LDD 08-05-'11 09:36

GLOBAL INVESTMENT HOUSE K.S.C. (CLOSED) AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 MARCH 2011

Grant Thornton
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GLOBAL INVESTMENT HOUSE K.S.C (CLOSED)

Report on the Interim Condensed Consolidated Financial Information

We have reviewed the accompanying interim condensed consolidated statement of financial position of Global Investment House K.S.C. (Closed) (the "Parent Company") and its subsidiaries (the "Group") as at 31 March 2011 and the related interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of matter

Without qualifying our conclusion above, we draw attention to Note 12 of the accompanying interim condensed consolidated financial information in connection with the non-release of non-interest bearing deposit of KD 69.4 million (31 December 2010: KD 70.3 million and 31 March 2010: KD 72.3 million).

Grant Thornton

ERNST & YOUNG

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GLOBAL INVESTMENT HOUSE K.S.C (CLOSED) (continued)

Report on Other Legal and Regulatory Requirements

Furthermore, 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, we have not become aware of any violations of the Commercial Companies Law of 1960, as amended, or of the Articles of Association of the Parent Company during the period ended 31 March 2011 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations during the three month ended 31 March 2011.

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OF GRANT THORNTON-
AL-QATAMI, AL-AIBAN & PARTNERS

WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG

26 April 2011

Kuwait

Global Investment House – K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2011 (Unaudited)

	Notes	Three months ended 31 March 2011 KD '000	Three months ended 31 March 2010 KD '000
REVENUE			
Fees and commission income	3	4,653	5,060
Interest and similar income		776	416
Net gain (loss) on financial assets held for trading	4	221	(78)
Net (loss) gain on financial assets designated at fair value through income statement	4	(10,602)	59
Net gain (loss) on sale of financial assets available for sale	4	85	(600)
Share of results of associates		(6,828)	(5,423)
Net loss on investment properties	10	(3,797)	-
Gain on disposal and liquidation of subsidiaries		-	1,044
Change in fair value of derivative financial instruments	20	591	(467)
Foreign exchange gain (loss)		1,658	(2,398)
Other operating income		2,118	1,995
		(11,125)	(392)
EXPENSES			
Personnel expenses		2,919	2,907
Other operating expenses		2,637	4,626
Interest and similar expenses		6,092	6,692
Impairment of other financial assets and intangibles		364	754
Impairment/(reversal) charge for credit losses		48	(20)
		12,060	14,959
LOSS FOR THE PERIOD		(23,185)	(15,351)
Loss attributable to:			
Equity holders of the Parent Company		(22,030)	(14,173)
Non-controlling interests		(1,155)	(1,178)
		(23,185)	(15,351)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	(18) Fils	(12) Fils

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2011 (Unaudited)

	Three months ended	
	31 March 2011 KD '000	*31 March 2010 KD '000*
Loss for the period	**(23,185)**	(15,351)
Other comprehensive income:		
Net unrealised loss arising on financial assets available for sale	**(1,168)**	(4,215)
Transferred to interim condensed consolidated income statement on sale of financial assets available for sale	**85**	(600)
Transferred to interim condensed consolidated income statement on impairment of financial assets available for sale	**(43)**	257
Exchange differences on translation of foreign operations	**(1,842)**	620
Other comprehensive income of associates	**1,459**	144
Other comprehensive loss for the period	**(1,509)**	(3,794)
Total comprehensive loss for the period	**(24,694)**	(19,145)
Attributable to:		
Equity holders of the Parent Company	**(23,285)**	(17,053)
Non-controlling interests	**(1,409)**	(2,092)
	(24,694)	(19,145)

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011 (Unaudited)

	Notes	*31 March 2011* **KD'000**	*(Audited) 31 December 2010* KD'000	*31 March 2010* KD'000
Assets				
Cash and cash equivalents	6	**68,514**	70,819	91,954
Financial assets held for trading	7	**8,991**	9,322	13,320
Financial assets designated at fair value through income statement	8	**134,403**	145,207	203,121
Murabaha receivables		**12,123**	12,108	12,026
Loans and advances		**19,417**	18,625	33,957
Financial assets available for sale	9	**41,750**	44,898	50,087
Investments in associates		**156,217**	162,551	167,208
Investment properties	10	**32,875**	21,408	23,540
Property under development	11	**25,350**	38,428	37,433
Property and equipment		**16,857**	18,221	19,631
Intangible assets		**18,042**	18,048	18,066
Other assets	12	**111,577**	115,308	129,475
Total assets		**646,116**	674,943	799,818
Equity and liabilities				
Equity				
Share capital		**131,243**	131,243	131,243
Share premium		**230,323**	230,323	230,323
Treasury shares	13	**(58,998)**	(58,998)	(58,998)
Treasury shares reserve		**1,059**	1,059	1,059
Cumulative changes in fair values		**(2,250)**	(2,894)	890
Foreign currency translation reserve		**(1,215)**	684	4,262
Accumulated losses		**(244,062)**	(222,032)	(162,999)
Equity attributable to the equity holders of the Parent Company		**56,100**	79,385	145,780
Non-controlling interests		**28,214**	29,623	31,472
Total equity		**84,314**	109,008	177,252
Liabilities				
Short term borrowings	14	**102,093**	106,374	61,969
Medium term borrowings	14	**335,958**	339,696	450,548
Bonds		**74,898**	74,976	75,164
Other liabilities	15	**48,853**	44,889	34,885
Total liabilities		**561,802**	565,935	622,566
Total equity and liabilities		**646,116**	674,943	799,818

Maha Khaled Al-Ghunaim
Chairperson and Managing Director

Hamad Tarek Al-Homaizi
Vice Chairman and Director

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 31 March 2011 (Unaudited)

	Note	Three months ended 31 March 2011 KD '000	2010 KD '000
OPERATING ACTIVITIES			
Loss for the period		(23,185)	(15,351)
Adjustments for:			
Depreciation of property and equipment		383	677
Impairment/(reversal) charge for credit losses		48	(20)
Impairment of other financial assets and intangibles		364	754
Interest and similar income		(776)	(416)
Dividend income		(590)	(1,272)
Interest and similar expense		6,092	6,692
Change in fair value of investment properties	10	3,797	-
Share of results of associates		6,828	5,423
Gain on disposal and liquidation of subsidiaries		-	(1,044)
Change in fair value of derivative financial instruments		(591)	467
		(7,630)	(4,090)
Changes in operating assets and liabilities:			
Financial assets held for trading		331	1,794
Financial assets designated at fair value through income statement		11,358	5,760
Murabaha receivables		-	(239)
Loans and advances		662	(34)
Financial assets available for sale		1,830	986
Other assets		(1,020)	3,962
Other liabilities		(540)	3,307
Cash from operations		4,991	11,446
Interest and similar income received		622	734
Dividend income received		529	694
Interest and similar expenses paid		(4,293)	(3,145)
Net cash from operating activities		1,849	9,729
INVESTING ACTIVITIES			
Net cash outflows from disposal and liquidation of subsidiaries		-	(18,170)
Proceeds from disposal of investment in associates		225	-
Purchase of property and equipment		-	(103)
Purchase of investment properties		(1,440)	(198)
Purchase of property under development		(58)	(115)
Net cash used in investing activities		(1,273)	(18,586)
FINANCING ACTIVITIES			
Repayment of short term borrowing		(2,881)	(358)
Net cash used in financing activities		(2,881)	(358)
DECREASE IN CASH AND CASH EQUIVALENTS		(2,305)	(9,215)
Cash and cash equivalents at 1 January		70,819	101,169
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	68,514	91,954

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2011 (Unaudited)

	Attributable to the equity holders of the Parent Company									
	Share capital KD'000	*Share premium KD'000*	*Treasury shares KD'000*	*Treasury shares reserve KD'000*	*Cumulative changes in fair values KD'000*	*Foreign currency translation reserve KD'000*	*Accumulated losses KD'000*	*Sub total KD'000*	*Non-controlling interests KD'000*	*Total KD'000*
At 1 January 2011	131,243	230,323	(58,998)	1,059	(2,894)	684	(222,032)	79,385	29,623	109,008
Loss for the period	-	-	-	-	-	-	(22,030)	(22,030)	(1,155)	(23,185)
Other comprehensive income (loss)	-	-	-	-	644	(1,899)	-	(1,255)	(254)	(1,509)
Total comprehensive income (loss) for the period	-	-	-	-	644	(1,899)	(22,030)	(23,285)	(1,409)	(24,694)
Balance at 31 March 2011	**131,243**	**230,323**	**(58,998)**	**1,059**	**(2,250)**	**(1,215)**	**(244,062)**	**56,100**	**28,214**	**84,314**

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Period ended 31 March 2011 (Unaudited)

	Attributable to the equity holders of the Parent Company									
	Share capital KD'000	*Share premium KD'000*	*Treasury shares KD'000*	*Treasury shares reserve KD'000*	*Cumulative changes in fair values KD'000*	*Foreign currency translation reserve KD'000*	*Accumulated losses KD'000*	*Sub total KD'000*	*Non-controlling interests KD'000*	*Total KD'000*
At 1 January 2010	131,243	230,323	(58,998)	1,059	4,407	3,625	(148,826)	162,833	59,945	222,778
Loss for the period	-	-	-	-	-	-	(14,173)	(14,173)	(1,178)	(15,351)
Other comprehensive (loss) income	-	-	-	-	(3,517)	637	-	(2,880)	(914)	(3,794)
Total comprehensive (loss) income for the period	-	-	-	-	(3,517)	637	(14,173)	(17,053)	(2,092)	(19,145)
Arising on disposal of subsidiaries	-	-	-	-	-	-	-	-	(26,381)	(26,381)
Balance at 31 March 2010	131,243	230,323	(58,998)	1,059	890	4,262	(162,999)	145,780	31,472	177,252

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

This interim condensed consolidated financial information of Global Investment House K.S.C. (Closed) (the "Parent Company") and its Subsidiaries (the "Group") for the period ended 31 March 2011 was authorised for issue in accordance with a resolution of the directors on 26 April 2011.

The Parent Company is a closed shareholding company incorporated on 16 June 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company's shares are listed on Kuwait Stock Exchange, Bahrain Stock Exchange and Dubai Financial Market. Further, the Parent Company's shares in the form of Global Depositing Receipts (GDRs) are listed on London Stock Exchange (LSE). The Parent Company is regulated by the Central Bank of Kuwait as an investment company.

The Group is principally engaged in the provision of asset management, investment banking, principal investments, real estate and brokerage activities. Its registered office is at Global Tower, Sharq, Al Shuhada St, P.O. Box 28807, Safat 13149, Kuwait.

The Group primarily operates in the Gulf Co-operation Council (GCC) and other Middle Eastern and North African (MENA) countries.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

The annual consolidated financial statements for the year ended 31 December 2010 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's (CBK) requirement for a minimum general provision as described below.

The impairment provision for credit facilities complies in all material respects with the specific provision requirements of the CBK and IFRS. In this respect, the CBK requires a minimum general provision of 1% on funded facilities and 0.5% on un-funded facilities for which specific provision has not been made.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the three months ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2010.

Significant Accounting Policies
The accounting policies used in preparation of this interim condensed consolidated financial information are consistent with those used in preparation of the annual financial statements for the year ended 31 December 2010, except for following revised Standards effective for annual periods beginning on or after 1 January 2011:

IAS 24 Related Party Disclosures (Revised)
The amended standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The adoption did not have any impact on the financial position or performance of the Group.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Significant Accounting Policies (continued)

IAS 34 Interim Financial Reporting (Revised)
Improvement to IAS 34 introduces the concept of "Significant events and transactions" and has brought in additional disclosures for changes in business and economic circumstances, transfers between levels of the fair value hierarchy used and changes in the classification of financial assets resulting from change in the purpose or use of those assets. Adoption of this improvement did not have any material impact on the financial position or performance of the Group.

3 FEES AND COMMISSION INCOME

	Three months ended 31 March	
	2011	*2010*
	KD '000	*KD '000*
Management fees on assets under management	2,968	4,306
Incentive fees on assets under management	1,329	44
Placement fees-managed funds	4	15
Investment banking and advisory fees	40	174
Brokerage	312	521
	4,653	5,060

Management and incentive fees on assets under management and placement fees on managed funds relate to the Group's asset management, custody and similar trust and fiduciary activities.

4 NET GAIN (LOSS) ON FINANCIAL ASSETS

Net gain (loss) on financial assets recognised in the interim condensed consolidated income statement, analysed by category for the three months ended 31 March 2011, is as follows:

	Held for trading	*Designated at fair value through income statement*	*Financial assets available for sale*	*Total*
	KD '000	*KD '000*	*KD '000*	*KD '000*
Realised (loss) gain	(168)	619	85	536
Unrealised gain (loss) - (Level 1)	389	(9,737)	-	(9,348)
Unrealised loss (level 2 and level 3)	-	(1,484)	-	(1,484)
Net realised and unrealised gain (loss) recognised in interim condensed consolidated income statement	221	(10,602)	85	(10,296)
Impairment of financial assets available for sale (including recycled from equity)	-	-	(43)	(43)
	221	(10,602)	42	(10,339)

4 NET GAIN (LOSS) ON FINANCIAL ASSETS (continued)

Net (loss) gain on financial assets recognised in the interim condensed consolidated income statement, analysed by category for the three months ended 31 March 2010, is as follows:

	Held for trading KD '000	*Designated at fair value through income statement KD '000*	*Financial assets available for sale KD '000*	*Total KD '000*
Realised gain (loss)	516	(3,514)	(600)	(3,598)
Unrealised (loss) gain - (Level 1)	(594)	4,362	-	3,768
Unrealised loss - (Level 2 and Level 3)	-	(789)	-	(789)
Net realised and unrealised (loss) gain recognised in interim condensed consolidated income statement	(78)	59	(600)	(619)
Impairment of financial assets available for sale (including recycled from equity)	-	-	(405)	(405)
	(78)	59	(1,005)	(1,024)

The Group does not include dividend and interest income in the determination of net gain on financial assets.

'Realised gain (loss)' is calculated as the difference between consideration received and the cost of the acquisition of the financial assets.

5 BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Basic loss per share is computed by dividing the loss for the period attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding during the period less treasury shares.

Diluted loss per share is calculated by dividing the loss for the period attributable to the equity holders of the Parent Company by the weighted average number of shares. The Parent Company had no outstanding dilutive potential shares.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	Three months ended 31 March	
	2011	*2010*
Loss for the period attributable to the equity holders of the Parent Company (KD'000)	**(22,030)**	(14,173)
Weighted average number of ordinary shares for basic earnings per share (excluding treasury shares) (in '000)	**1,223,409**	1,223,409
Basic and diluted loss per share attributable to equity holders of the Parent Company	**(18) fils**	(12) fils

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following amounts:

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Bank balances and cash	**48,646**	52,377	60,138
Bank balances and cash arising on consolidation	**19,868**	18,442	31,816
	68,514	70,819	91,954

7 FINANCIAL ASSETS HELD FOR TRADING

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
GCC and MENA equity securities	**8,991**	9,322	11,990
International equity securities	**-**	-	1,330
	8,991	9,322	13,320

8 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH INCOME STATEMENT

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Unquoted debt securities	**1,437**	2,245	3,353
Unquoted equity securities	**38,628**	39,342	74,738
Quoted securities and managed funds	**94,338**	103,620	125,030
	134,403	145,207	203,121

9 FINANCIAL ASSETS AVAILABLE FOR SALE

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Quoted equity securities	**13,231**	15,936	20,947
Unquoted equity securities	**28,519**	28,962	29,140
	41,750	44,898	50,087

10 INVESTMENT PROPERTIES

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Carrying amount at 1 January	21,408	28,847	28,847
Additions	1,440	1,368	1,698
Disposals	-	(8,291)	(7,005)
Changes in fair value	(3,797)	(516)	-
Transfer from property and equipment	688	-	-
Transfer from property under development (Note 11)	13,136	-	-
	32,875	21,408	23,540

11 PROPERTY UNDER DEVELOPMENT

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Carrying amount at 1 January	38,428	39,943	39,943
Additions	58	1,110	115
Changes in fair value	-	(2,625)	(2,625)
Transfer to investment properties (Note 10)	(13,136)	-	-
	25,350	38,428	37,433

12 OTHER ASSETS

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Accrued income	11,679	10,512	9,181
Receivables for settlement on sale of securities	9,277	8,964	11,063
Deposit (see note below)	69,403	70,250	72,300
Prepayments and other receivables	18,554	22,219	31,377
Deferred expenses	2,664	3,363	5,554
	111,577	115,308	129,475

Deposit represents a non-interest bearing deposit of USD 250 million equivalent to KD 69.4 million (31 December 2010: KD 70.3 million and 31 March 2010: KD 72.3 million) with a bank in United Arab Emirates ('UAE'). The bank refused to release this deposit alleging that it represents an advance for a potential acquisition of a bond convertible into 330 million shares of the bank with a total value of AED 2,359,500,000 equivalent to KD 184.5 million. The Parent Company had filed a lawsuit against the bank for the recovery of the deposit. On 19 July 2010, the Court of First Instance in Dubai, UAE, ruled in favour of the Parent Company and ordered the bank to repay the full amount of USD 250 million with interest, at the rate of 9% from 8 February 2009 until the date of payment and expenses. The court judgement also rejected the counter claim filed by the bank. The Bank filed an appeal against the above court judgement. Subsequent to the financial position date, on 25 April 2011, the Court of Appeal of the Emirate of Dubai passed its verdict (judgment) on the appeals filed by the Parent Company and the Bank. The Court ordered the bank to repay to the Parent Company USD 250 million or its equivalent in UAE Dirhams towards the refund of the deposit plus interest at the rate of 9% per annum with effect from 3 December 2008 until the date of repayment plus expenses and up held all the other decisions of the Court of First Instance in Dubai made on 19 July 2010.

13 TREASURY SHARES

The details of treasury shares are as follows:

	31 March 2011	*(Audited) 31 December 2010*	*31 March 2010*
Number of shares ('000)	**89,018**	89,018	89,018
Percentage holding	**6.78%**	6.78%	6.78%
Cost of treasury shares (KD'000)	**58,998**	58,998	58,998
Market value (KD'000)	**3,560**	4,629	9,257

Reserves (share premium) of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

14 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Short term borrowings			
Bank and financial institution loans- conventional	**94,929**	98,302	55,994
Bank and financial institution facilities - Islamic	**7,164**	8,072	5,975
	102,093	106,374	61,969
Medium term borrowings			
Bank and financial institution loans- conventional	**320,002**	323,631	429,557
Bank and financial institution facilities - Islamic	**15,956**	16,065	20,991
	335,958	339,696	450,548

On 10 December 2009, the Parent Company entered into formal restructuring agreement with a group of 53 banks and financial institutions covering almost its entire debt outstanding, thereby ending the events of default that arose in December 2008. New multicurrency, conventional, Islamic and bilateral facilities aggregating to KD 485.34 million (USD 1.727 billion) were fully utilised to discharge the facilities under default. The new facilities were granted a security over substantially all of Group's non-strategic investments held by "Principal Investments and Group Treasury", "Proprietary Trading" and "Real Estate" business segments. The facilities will be repaid over three years. The mandated minimum principal repayments are:

	Principal repayment %	Cumulative principal repayment %
Year 1:	10%	10%
Year 2:	20%	30%
First half of year 3:	15%	45%
Second half of year 3:	20%	65%
End of year 3:	35%	100%

The facility has an embedded principal repayment grace mechanism and an event of default for non-payments does not occur so long as the following cumulative minimum principal repayment thresholds are met:

	Minimum Cumulative principal repayment %
12 months	7.5%
18 months	10.0%
24 months	20.0%
27 months	30.0%
33 months	45.0%

14 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

The facility became effective on 21 January 2010, when the Group met all the conditions precedent that primarily included completion of relevant documentation, obtaining satisfactory legal opinions and achieving specified thresholds for grant of security.

15 OTHER LIABILITIES

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Payable for purchase of investment properties	-	-	933
Payable for property under development	**814**	1,486	3,410
Accrued interest on borrowings	**2,710**	1,525	4,294
Payable on change in fair value of interest rate swaps (Note 20)	**1,245**	1,858	3,814
Accrued expenses, provision and other payables	**44,084**	40,020	22,434
	48,853	44,889	34,885

16 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly for the year ended 31 December 2010 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2010 have not yet been approved. The interim condensed consolidated financial information for the three month period ended 31 March 2011 does not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2010. The Parent Company did not propose any dividends for the year ended 31 December 2010.

17 RELATED PARTY TRANSACTIONS

In the normal course of business, the Group entered into various transactions with related parties (i.e. associates, shareholders, directors and executive officers of the Parent Company) concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

	Key management personnel KD'000	*Associates KD'000*	***31 March 2011 KD'000***	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Interim condensed consolidated statement of financial position					
Loans and advances	44	1,600	**1,644**	1,658	8,844
Short term borrowing	-	-	-	750	750
Other assets	-	2,671	**2,671**	4,317	4,725

		Three months ended	
	Associates KD'000	***31 March 2011 KD'000***	*31 March 2010 KD'000*
Transactions included in interim condensed consolidated income statement			
Interest and similar income	**38**	**38**	54
Interest and similar expense	-	-	8
Fee and commission income	**488**	**488**	499
Key management personnel compensation			
Short-term employee benefits	-	**243**	243
Termination benefits	-	**19**	19
		262	262

18 SEGMENTAL INFORMATION

For management purposes the Group is organised into five major business segments:

- Assets Management: Managing of GCC, MENA and international managed funds, discretionary and non-discretionary portfolio management and custody services.
- Principal investments and Group Treasury: Comprises of investing of company funds in private equity and quoted securities, equity trading in GCC, MENA and other emerging markets, lending to corporate and individual customers and managing the company's liquidity requirements.
- Investment banking and advisory: Venture capital, private placement of equities and debt, advising and managing listings, initial public offerings (IPOs), arranging conventional and Islamic debt and equity advising, advising on strategy, privatisation, mergers and reverse mergers and acquisitions.
- Brokerage: Quoted and unquoted equity and debt instruments brokerage.
- Real estate: sale and purchase of real estate and property development.

Three months ended 31 March 2011	*Asset management KD '000*	*Principal investments and group treasury KD '000*	*Investment banking and advisory KD '000*	*Brokerage KD '000*	*Real estate KD '000*	*Total KD '000*
Segment income (loss)	**4,300**	**(15,783)**	**40**	**312**	**6**	**(11,125)**
Segment profit (loss)	**2,886**	**(24,621)**	**(415)**	**(393)**	**(642)**	**(23,185)**
Loss for the period						**(23,185)**
Three months ended 31 March 2010						
Segment income (loss)	4,365	(5,678)	174	521	226	(392)
Segment profit (loss)	2,813	(16,838)	(148)	(444)	(734)	(15,351)
Loss for the period						(15,351)

18 SEGMENTAL INFORMATION (continued)

	Asset management KD '000	*Principal investments & group treasury KD '000*	*Investment banking and advisory KD '000*	*Brokerage KD '000*	*Real estate KD '000*	*Total KD '000*
31 March 2011						
Total segment assets	-	**526,016**	-	**29,954**	**61,875**	**617,845**
Total segment liabilities	-	**(499,681)**	-	**(1,533)**	**(49,362)**	**(550,576)**
Net segment assets	-	**26,335**	-	**28,421**	**12,513**	**67,269**
Unallocated assets						**28,271**
Unallocated liabilities						**(11,226)**
Net assets						**84,314**
Depreciation						**383**
31 March 2010						
Total segment assets	-	660,819	-	32,248	68,513	761,580
Total segment liabilities	-	(548,971)	-	(2,842)	(55,466)	(607,279)
Net segment assets	-	111,848	-	29,406	13,047	154,301
Unallocated assets						38,238
Unallocated liabilities						(15,287)
Net assets						177,252
Capital expenditure						103
Depreciation						677

19 FIDUCIARY ACCOUNTS

The Group manages portfolios on behalf of others, mutual funds, and maintains cash balances and securities in fiduciary accounts, which are not reflected in the Group's interim condensed consolidated statement of financial position.

The aggregate value of assets held in a fiduciary capacity by the Group at 31 March 2011 amounted to KD 1,240.576 million (31 December 2010: KD 1,429.342 million and 31 March 2010: KD 1,691.214 million).

20 DERIVATIVE FINANCIAL INSTRUMENTS

	31 March 2011		*(Audited) 31 December 2010*		*31 March 2010*	
	Notional amount KD'000	***Negative fair value KD'000***	*Notional amount KD'000*	*Negative fair value KD'000*	*Notional amount KD'000*	*Negative fair value KD'000*
Interest rate swaps	**84,300**	**(1,245)**	84,300	(1,858)	173,520	(3,814)
	84,300	**(1,245)**	84,300	(1,858)	173,520	(3,814)

Two IRS contracts with notional amounts aggregating KD 84.3 million will mature on 19 September 2011.

21 CONTINGENT LIABILITIES AND COMMITMENTS

The total outstanding contingent liabilities and commitments are as follows.

	31 March 2011 KD'000	*(Audited) 31 December 2010 KD'000*	*31 March 2010 KD'000*
Commitments			
Commitments to invest in private equity funds	**4,303**	4,356	4,839
Commitments for properties under development	**8,034**	8,131	13,558
Undrawn commitments to lend	**27,761**	28,100	28,920
Irrevocable and unconditional bank guarantee	**1,252**	1,267	1,304
Commitments to buy securities	**2,070**	2,070	20,290

Legal claims

Legal claims related to compensation by two individuals for a cancelled private equity acquisition transaction. The total claims amounted to KD 2.65 million (31 December 2010: KD 2.65 million and 31 March 2010: KD 2.65 million). The Parent Company has been advised by its legal advisors that it is possible, but not probable, that the action will succeed.