Interim financial information and review report

International Financial Advisors – KSC (Closed) and Subsidiaries

Kuwait

30 September 2007 (Unaudited)

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Review report

To the board of directors of
International Financial Advisors – KSC (Closed)
Kuwait

Report on review of interim financial information

Introduction
We have reviewed the accompanying consolidated balance sheet of International Financial Advisors (A Kuwaiti Closed Shareholding Company) (the parent company) and its subsidiaries (the group), as of 30 September 2007 and the related consolidated statement of income, changes in equity and cash flows for the nine-month period then ended. The parent company's management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting policies stated in note (2). Our responsibility is to express a conclusion on this interim 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 financial information is not prepared, in all material respects, in accordance with the accounting policies stated in note (2).

Report on review of other legal and regulatory requirements

Based on our review, the interim 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 or of the articles of association of the parent company, as amended, have occurred during the period that might have had a material effect on the business of the group or on its financial position.

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Kuwait
13 November 2007

Consolidated statement of income

	Notes	Three months ended		Nine months ended	
		30 Sept. 2007 (Unaudited)	30 Sept. 2006 (Unaudited)	**30 Sept. 2007 (Unaudited)**	30 Sept. 2006 (Unaudited)
		KD	KD	**KD**	KD
Income					
Interest income`		**1,283,217**	474,371	**3,812,104**	3,180,819
Fees and commissions		**599,869**	336,708	**852,020**	1,077,119
Dividend income		**56,187**	178,969	**3,469,656**	3,890,886
Net income from hoteliers and related services		**156,949**	-	**759,500**	498,551
Net gain/(loss) from investments at fair value through statement of income	3	**1,690,195**	(1,633,114)	**34,096,574**	(31,724,013)
Unrealised gain on investment properties		**-**	-	**-**	226,961
Gain on sale of investment property	4	**-**	4,120,423	**3,970,300**	4,983,223
Gain on sale of trading properties	5	**7,478,060**	-	**31,308,500**	1,532,238
Gain on sale of investments available for sale		**457,305**	-	**584,427**	-
Share of profit from associated companies		**287,336**	-	**865,823**	-
Gain on sale of shares in a subsidiary company		**359,900**	-	**830,296**	5,231,778
Gain on sale of unconsolidated subsidiaries	6	**200,328**	-	**200,328**	-
Other income		**1,962,972**	(7,217)	**3,928,194**	608,507
Total income		**14,532,318**	3,470,140	**84,677,722**	(10,493,931)
Expenses and other charges					
Interest expenses		**2,421,597**	1,683,344	**6,468,609**	3,883,043
Staff and related costs		**1,881,154**	244,901	**4,413,429**	1,295,628
Other operating expenses		**1,559,609**	257,790	**7,503,646**	2,174,287
Depreciation		**146,040**	22,995	**457,788**	449,074
Total expenses and other charges		**6,008,400**	2,209,030	**18,843,472**	7,802,032
Profit/(loss) before KFAS, NLST and taxation on overseas subsidiaries		**8,523,918**	1,261,110	**65,834,250**	(18,295,963)
Taxation on overseas subsidiaries		**(2,536)**	-	**329,841**	(739,349)
Contribution to KFAS		**(8,423)**	-	**(292,774)**	-
National Labour Support Tax (NLST)		**284,315**	-	**(491,262)**	-
Profit/(loss) for the period		**8,797,274**	1,261,110	**65,380,055**	(19,035,312)
Attributable to :					
Shareholders of the parent company		**5,294,464**	2,496,277	**48,982,038**	(11,494,289)
Minority interest		**3,502,810**	(1,235,167)	**16,398,017**	(7,541,023)
Profit/(loss) for the period		**8,797,274**	1,261,110	**65,380,055**	(19,035,312)
EARNINGS/(LOSS) PER SHARE	7	**12.74 Fils**	5.96 Fils	**117.59 Fils**	(27.03) Fils

Consolidated balance sheet

	Notes	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Assets				
Cash and cash equivalents	8	**51,095,632**	30,478,013	42,229,197
Investments at fair value through statement of income	3	**142,550,889**	116,191,101	127,049,382
Other assets	9	**43,749,916**	29,649,503	27,572,031
Loans receivable	10	**14,841,559**	24,765,298	26,954,435
Due from related parties		**18,338,500**	12,490,489	5,506,208
Investments available for sale	11	**97,637,078**	61,107,266	49,248,310
Trading properties	12	**10,285,574**	12,894,282	15,459,739
Investment properties	13	**13,453,413**	42,117,084	41,997,871
Investment in associated companies		**13,622,878**	11,954,548	3,546,509
Investment in unconsolidated subsidiaries		**82,272**	645,100	4,295,190
Goodwill	14	**11,313,578**	2,110,724	218,496
Advances for purchase of properties		**-**	14,577,968	14,577,968
Properties under development	15	**99,685,218**	47,896,004	41,133,593
Property, plant and equipment		**15,662,554**	15,411,812	6,525,686
Total assets		**532,319,061**	422,289,192	406,314,615
Liabilities and equity				
Liabilities				
Other liabilities	16	**69,962,083**	42,960,222	43,877,743
Due to related parties		**618,114**	2,536,886	4,943,722
Due to shareholders		**363,950**	365,010	165,690
Term loan from a related party		**2,834,141**	2,834,141	2,834,140
Bank loans		**134,907,272**	95,715,796	74,193,965
Advances received from customers		**60,667,117**	65,753,220	59,500,330
Total liabilities		**269,352,677**	210,165,275	185,515,590
Equity				
Equity attributable to the shareholders of the parent company				
Share capital		**45,000,000**	45,000,000	45,000,000
Share premium		**11,973,061**	11,973,061	11,973,061
Treasury shares	17	**(35,485,941)**	(35,608,502)	(33,983,496)
Statutory and voluntary reserve		**45,124,412**	45,124,412	45,124,412
Cumulative changes in fair value		**4,800,267**	11,295,454	5,814,384
Treasury share profit reserve		**6,449,388**	6,244,910	6,244,910
Foreign exchange translation reserve		**(1,802,012)**	(867,193)	(2,014,551)
Retained earnings		**144,364,723**	95,382,685	108,113,823
Total equity of the parent company shareholders		**220,423,898**	178,544,827	186,272,543
Minority interest		**42,542,486**	33,579,090	34,526,482
Total equity		**262,966,384**	212,123,917	220,799,025
Total liabilities and equity		**532,319,061**	422,289,192	406,314,615
Fiduciary accounts		**97,545,602**	160,135,029	173,879,900

Jassim Mohammed Al-Bahar
Chairman and CEO

Saleh Saleh Al-Selmi
Deputy Chairman and Deputy CEO

The notes set out on pages 8 to 15 form an integral part of this interim financial information.

Consolidated statement of changes in equity (Unaudited)

	Equity attributable to shareholders of the parent company										
	Share capital KD	**Share premium KD**	**Treasury shares KD**	**Statutory and voluntary reserve KD**	**Cumulative changes in fair value KD**	**Treasury shares profit reserve KD**	**Foreign exchange translation reserve KD**	**Retained earnings KD**	**Total KD**	**Minority interest KD**	**Total KD**
Balance as at 31 December 2006	45,000,000	11,973,061	(35,608,502)	45,124,412	11,295,454	6,244,910	(867,193)	95,382,685	178,544,827	33,579,090	212,123,917
Purchase of treasury shares	-	-	(36,852,230)	-	-	-	-	-	(36,852,230)	-	(36,852,230)
Sale of treasury shares	-	-	36,974,791	-	-	-	-	-	36,974,791	-	36,974,791
Gain on sale of treasury shares	-	-	-	-	-	204,478	-	-	204,478	-	204,478
Translation reserve	-	-	-	-	-	-	(934,819)	-	(934,819)	-	(934,819)
Net income recognised directly in equity	-	-	-	-	-	204,478	(934,819)	-	(730,341)	-	(730,341)
Profit for the period	-	-	-	-	-	-	-	48,982,038	48,982,038	16,398,017	65,380,055
Total recognised income for the period	-	-	-	-	-	204,478	(934,819)	48,982,038	48,251,697	16,398,017	64,649,714
Changes in fair value of investments available for sale	-	-	-	-	(6,495,187)	-	-	-	(6,495,187)	-	(6,495,187)
Changes in minority interest	-	-	-	-	-	-	-	-	-	(7,434,621)	(7,434,621)
Balance as at 30 September 2007	**45,000,000**	**11,973,061**	**(35,485,941)**	**45,124,412**	**4,800,267**	**6,449,388**	**(1,802,012)**	**144,364,723**	**220,423,898**	**42,542,486**	**262,966,384**

Consolidated statement of changes in equity (Unaudited)

	Equity attributable to shareholders of the parent company										
	Share capital KD	**Share premium KD**	**Treasury shares KD**	**Statutory and voluntary reserve KD**	**Cumulative changes in fair value KD**	**Treasury shares profit reserve KD**	**Foreign exchange translation reserve KD**	**Retained earnings KD**	**Total KD**	**Minority interest KD**	**Total KD**
Balance as at 31 December 2005	29,993,265	11,973,061	(31,068,414)	45,124,412	5,654,301	6,617,938	29,449	140,212,794	208,536,806	42,486,521	251,023,327
Purchase of treasury shares	-	-	(6,640,706)	-	-	-	-	-	(6,640,706)	-	(6,640,706)
Sale of treasury shares	-	-	3,725,624	-	-	-	-	-	3,725,624	-	3,725,624
Loss on sale of treasury shares	-	-	-	-	-	(373,028)	-	-	(373,028)	-	(373,028)
Translation reserve	-	-	-	-	-	-	(2,044,000)	-	(2,044,000)	-	(2,044,000)
Net loss recognised directly in equity	-	-	-	-	-	(373,028)	(2,044,000)	-	(2,417,028)	-	(2,417,028)
Loss for the period	-	-	-	-	-	-	-	(11,494,289)	(11,494,289)	(7,541,023)	(19,035,312)
Total recognised loss for the period	-	-	-	-	-	(373,028)	(2,044,000)	(11,494,289)	(13,911,317)	(7,541,023)	(21,452,340)
Bonus shares issued (Note 19)	15,006,735	-	-	-	-	-	-	(15,006,735)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(5,597,947)	(5,597,947)	-	(5,597,947)
Change in fair values of investments available for sale	-	-	-	-	160,083	-	-	-	160,083	-	160,083
Changes in minority interest	-	-	-	-	-	-	-	-	-	(419,016)	(419,016)
Balance as at 30 September 2006	45,000,000	11,973,061	(33,983,496)	45,124,412	5,814,384	6,244,910	(2,014,551)	108,113,823	186,272,543	34,526,482	220,799,025

The notes set out on pages 8 to 15 form an integral part of this interim financial information.

Consolidated statement of cash flows

	Note	**Nine months ended 30 Sept. 2007 (Unaudited)**	Nine months ended 30 Sept. 2006 (Unaudited)
		KD	KD
OPERATING ACTIVITIES			
Profit/(loss) for the period		**48,982,038**	(11,494,289)
Adjustments:			
Gain on sale of shares in a subsidiary company		**(830,296)**	(5,231,778)
Gain on sale of unconsolidated subsidiaries		**(200,328)**	-
Gain on sale of investments available for sale		**(584,427)**	(4,983,223)
Share of profit from associated companies		**(865,823)**	-
Gain on sale of trading properties		**(31,308,500)**	(1,532,238)
Gain on sale of investment property		**(3,970,300)**	-
Unrealised gain on investment properties		**-**	(226,961)
Dividend income		**(3,469,656)**	(3,890,886)
Interest income		**(3,812,104)**	(3,180,819)
Interest expenses		**6,468,609**	3,883,043
Depreciation		**457,788**	449,074
		10,867,001	(26,208,077)
Changes in operating assets and liabilities:			
Investments at fair value through statement of income		**(25,529,492)**	20,175,727
Other assets		**(14,101,473)**	(1,297,376)
Loans receivable		**9,923,739**	7,330,184
Due from related parties		**(5,848,011)**	(26,530)
Goodwill		**(9,202,854)**	(111,903)
Other liabilities		**27,001,861**	4,273,025
Due to related parties		**(1,918,772)**	(2,637,225)
Advances received from customers		**(43,997,633)**	14,433,839
Cash (used in)/from operations		**(52,805,634)**	15,931,664
Dividend income received		**3,469,656**	3,890,886
Interest income received		**3,812,104**	3,180,819
Interest expenses paid		**(6,468,609)**	(3,883,043)
Net cash (used in)/from operating activities		**(51,992,483)**	19,120,326

Consolidated statement of cash flows (continued)

	Note	**Nine months ended 30 Sept. 2007 (Unaudited)**	Nine months ended 30 Sept. 2006 (Unaudited)
		KD	KD
INVESTING ACTIVITIES			
Proceeds from sale of share in a subsidiary		**-**	6,465,607
Proceeds from sale of unconsolidated subsidiaries		**1,535,851**	-
Proceeds from sale of trading properties		**72,828,738**	5,469,663
Proceeds from sale of investment property		**21,000,000**	-
Investment in associated companies		**(802,507)**	(2,159,884)
Investment in unconsolidated subsidiaries		**(772,695)**	(3,649,922)
Net additions of property, plant and equipment		**(708,530)**	(3,868,734)
Additions to properties under development		**(23,487,827)**	(12,262,741)
Proceeds from sale of investments available for sale		**1,343,801**	8,612,800
Net additions to investment properties		**(2,089,448)**	(12,023,269)
Purchase of investments available for sale		**(43,784,373)**	(9,906,108)
Net cash from/(used in) investing activities		**25,063,010**	(23,322,588)
FINANCING ACTIVITIES			
Repayment of related party loans		**-**	(30,982,618)
Loan obtained from banks		**39,191,476**	43,522,021
Minority interest		**8,963,396**	(9,193,868)
Purchase of treasury shares		**(36,852,230)**	(6,640,706)
Proceeds from sale of treasury shares		**37,179,269**	3,352,596
Translation reserve		**(934,819)**	(2,044,000)
Dividend paid		**-**	(5,597,947)
Net cash from/(used in) financing activities		**47,547,092**	(7,584,522)
Net increase/(decrease) in cash and cash equivalents		**20,617,619**	(11,786,784)
Cash and cash equivalents at beginning of the period	8	**30,478,013**	54,015,981
Cash and cash equivalents at end of the period	8	**51,095,632**	42,229,197

Notes to the interim financial information

30 September 2007 (Unaudited)

1 Incorporation and Activities

International Financial Advisors – KSC (Closed) ("the parent company") is a Kuwaiti closed shareholding company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is regulated by the Central Bank of Kuwait as an investment company. The address of the parent company's registered office is PO Box 4694, Safat 13047, State of Kuwait.

The parent company is principally engaged in providing financial advisory services, trading in local and international securities, borrowing, lending, issuing guarantees, managing investment funds, investment portfolio and future contracts.

This interim financial information for the nine-month period ended 30 September 2007 was authorised for issue by the parent company's board of directors on …….

2 Significant accounting policies

Basis of presentation
This interim financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and the Central Bank of Kuwait regulations regarding general provisions against loans receivable.

The impairment provision for loans receivable complies in all material respects with the specific provision requirements of the Central Bank of Kuwait and IFRS. In March 2007, the Central Bank of Kuwait issued a circular amending the basis of making general provisions on facilities changing the rate from 2% to 1% for cash facilities and 0.5% for non-cash facilities. The required rates were to be applied effective from 1 January 2007 on the net increase in facilities, net of certain restricted categories of collateral, during the reporting period. The general provision in excess of the present 1% for cash facilities and 0.5% for non-cash facilities would be retained as a general provision until a further directive from the Central Bank of Kuwait is issued.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2006.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three months and nine months ended 30 September 2007 are not necessarily indicative of the results that may be expected for the year ending 31 December 2007. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2006.

The interim financial information has been presented in Kuwaiti Dinars (KD) which is the functional currency of the parent company.

2 Significant accounting policies (continued)

Basis of consolidation

The interim financial information of the parent company and its subsidiaries have been consolidated on a line by line basis after eliminating intra-group balances, intra-group transactions and resulting unrealized profit in full and using uniform accounting policies for like transactions and other events of similar transactions.

3 Investment at fair value through statement of income

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Held for trading:			
Local			
Quoted shares	**138,945,048**	112,475,152	123,063,314
Unquoted shares	**2,828,821**	3,037,529	3,037,350
	141,773,869	115,512,681	126,100,664
Foreign			
Quoted shares	**737,231**	678,420	659,581
Unquoted shares	**39,789**	-	289,137
	777,020	678,420	948,718
	142,550,889	116,191,101	127,049,382

The amounts included in the consolidated statement of income are:

	Three months ended		**Nine months ended**	
	30 Sept. 2007 (Unaudited) KD	30 Sept. 2006 (Unaudited) KD	**30 Sept. 2007 (Unaudited) KD**	30 Sept. 2006 (Unaudited) KD
Realised gain/(loss)	**3,316,141**	(529,106)	**13,030,246**	(7,210,486)
Unrealised (loss)/gain	**(1,625,946)**	(1,104,008)	**21,066,328**	(24,513,527)
	1,690,195	(1,633,114)	**34,096,574**	(31,724,013)

4 Gain on sale of investment property

During the period, the group sold a property for which an advance payment of KD14,577,968 was made as at 31 December 2006. The net profit generated from the sale of this property is KD3,970,300.

5 Gain on sale of trading properties

This represents the value and cost of properties originally purchased by the group, redeveloped and resold to customers. Income recognised on these properties is determined based on the percentage of completion method as follows:

	Three months ended		**Nine months ended**	
	30 Sept. 2007 (Unaudited)	30 Sept. 2006 (Unaudited)	**30 Sept. 2007 (Unaudited)**	30 Sept. 2006 (Unaudited)
Sales revenue	**17,998,074**	-	**72,828,738**	5,469,663
Cost of sales	**(10,520,014)**	-	**(41,520,238)**	(3,937,425)
	7,478,060	-	**31,308,500**	1,532,238

6 Gain on sale of unconsolidated subsidiaries

During the period, the group sold its stake in two unconsolidated subsidiaries (49% and 50% respectively) for a total amount equivalent to KD1,535,851. The group recognised a profit on this sale amounting to KD200,328.

7 Earnings/(loss) per share

Earnings/(loss) per share is computed by dividing the profit/(loss) for the period attributable to the parent company, by the weighted average number of shares outstanding of the parent company during the period after deducting treasury shares as follows:

	Three months ended		**Nine months ended**	
	30 Sept. 2007 (Unaudited)	30 Sept. 2006 (Unaudited)	**30 Sept. 2007 (Unaudited)**	30 Sept. 2006 (Unaudited)
Profit/(loss) for the period attributable to the parent company (KD)	**5,294,464**	2,496,277	**48,982,038**	(11,494,289)
Weighted average number of shares issued (excluding treasury shares) (shares)	**415,459,963**	418,734,253	**416,561,867**	425,220,114
Earnings/(loss) per share	**12.74 Fils**	5.96 Fils	**117.59 Fils**	(27.03) Fils

8 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash, short term deposits and due to bank balances. Short term deposits mature within three months from the date of placement and carry interest at commercial rates.

9 Other assets

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Receivables on forward/future contracts	**2,582,553**	2,518,715	2,284,598
Trade receivables	**13,634,647**	7,492,379	10,645,487
Advances and prepayments	**17,615,733**	7,415,898	9,552,451
Kuwait Clearing Company receivables	**7,947,651**	4,842,092	-
Other receivables	**1,969,332**	7,380,419	5,089,495
	43,749,916	29,649,503	27,572,031

10 Loan receivables

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Consumer	**55,647**	55,647	55,647
Real estate	**1,032,609**	1,154,091	1,172,267
Margin loans	**16,781,127**	26,771,877	28,736,245
Rescheduled	**1,111**	1,111	1,111
	17,870,494	27,982,726	29,965,270
Provisions	**(3,028,935)**	(3,217,428)	(3,010,835)
	14,841,559	24,765,298	26,954,435

11 Investments available for sale

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Quoted shares	**48,500,748**	18,544,186	6,085,203
Unquoted shares	**49,136,330**	42,563,080	43,163,107
	97,637,078	61,107,266	49,248,310

Unquoted shares include investments stated at cost amounting to KD29,307,293 as there is no reliable sources to determine their fair values (31 December 2006: KD30,571,193 and 30 September 2006: KD10,875,380). Management is not aware of any circumstances that may have lead to the decline in the value of such investments.

12 Trading properties

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Residential flats in Dubai, UAE	**915,275**	4,349,501	7,551,598
Properties in South Africa	**9,370,299**	8,544,781	7,908,141
	10,285,574	12,894,282	15,459,739

13 Investment properties

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Lands in South Africa	**216,861**	210,896	180,315
Properties in the United Arab Emirates	**-**	29,140,438	29,140,438
Properties in Kuwait	**13,236,552**	12,765,750	12,677,118
	13,453,413	42,117,084	41,997,871

During the period, properties in the United Arab Emirates with a value of KD28,301,387 (AED362,791,786) were transferred to properties under development as the management is planning to construct and sell freehold apartments, villas, townhouses, penthouses, vacation club and heritage place on this plot of land (Note 15).

14 Goodwill

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Balance at beginning	**2,110,724**	106,593	106,593
Additions during the period/year	**9,335,187**	2,017,412	111,903
Impairment loss	**(131,058)**	-	-
Foreign exchange difference	**(1,275)**	(13,281)	-
Balance at end	**11,313,578**	2,110,724	218,496

During the period, the group acquired directly and through its subsidiary additional 2.63% of its subsidiary company shares, IFA Hotels & Resorts – KSC (Closed) for a total amount of KD10,005,880 which resulted in a goodwill amounting to KD9,002,205.

During the period, the group also acquired 90% of Fastnet Capital Limited shares in UK for the purchase consideration of KD360,181 (USD 1.2 Mn) and recorded resulted goodwill amounting to KD332,982.

15 Properties under development

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Hotels, residential flats and retail properties under construction	**99,685,218**	47,896,004	41,133,593

16 Other liabilities

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Interest payable	**1,398,017**	200,130	462,438
Dividend payable	**4,848,182**	1,064,908	2,727,774
Payable on purchase of lands	**7,243,510**	16,676,357	18,156,601
Accounts payables	**7,796,967**	4,277,145	1,385,171
Accrued expenses	**2,852,476**	1,857,606	2,102,272
Kuwait foundation for the Advancement of Science (KFAS)	**2,404,672**	1,339,019	1,320,814
National Labour Support Tax	**3,553,080**	3,401,412	3,186,394
Accrued construction cost	**27,350,533**	-	-
Other payables	**12,514,646**	14,143,645	14,536,279
	69,962,083	42,960,222	43,877,743

17 Treasury shares

	30 Sept. 2007 (Unaudited)	31 Dec. 2006 (Audited)	30 Sept. 2006 (Unaudited)
Number of shares (000's)	**32,180**	32,257	31,262
Percentage of issued shares	**7.15%**	7.17%	6.95%
Market value (KD '000)	**29,927**	23,870	33,138

18 Capital commitments

Capital expenditure commitments

At 30 September 2007, the group was committed to invest in the additional anticipated funding required to build several real estate projects in Dubai – UAE, Beirut – Lebanon and South Africa. The estimated funding commitments on these projects are as follows:

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Capital expenditure for purchase of properties contracted for	**69,876,323**	9,500,000	10,246,858
Estimated and contracted capital expenditure for construction of properties	**104,512,743**	235,000,000	203,504,561
	174,389,066	244,500,000	213,751,419

18 Capital commitments (continued)

The group expects to finance the future expenditure commitments from the following sources:

a) sale of investment properties;
b) advances from customers;
c) raising additional share capital;
d) advances provided by the shareholders, related entities, joint ventures; and
e) borrowings, if required.

Expected financing rates from the above sources are dependent on the source of financing and management estimates of the best financing available at the time they become due.

In addition to the above commitments, the group has capital commitment relating to the purchase of two new aircrafts with a value of KD13,000,000 which will be due upon the delivery of the said aircrafts in 2009.

19 Segmental information

Primary segment information – business segments
The group is organised into functional divisions in order to manage its various lines of business. For the purpose of segment reporting, the company's management has grouped the company activities into the following business segments. These business segments form the basis on which the company reports its primary segmental information

- Local investment, comprising investment activities for own account and for clients, in the local Kuwaiti market;
- International investment, comprising investment activities for own account and for clients, in international markets;
- Investment properties, comprising investment in lands and buildings in international markets.

Segment results include revenue and expenses directly attributable to a segment and an allocation of cost of funds based on the weighted average balance of segment assets.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment.

Capital expenditure represents the total cost incurred during the period to acquire assets that are expected to be used during more than one year.

Financial information about business segments for the period ended 30 September 2007 and 30 September 2006 are set out below:

	Local investments		**International investment**		**Investment properties**		**Others**		**Total**	
	30 Sept. 2007 KD '000	30 Sept. 2006 KD '000	**30 Sept. 2007 KD '000**	30 Sept. 2006 KD '000	**30 Sept. 2007 KD '000**	30 Sept. 2006 KD '000	**30 Sept. 2007 KD '000**	30 Sept. 2006 KD '000	**30 Sept. 2007 KD '000**	30 Sept. 2006 KD '000
Income statement										
Segment revenue	**39,181**	(22,868)	**866**	5,250	**35,516**	2,463	**9,114**	4,661	**84,678**	(10,494)
Segment result	**39,181**	(22,868)	**866**	5,250	**35,516**	2,463	**9,114**	4,661	**84,678**	(10,494)
Unallocated corporate expenses									**(19,298)**	(8,541)
Minority interest									**(16,398)**	7,541
Profit/(loss) for the period									**48,982**	(11,494)

Geographical segments
The group operates from one location in Kuwait. However the group's assets are scattered in different geographical areas of the world.

20 Dividends

The general assembly of shareholders held on 26 May 2007 approved the board of directors proposal of not to distribute any dividends for the financial year ended 31 December 2006 (Cash dividends of 20% or 20 Fils per share and bonus shares of 50% of paid up capital have been distributed for the financial year ended 31 December 2005).

21 Related party transactions

These represent transactions with related parties that relate to shareholders, directors and senior management of the parent company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the parent company's management.

Transactions with related parties included in the interim financial information are as follows:

	30 Sept. 2007 (Unaudited) KD	31 Dec. 2006 (Audited) KD	30 Sept. 2006 (Unaudited) KD
Transactions included in the balance sheet:			
Proceeds from sale of shares in subsidiary companies	**1,535,852**	12,834,713	4,913,862
Purchase of investments available for sale	**8,621,172**	-	3,644,624
Amounts due from related parties	**18,338,500**	12,490,489	5,506,208
Amounts due to related parties	**(706,419)**	(2,536,886)	(4,943,722)
Transactions included in the statement of income:			
Profit from sale of shares in subsidiary companies	**200,328**	5,155,353	3,796,151
Cash dividend received from subsidiaries	**12,266,030**	-	-
Interest expenses	**79,365**	492,134	492,134

Related party balances outstanding at period end due to funds transfer are included under due from related parties and due to related parties.

22 Investment in subsidiaries

The interim financial information has incorporated the financial information of the following subsidiaries as at 30 June 2006 as the interim financial information at 30 September 2007 were not available.

Name of subsidiary	**Activity**	**Effective ownership %**
Dana Real Estate Company	Real estate investment	100
Radeem Real Estate Company	Real estate investment	100

Whereas the interim financial information of the following subsidiaries as at 30 September 2007 were consolidated with the interim financial information:

IFA Hotels and Resorts – KSCC and subsidiaries	Hotel operations	57.89
Seven Seas Resorts Company – KSC (Closed)	Hotels and Resorts	54.29
Gulf Real Estate Company – WLL	Real estate investments	46.32
Offset Consulting and Hotel Project Management Company	Hotel operations	100
IFA Aviation Company – WLL	Aviations	74.8
Fastnet Capital Limited	Bond trading	90

23 Comparative figures

Certain comparative amounts have been reclassified to conform to the presentation in the current period. Such reclassification does not affect previously reported consolidated net assets, net equity, net results for the period or net decrease in cash and cash equivalents.