,700,000</u>                  | <u>(42,444)</u> | <u>-</u>                          | <u>1,545,914</u>  | <u>1,545,914</u>  | <u>-</u>                             | <u>(3,680,594)</u>           | <u>16,921,679</u>        | <u>67,990,469</u> | <u>72,988,721</u> |
| <b>Balance at 1 January 2009</b>                                                                                       | 51,700,000                         | (2,184)         | -                                 | 1,545,914         | 1,545,914         | -                                    | (396,000)                    | 766,822                  | 55,160,466        | 5,049,608         |
| The effect of reclassification investment at fair value through profit and loss to investment in associates (note 5.1) | -                                  | -               | -                                 | -                 | -                 | -                                    | -                            | (8,841,975)              | (8,841,975)       | -                 |
| Total comprehensive income/ (loss) for the period                                                                      | 51,700,000                         | (2,184)         | -                                 | 1,545,914         | 1,545,914         | -                                    | (396,000)                    | (8,075,153)              | 46,318,491        | 5,049,608         |
| Purchase of treasury shares                                                                                            | -                                  | -               | -                                 | -                 | -                 | 515,946                              | 1,260,979                    | (2,327,989)              | (551,064)         | 199,738           |
| Sale of treasury shares                                                                                                | -                                  | (683,974)       | -                                 | -                 | -                 | -                                    | -                            | -                        | (683,974)         | -                 |
| Change in non-controlling interest share                                                                               | -                                  | 686,158         | -                                 | -                 | -                 | -                                    | -                            | 3,620                    | 689,778           | -                 |
| <b>Balance at 30 September 2009</b>                                                                                    | <u>51,700,000</u>                  | <u>-</u>        | <u>-</u>                          | <u>1,545,914</u>  | <u>1,545,914</u>  | <u>515,946</u>                       | <u>864,979</u>               | <u>(10,399,522)</u>      | <u>45,773,231</u> | <u>5,666,096</u>  |

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

**Ekttitab Holding Company**  
**K.S.C. (Holding)**  
**(Formerly Kadhma Holding Company K.S.C.Holding)**  
**And its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Cash Flows for the Nine months ended 30 September 2009**  
**(Unaudited)**  
*(All amounts are Kuwaiti Dinars)*

|                                                                         | <b>For the Nine months ended</b> |                   |
|-------------------------------------------------------------------------|----------------------------------|-------------------|
|                                                                         | <b>30 September</b>              |                   |
|                                                                         | <b>2009</b>                      | <b>2008</b>       |
| <b>Cash flows from operating activities</b>                             |                                  |                   |
| Net (loss)/ profit for the period                                       | (2,128,251)                      | 15,900,603        |
| Adjustments:                                                            |                                  |                   |
| Loss/ (gain) from investments at fair value through profit and loss     | 2,264,687                        | (17,213,944)      |
| Gain from sale available for sale investments                           | (440,086)                        | -                 |
| Group's share in associate results                                      | 89,550                           | -                 |
| Murabaha income                                                         | (1,082,678)                      | (474,607)         |
| Loss from Impairment of available for sale investments                  | 696,941                          | -                 |
| Depreciations                                                           | 3,515                            | -                 |
| Finance Cost                                                            | 427,137                          | 581,555           |
| Operating (loss) before changes in the operating assets and liabilities | (169,185)                        | (1,206,393)       |
| Investments at fair value through profit and loss                       | 1,190,289                        | 12,558,560        |
| Receivables and other debit balances                                    | (32,108)                         | (840,799)         |
| Due from related Party                                                  | (852,311)                        | (3,120,247)       |
| Payables and other credit balances                                      | (1,690,284)                      | (2,517,508)       |
| Due to related parties                                                  | (195,323)                        | (4,467,667)       |
| Net cash (used in) / generated from operating activities                | (1,748,922)                      | 405,946           |
| <b>Cash flows from investing activities</b>                             |                                  |                   |
| Investments in Murabaha                                                 | (1,627,086)                      | 14,100,000        |
| Paid for purchase of available for sale investments                     | (4,409,082)                      | (8,095,791)       |
| Proceed from sale of available for sale investments                     | 8,727,140                        | -                 |
| Paid for purchase of property, plant and equipment                      | -                                | (30,129)          |
| Murabaha income received                                                | -                                | 355,528           |
| Dividend received                                                       | -                                | 1,296,276         |
| Net cash generated from investing activities                            | 2,690,972                        | 7,625,884         |
| <b>Cash flows from financing activities</b>                             |                                  |                   |
| Purchase of treasury shares                                             | (683,974)                        | (61,985,832)      |
| Sale of treasury shares                                                 | 689,778                          | 61,425,125        |
| Non-controlling interest share from increase subsidiary capital         | 416,750                          | 5,000,000         |
| Dividend paid                                                           | -                                | (2,343,438)       |
| Finance charges paid                                                    | (520,947)                        | (387,697)         |
| Net change of Murabaha payables                                         | 302,659                          | 4,651,997         |
| Net cash generated from financing activities                            | 204,266                          | 6,360,155         |
| Change in cash and cash equivalent                                      | 1,146,316                        | 14,391,985        |
| <b>Cash and cash equivalent at the beginning of the period</b>          | <b>3,760,897</b>                 | <b>4,317,252</b>  |
| <b>Cash and cash equivalents at the end of the period</b>               | <b>4,907,213</b>                 | <b>18,709,257</b> |

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

**Ektitab Holding Company**  
**K.S.C. (Holding)**  
**(Formerly Kadhma Holding Company K.S.C.Holding)**  
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**State of Kuwait**

**Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009**  
**(Unaudited)**  
*(All amounts are Kuwaiti Dinars unless otherwise stated)*

**1. Overview**

Ektitab Holding Company (The Parent Company) – K.S.C Holding – is established on 1999. The Parent Company is registered in the Commercial register under No. 105414, and listed on Kuwait Stock Exchange on 19 December 2005.

The Parent Company's office is located at Jassim Al Asfour Building – Kuwait city, P. O. Box 2799 Safat 3028 Kuwait.

On 6 May 2008, The Extraordinary General Assembly approved to change the name of the Company to Ektitab Holding Company – (K.S.C. Holding) and to undertake all of its business activities under the Nobel Islamic Shariaa principles.

The principal activities of the Company are represented in undertaking all the operations related to incorporation of Kuwait and foreign limited liabilities and shareholding companies, acquiring thereof, extending borrowings to these companies and acting as grantor for such companies .

This interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries together referred to as "the Group".

| Company name                  | Legal entity | Ownership %       |                            |                   |
|-------------------------------|--------------|-------------------|----------------------------|-------------------|
|                               |              | 30 September 2009 | 31 December 2008 (Audited) | 30 September 2008 |
| Indian Holding Company        | K.S.C.C.     | 66.67             | 66.67                      | 66.67             |
| Al Madina Markets Holding Co. | K.S.C.C.     | 100               | 100                        | 100               |
| Petro Markets Company         | K.S.C.C.     | 100               | 100                        | 100               |

The financial information of the subsidiaries which have been used in the consolidated financial information as at 30 September 2009 are management accounts prepared by management of these subsidiaries. Their total assets are KD 11,077,861 (KD 8,068,718 as at 31 December 2008, KD 8,131,321 as at 30 September 2008) and their net profit is KD 444,652 for the period ended 30 September 2009 (Net loss KD 18,288 for the period ended 30 September 2008).

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 8 November 2009.

**2. Basis of preparation the interim financial information**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34) "Interim financial reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim financial information. The operation results for the Nine months period ended 30 September 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009. For further information please refer to the financial statements and its related disclosures for the year ended 31 December 2008. The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the latest annual financial statements that were prepared in accordance with International Financial Reporting Standards except for:

Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009  
(Unaudited)  
(All amounts are Kuwaiti Dinars unless otherwise stated)

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2.1 Associates

Associate companies are entities over which the Group has significant influence but not control, generally, accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserve is recognized in equity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized directly in the income statement.

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

*IAS 1 'Presentation of Financial Statements' (Revised):*

This revised standard requires all non-owner changes in equity (i.e. comprehensive income) to be presented separately in a statement of comprehensive income.

*IFRS 8 'Operating Segments':*

The new standard, which replaced IAS 14 'Segment Reporting', requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker (Note 14).

The following Standards and amendments have been issued, but are not yet effective and have not been early adopted by the group:

- IFRS (3) (revised), "Business combinations" and consequential amendments to IAS (27), "Consolidated and separate financial statements", IAS (28), "Investments in associates" and IAS (31), "Interest in joint ventures".

The amendments is effective prospectively to business combinations for which the acquisitions date is on or after the beginning of first annual reporting period beginning on or after 1 July 2009. The Group is assessing the impact of this amendment on the Group.

- IFRIC (17), "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009.
- IFRIC (18), "Transfers of assets from customers", effective for transfers of assets received on or after 1 July 2009.

Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009  
(Unaudited)  
(All amounts are Kuwaiti Dinars unless otherwise stated)

| 3. Investments at fair value through profit and loss                     | 30 September<br>2009 | 31 December<br>2008<br>(Audited) | 30 September<br>2008 |
|--------------------------------------------------------------------------|----------------------|----------------------------------|----------------------|
|                                                                          |                      |                                  |                      |
| Investments held for trading                                             | 6,570,933            | 30,359,121                       | 6,729,185            |
| Investment designated at fair value through profit and loss at inception | 9,807,063            | 17,996,350                       | 20,799,080           |
|                                                                          | <u>16,377,996</u>    | <u>48,355,471</u>                | <u>27,528,265</u>    |
| Investment in local shares – quoted                                      | 2,594,994            | 29,359,823                       | 4,669,147            |
| Investments in local shares – unquoted                                   | 6,101,461            | 9,472,910                        | 8,912,794            |
| Investments in foreign shares – quoted                                   | 3,975,941            | 999,298                          | 2,060,038            |
| Investments in foreign shares – unquoted                                 | 2,299,659            | 7,005,158                        | 9,436,558            |
| Investments in local funds – unquoted                                    | 1,405,941            | 1,518,282                        | 2,449,728            |
|                                                                          | <u>16,377,996</u>    | <u>48,355,471</u>                | <u>27,528,265</u>    |

3.1 The fair value for local unquoted shares was determined based on technical evaluations from independent valuer and based on the latest deal on these investments, loss from change in fair value include loss from evaluation in local unquoted shares amounted to KD 2,467,530 during the nine months ended 30 September 2009.

3.2 Investments in local unquoted shares include investments of KD 386,746 (KD 740,665 as of 31 December 2008 – KD 730,549 as of 30 September 2008) that are registered in the name of related party, who provided an assignment letter of the ownership of these investments in favor of the Group.

3.3 Investments at fair value through profit and loss include investments of KD 3,261,477 as of 30 September 2009 (KD 2,536,102 as of 31 December 2008 – KD 6,522,250 as of 30 September 2008) are pledged against Murabaha payables.

| 4. Available for sale investments | 30 September<br>2009 | 31 December<br>2008<br>(Audited) | 30 September<br>2008 |
|-----------------------------------|----------------------|----------------------------------|----------------------|
|                                   |                      |                                  |                      |
| Local quoted shares               | 1,473,496            | 2,412,686                        | 8,365,937            |
| Foreign quoted shares             | 5,865,884            | 8,240,628                        | 12,505,500           |
|                                   | <u>7,339,380</u>     | <u>10,653,314</u>                | <u>20,871,437</u>    |

The Group recorded impairment from available for sale investments amounted to KD 696,941 recorded in the interim condensed consolidated statement of income for the six months ended in 30 September 2009. During the three months ended 30 September 2009, the unrecognized profits for the same investments amounted to KD 814,169 recorded in the reserve of change in fair value.

**Ektitab Holding Company**  
**K.S.C. (Holding)**  
**(Formerly Kadhma Holding Company K.S.C.Holding)**  
**And its subsidiaries**  
**State of Kuwait**

**Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009**  
**(Unaudited)**  
*(All amounts are Kuwaiti Dinars unless otherwise stated)*

**5. Investment in associates**

5.1 During the period ended 30 September 2009, the group increase it's share in Hits Telecom Company from 13.64% to 15.66% by acquiring additional shares against payables from purchase investments amounted to KD 1,759,229. The Group has a board member representative in this company's who is the vice chairman, also the Group has additional representation through assignment from one of the members by a contractual agreement, accordingly the Group has two representative over five members, during the current period the group started to exercise significant influence on the company's financial and operational. Accordingly, the investment has been reclassified from investment at fair value through profit or loss to investment in associate, which result decrease in the retained earnings at 1 January 2009 amounted to KD 8,841,975 and a goodwill was determined by KD 5,671,923 which is included in investment in associates.

5.2 During the period, the associate has traded its shares, which resulted increasing the percentage of ownership in the associate to be 16.05%, a profit amounted to KD 296,166 was recorded in the share from associate reserve.

During the period, the Group recorded its share from the associate result with an amount of KD 89,550 (losses), and its shares from the associate reserve with an amount of KD 219,780.

5.3 The Group management believes that there in no indication of impairment in the value of its investment in this associate.

**6. Murabaha investments**

6.1 This balance represents the amounts received by the related party according to Murabaha contracts. This Murabaha are guaranteed by portfolios in quoted shares managed by another related party, also against credit balance due to this related party by an amount of KD 1,650,898 the guarantee fair value amount is KD 8,406,654 as of 30 September 2009 (KD 3,195,795 as of 31 December 2008).

6.2 The average effective rate of return is 8.75% as of 30 September 2009 (8.75% as of 31 December 2008, 8.529% as of 30 September 2008).

**7. Murabaha payables**

These Murabaha carry in a fixed finance cost rate. The average effective cost rate is 7.94% as of 30 September 2009 (8.53% as of 31 December 2008, 8.529% as of 30 September 2008).

**8. Treasury Shares**

|                                           | 30 September<br>2009 | 31 December<br>2008<br>(Audited) | 30 September<br>2008 |
|-------------------------------------------|----------------------|----------------------------------|----------------------|
| Number of treasury shares (share)         | -                    | 14,750                           | 294,750              |
| Percentage to the total share capital (%) | -                    | 0.03                             | 0.06                 |
| Market value (KD)                         | -                    | 649                              | 42,444               |

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Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009  
(Unaudited)  
(All amounts are Kuwaiti Dinars unless otherwise stated)

9. Gain / (loss) from investments at fair value through profit and loss

|                      | Three months ended<br>30 September |                  | Nine months ended<br>30 September |                   |
|----------------------|------------------------------------|------------------|-----------------------------------|-------------------|
|                      | 2009                               | 2008             | 2009                              | 2008              |
| Gain from sale       | 288,435                            | 156,588          | 802,659                           | 6,729,017         |
| Change in fair value | (263,340)                          | 2,811,849        | (3,073,308)                       | 9,188,651         |
| Dividends income     | 1,937                              | -                | 5,962                             | 1,296,276         |
|                      | <u>27,032</u>                      | <u>2,968,437</u> | <u>(2,264,687)</u>                | <u>17,213,944</u> |

10. (Loss) / earning per share

Earning/ (loss) per share is calculated by dividing net profit/ (loss) for the period by the weighted average number of outstanding shares during the period as follows:

|                                                                         | Three months ended<br>30 September |                    | Nine months ended<br>30 September |                    |
|-------------------------------------------------------------------------|------------------------------------|--------------------|-----------------------------------|--------------------|
|                                                                         | 2009                               | 2008               | 2009                              | 2008               |
| Net / (loss) profit for the period (KD)                                 | 284,434                            | 2,412,545          | (2,327,989)                       | 15,902,351         |
| Weighted average number of outstanding shares during the period (share) | <u>517,000,000</u>                 | <u>513,612,011</u> | <u>516,914,868</u>                | <u>514,179,710</u> |
| (Loss) / earning per share (fils)                                       | <u>0.55</u>                        | <u>4.71</u>        | <u>(4.50)</u>                     | <u>30.93</u>       |

11. Related Parties' Transactions

Related parties are the Company's shareholders who have representation in the board of directors, members of the board of directors, senior management, and also board members of associates. In the normal course of business, subject to the Company's management approval, there were transactions with related parties, the existing major shareholder, its subsidiaries and associates and also with previous shareholder during the period ended 30 September 2009. The related parties significant transactions and outstanding balances were as follows:

| Transactions                                                 | Nine months ended<br>30 September |                              |
|--------------------------------------------------------------|-----------------------------------|------------------------------|
|                                                              | 2009                              | 2008                         |
| Murabaha income                                              | 1,082,678                         | 181,273                      |
| Purchase of investments at fair value through profit or loss | -                                 | 4,770,750                    |
| Sale of investments at fair value through profit or loss     | 19,373                            | 5,612,864                    |
|                                                              | <u>30 September<br/>2009</u>      | <u>31 December<br/>2008</u>  |
| Balances                                                     |                                   | <u>30 September<br/>2008</u> |
| Investments in Murabaha                                      | 13,642,704                        | 6,568,130                    |
| Due from related parties                                     | 1,007,149                         | 4,519,653                    |
| Due to related parties                                       | 319,668                           | 3,314,991                    |
|                                                              |                                   | 24,726                       |

During the period the Group signed an agreement approved from all parties in order to settle amount due from and due to related parties.

12. Dividends

On 25 May 2009, the shareholders General Assembly Meeting approved the financial statements for the year ended 31 December 2008 and approved not to distribute dividends for the year 2008 (Cash dividends of 5 fils – 10% bonus share for the year 2007).

Notes to Interim Condensed Consolidated Financial Information for the Nine months ended 30 September 2009  
(Unaudited)

(All amounts are Kuwaiti Dinars unless otherwise stated)

13. Employees' stock option plan

The extra ordinary General Assembly held on 25 May 2009 approved to decrease of the Company's authorized share capital from 521,700,000 shares to 517,000,000 share by cancelling 4,700,000 which represent the unsubscribed shares issued in terms of the proposed employees' stock option plan (ESOP) as per the General Assembly resolution dated 1 May 2009, in addition, it approved increasing the authorized share capital to 526,400,000 by issuing 9,400,000 shares for the Parent Company's employees as stock option plan (ESOP) with price of 100 fils each.

Currently, the determination of program conditions, terms of the methods of shares issuance, the program duration, and the allocation of shares between the employees is under process.

14. Segment distribution

The Group carries out only in investment segment which represents in owed investment through profit and loss, investment available for sale and investment in associate.

A financial analysis of activities for the three months ended 30 September 2009:

|                             | Investment activities |           |           |           | Total<br>segment | Other     | Total       |
|-----------------------------|-----------------------|-----------|-----------|-----------|------------------|-----------|-------------|
|                             | Kuwait                | UAE       | Egypt     | Other     |                  |           |             |
| Revenues                    | (1,907,713)           | 98,630    | 867,799   | 208,329   | (732,965)        | -         | (732,956)   |
| Net profit before deduction | (2,047,552)           | 98,630    | 170,858   | (78,970)  | (1,857,034)      | (271,217) | (2,128,251) |
| Assets                      | 53,307,841            | 3,388,847 | 6,453,004 | 2,299,659 | 65,449,351       | -         | 65,449,351  |

A financial analysis of activities for the three months ended 31 March 2008:

|                             | Investment activities |           |            |           | Total<br>segment | Other     | Total      |
|-----------------------------|-----------------------|-----------|------------|-----------|------------------|-----------|------------|
|                             | Kuwait                | UAE       | Egypt      | Other     |                  |           |            |
| Revenues                    | 8,361,181             | 1,154,719 | 6,876,375  | 1,297,996 | 17,690,271       | -         | 17,690,271 |
| Net profit before deduction | 7,818,593             | 1,115,752 | 6,876,375  | 1,297,996 | 17,108,716       | (507,834) | 16,600,882 |
| Assets                      | 51,425,575            | 2,311,961 | 26,479,523 | 2,403,500 | 82,620,559       | -         | 82,620,559 |