International Investment Group Company
K.S.C. (Closed)
And its subsidiaries
State of Kuwait

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

PRICEWATERHOUSECOOPERS

AL-AHLI BUREAU
Certified Accountants

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Contents

	Pages
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 - 14

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International Investment Group K.S.C. (Closed)
State of Kuwait

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of International Investment Group K.S.C. (Closed) "Parent Company" and its subsidiaries (collectively referred to as "the Group") as of 30 September 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation 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 condensed consolidated 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 fairly, in all material respects, in accordance with the basis of preparation set out in Note (2).

Emphasis of Matter

Without qualifying our conclusion mentioned above, we draw attention to Note (15.3) as there is an appeal verdict against the Group to pay the value of investments portfolio managed by the Group in favor of a third party, as the Group is committed only to find a purchaser for this portfolio. The Group filed a case in the court of cassation to annul the appeal verdict, and obtained a verdict from the court of cassation to postpone the appeal verdict till the issuance of final verdict.

Although the ultimate outcome of the matter cannot be determined at the moment, the Group had provided a provision of KD 110,000 which is the value of the penalty term mentioned in the contract as maximum possible liability based on the external lawyer opinion.

Report on Review of other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, or of the Articles of Association of the Parent Company have occurred during the nine months period ended 30 September 2009 that might have had a material affect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the Organization of Banking Business and its related regulations during the nine months period ended 30 September 2009.

Bader A. Al-Wazzan
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Kuwait, 11 November 2009

International Investment Group Company K.S.C. (Closed)
And its subsidiaries

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2009

(All amounts are in Kuwaiti Dinars)

	Note	30 September 2009	31 December 2008 (Audited)	30 September 2008
Assets				
Cash and cash equivalents		36,424	431,785	181,788
Murabahat and Wakalat investments	3	25,247,704	34,460,496	43,490,261
Mudarabat investments		608,755	602,450	596,780
Investments at fair value through profit or loss		834,683	40,488	32,801
Receivables and other debit balances	4	12,605,783	19,080,779	22,399,344
Available for sale Investments	5	19,706,306	17,465,345	14,259,917
Investment in associates	6	65,531,385	76,624,308	99,690,051
Investment properties	12	10,060,122	-	-
Other assets		362,172	356,953	371,926
Total assets		134,993,334	149,062,604	181,022,868
Liabilities and Equity				
Liabilities				
Payables and other credit balances	7	10,518,462	16,208,049	19,774,250
Islamic debt instruments	8	67,343,249	67,770,072	62,980,070
Employees' end of service indemnity		643,362	600,405	553,110
Total liabilities		78,505,073	84,578,526	83,307,430
Equity				
Equity attributable to the shareholders of the Parent Company				
Share capital		45,670,350	45,670,350	45,670,350
Share premium		4,327,600	4,327,600	4,327,600
Treasury shares	9	(2,306,471)	(2,244,223)	(7,224,008)
Statutory reserve		7,571,867	7,571,867	7,571,867
Voluntary reserve		4,574,999	4,574,999	4,574,999
Convertible Sukuk		1,826,410	1,838,232	1,838,232
Change in fair value reserve		6,971,164	6,943,661	9,545,968
Company's share in associates' reserves		(61,284)	(117,691)	415,568
Gain on sale of treasury shares		-	-	1,507,863
(Accumulated losses) / retained earnings		(12,290,455)	(4,080,717)	29,486,999
		56,284,180	64,484,078	97,715,438
Non-controlling interest		204,081	-	-
Total equity		56,488,261	64,484,078	97,715,438
Total liabilities and equity		134,993,334	149,062,604	181,022,868

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

Dr. Abdul Aziz B. Al Jenaai
Chairman

Dr.Mohammed Al Tabtabae'e
Vice Chairman

International Investment Group Company K.S.C. (Closed)
And its subsidiaries

Interim Condensed Consolidated Statement of Income
For the period ended 30 September 2009
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2009	2008	2009	2008
Revenues					
Gain / (loss) on investments	10	507,528	(865,510)	774,461	1,722,742
Gain from Murabaha		544,997	867,794	1,762,928	2,501,900
Group's share in associates' results	6.1	(697,907)	1,650,302	(6,515,453)	5,923,460
(Losses) / gains from sale of shares in associates	6.3, 6.6	(401,636)	(1,142,076)	1,745,725	(2,814,397)
Gain from sale of investments in subsidiary	12.1	-	-	1,773,420	-
Foreign currency exchange		27,276	(329,408)	(2,314,139)	1,336,243
Other income	8	302,000	6,677	302,000	27,340
Right off credit balances	7	-	-	413,257	-
Management, consulting and other fees		-	129,677	15,369	6,112,347
		282,258	317,456	(2,042,432)	14,809,635
Expenses and other charges					
Finance costs		1,256,775	958,743	4,541,010	3,927,486
General and administrative expenses		483,059	519,269	1,519,317	1,557,685
Provision for claims	15	-	-	118,828	-
Kuwait Foundation for Advancement of Science share "KFAS"		-	(27,428)	-	27,560
National Labor Support Tax		-	(82,348)	-	73,206
Zakat		-	(32,539)	-	31,460
		1,739,834	1,335,697	6,179,155	5,617,397
Net (loss)/ profit for the period		(1,457,576)	(1,018,241)	(8,221,587)	9,192,238
Attributable to:					
Shareholders of the Parent Company		(1,457,576)	(1,018,241)	(8,125,668)	(9,192,238)
Non-controlling interest		-	-	(95,919)	-
		(1,457,576)	(1,018,241)	(8,221,587)	9,192,238
Basic (losses)/ earnings per share (fils)	11	(3.28)	(2.34)	(18.24)	21.23

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

International Investment Group Company K.S.C. (Closed)
And its subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 September 2009
(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2009	**2008**	**2009**	**2008**
Net (loss)/ profit for the period	(1,457,576)	(1,018,241)	(8,221,587)	9,192,238
Other comprehensive income				
Change in fair value of available for sale investments	(147,639)	-	27,503	-
Transferred to the statement of income as a result of sale of available for sale investments	-	-	-	(2,181,600)
Group's share in associates' reserves	(92,551)	17,138	56,407	171,361
Other comprehensive (losses)/ income for the period	(240,190)	17,138	83,910	(2,010,239)
Total comprehensive (losses)/ income for the period	(1,697,766)	(1,001,103)	(8,137,677)	7,181,999
Attributable to :				
Parent Company shareholders	(1,697,766)	(1,001,103)	(8,041,758)	7,181,999
Non-controlling interest	-	-	(95,919)	-
	(1,697,766)	(1,001,103)	(8,137,677)	7,181,999

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

International Investment Group Company K.S.C. (Closed)
And its subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2009
(All amounts are in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company											Non-controlling interest	Total equity
	Share Capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Convertible Sukuk	Change in fair value reserve	Company share in associate's reserves	Gain on sale of treasury share	Retained earnings / (loss)	Total equity		
Balance as of 31 December 2007	36,536,280	4,327,600	(9,311,773)	7,571,867	4,574,999	1,838,232	11,727,568	244,207	2,062,904	32,912,957	92,484,841	-	92,484,841
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(2,181,600)	171,361	-	9,192,238	7,181,999	-	7,181,999
Cash dividend (note 13)	-	-	-	-	-	-	-	-	-	(3,484,126)	(3,484,126)	-	(3,484,126)
Bonus shares (note 13)	9,134,070	-	-	-	-	-	-	-	-	(9,134,070)	-	-	-
Purchase of treasury share	-	-	(6,292)	-	-	-	-	-	-	-	(6,292)	-	(6,292)
Sale of treasury share	-	-	2,094,057	-	-	-	-	-	(555,041)	-	1,539,016	-	1,539,016
Balance as of 30 September 2008	45,670,350	4,327,600	(7,224,008)	7,571,867	4,574,999	1,838,232	9,545,968	415,568	1,507,863	29,486,999	97,715,438	-	97,715,438
Balance as of 31 December 2008	45,670,350	4,327,600	(2,244,223)	7,571,867	4,574,999	1,838,232	6,943,661	(117,691)	-	(4,080,717)	64,484,078	-	64,484,078
Total comprehensive income/ (loss) for the period	-	-	-	-	-	-	27,503	56,407	-	(8,125,668)	(8,041,758)	(95,919)	(8,137,677)
Effect of partial payment of Sukuk	-	-	-	-	-	(11,822)	-	-	-	9,866	(1,956)	-	(1,956)
Effect of consolidating subsidiary (note 1)	-	-	-	-	-	-	-	-	-	-	-	300,000	300,000
Purchase of treasury shares	-	-	(227,255)	-	-	-	-	-	-	-	(227,255)	-	(227,255)
Sale of treasury shares	-	-	165,007	-	-	-	-	-	-	(93,936)	71,071	-	71,071
Balance as of 30 September 2009	45,670,350	4,327,600	(2,306,471)	7,571,867	4,574,999	1,826,410	6,971,164	(61,284)	-	(12,290,455)	56,284,180	204,081	56,488,261

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

Interim Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2009
(All amounts are in Kuwaiti Dinars)

	Nine months ended 30 September	
	2009	**2008**
Cash flows from operating activities		
Net (loss) / profit for the period	(8,221,587)	9,192,238
Adjustments:		
Depreciation and amortisation	51,130	21,138
Gain on investments	(774,461)	(4,224,642)
Gain from Murabaha	(1,762,928)	(5,923,460)
Group's share in associates' results	6,515,453	2,814,397
Gain form sale of shares in associates	(1,745,725)	-
Gain from sale of shares in subsidiary	(1,773,420)	-
Finance costs	4,541,010	3,832,417
Right off credit balances	(413,257)	-
Provision for claims	118,828	69,484
Employees' end of service indemnity	42,957	280,868
Operating (loss)/ profit before changes in operating assets and liabilities	(3,422,000)	6,062,440
Investments at fair value through profit or loss	(281,081)	1,112,768
Receivables and other debit balances	7,467,442	(2,224,930)
Payables and other credit balances	(7,925,390)	3,434,367
Net cash (used in)/ generated from operating activities	(4,161,029)	8,384,645
Cash flows from investing activities		
Mudaraba investments	-	3,900
Paid for purchase of shares in associates	(190,952)	(31,183,022)
Proceeds from sale of shares in associates	1,390,544	29,648,856
Proceeds from Murabaha and Wakala investment	4,702,213	(3,239,194)
Proceeds from sale of available for sale investments	439,802	4,149,800
Paid for purchase of available for sale investments	(26,766)	(3,015,087)
Paid for purchase of property and equipment	(56,349)	(48,430)
Murabaha income and dividends received	6,006	420,431
Net cash generated from/ (used in) investing activities	6,264,498	(3,262,746)
Cash flows from financing activities		
Net Islamic debt instruments	1,659,487	(2,773,693)
Finance costs paid	(4,234,816)	(3,644,166)
Cash dividends paid	(67,317)	(2,303,342)
Non-controlling interest	300,000	-
Purchase of treasury shares	(227,255)	(6,292)
Sale of treasury shares	71,071	1,539,016
Net cash used in financing activities	(2,498,830)	(7,188,477)
Net change in cash and cash equivalents	(395,361)	(2,066,578)
Cash and cash equivalents at beginning of period	431,785	2,248,366
Cash and cash equivalents at end of period	36,424	181,788

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

11. Basic (losses) / earnings per share

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

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
Net (loss) / profit for the period	(1,457,576)	(1,018,241)	(8,125,668)	9,192,238
Weighted average number of issued and outstanding shares (share)	444,285,768	435,505,768	445,381,739	433,053,140
Basic (losses) / earnings per share (fils)	(3.28)	(2.34)	(18,24)	21.23

12. Related parties' transactions

The related parties are the Parent Company's shareholders who have representation in the board of directors, members of the board of directors, senior management, and associates. In the normal course of business, as approved by the Parent Company's management, the following transactions with related parties have taken place during the period ended 30 September 2009:

12.1 The Group sold share in one of its subsidiary (owned by 59%) to some associates and to related parties with an amount of KD 5,399,230. As a result, the Group's share in this subsidiary is diluted to 41% and accordingly it has been reclassified to investments in associates. This transaction resulted to a gain on sale amounted to KD 2,025,916. Unrealized profit of KD 252,496 is eliminated to the extent of the Group's share in the associates. The Group is in the process of transferring the ownership of the sold shares to the buyers. Based on this transaction, the Group disposed its share in Ajal Investment Company held indirectly through Al-Ana'am Company (formerly a subsidiary).

The following represents the net assets of the subsidiary at the date of disposal:

	2009
Investment in associate	5,719,497
Other credit balances	(11,000)
Net assets	5,708,497
Less : transfer to investment in associate	(2,335,183)
Carrying value of the disposed portion	3,373,314
Add:	
Gain on sale	2,025,916
Sale price of the subsidiary	5,399,230
The settlement of the selling price is as follows:	
Reduce Wakala payable	(622,240)
Reduce due to related parties	(4,757,883)
Reduce the account receivables	(19,107)
Cash resulted from the disposal	-

12.2 During the period ended 30 September 2009, the Group signed a preliminary contract to purchase land in Egypt from an associate with an amount of KD 10,060,122, which is classified as investment properties. Currently the Group is in the process of signing a power of attorney's letter in favor of the Group. During the period, the Group purchased unquoted shares of KD 2,343,000 and investment in associates of KD 1,025,636 from the same party. Currently, the transfer of ownership shares is under process. These deals are settled as follows:

- Sale of shares in associates of KD 3,971,250 (note 6.3).
- Murabaha receivable due from that party amounted to KD 4,006,413.
- Remaining balance of KD 5,451,095 from receivable due from the same party.

12.3 During the period, the Group sold investment in unquoted shares of KD 127,330 to a related party receivable within a year. This amount is recorded as due from related party and no profit is recorded from this transaction. The ownership is not transferred to this party, as it represents a guarantee for the collection.

All of the above transactions are excluded from statement of cash flow, as they are non-cash transactions

12.4 The significant transactions and outstanding balances with related parties are as follows:

	Nine month ended 30 September	
	2009	**2008**
Transactions		
Management, consulting and subscription fees	15,369	5,907,532
Cash dividends	-	420,431
Gain on sale of available for sale investments	255,341	1,912,741
Murabaha income	1,762,928	2,501,900
Finance cost	793,693	521,326
Top management benefits	434,000	293,000
Balances		
Murabaha receivables	25,247,704	43,519,178
Investment in Mudarabat	608,755	596,780
Due from related parties	8,738,833	3,868,844
Accrued income	3,735,823	3,401,044
Mudarabat and Wakalat payable	3,801,063	9,097,383
Investment fund payables	1,592,029	2,005,286
Portfolios managed on behalf related parties	110,622,267	143,604,837
Due to related parties	242,521	-

All related parties transactions are subject to the approval of the general assembly of the shareholders.

13. Dividends

On 20 May 2009, the General Assembly Meeting was held and approved the financial statements for the year ended 31 December 2008 and approved no dividends for the year ended 31 December 2008 (10 (fils) cash dividends and 25% bonus share – 2007).

14. Segment financial information

Information Segment

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

- Investment segment: represents in investment in associate, available for sale investment, and investments at fair value through profit or loss and management of portfolios.
- Finance segment: represented in financing Companies according to contracts complying with Noble Islamic Shari'a principles.

The analysis of the financial information according to segments for the nine months period ended 30 September is as follows:

	Investments		Finance		Unallocated items		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Segment income	(4,046,370)	5,795,876	1,597,937	2,874,072	397,422	6,139,687	(2,051,011)	14,809,635
Segment expenses	(2,896,842)	(2,268,039)	(1,641,998)	(1,600,738)	(1,658,736)	(1,748,620)	(6,170,576)	(5,617,397)
Segment results	(6,943,212)	3,527,837	(17,061)	1,273,334	(1,261,314)	4,391,067	(8,221,587)	9,192,238
Segment assets	96,352,496	114,202,769	25,856,459	44,087,041	12,784,379	22,733,058	134,993,334	181,022,868
Segment liabilities	(53,075,666)	(45,438,796)	(14,243,002)	(17,541,274)	(11,186,405)	(20,327,360)	(78,505,073)	(83,307,430)

15. Contingent liabilities

15.1 During the period, a final verdict has been issued in one of the legal cases filed against the Group to pay an amount of KD 3,748,773 to the plaintiff. The provision provided during the previous years for this purpose was KD 2,794,668. The Group has charged the statement of income for the current period with the difference of KD 954,105.

15.2 During the current period, the Group has signed a settlement contract with one of the plaintiff in a legal case. As per this settlement, the Group had to pay an amount of KD 1,815,382. The provision provided in the previous years for this legal case was KD 2,760,909, accordingly, the Group has reversed the excess amount of KD 945,277 to the statement of income for the current period.

15.3 During the period, an appeal verdict is issued against the Group to pay an amount of KD 3,247,780 to a third party, which represents the selling price of an investments portfolio. The Group has filed case in the cassation court against that verdict, as the Group is committed only to find a purchaser for this portfolio. As of 6 July 2009, a verdict issued from the court to suspend the appeal verdict until the issuance of final verdict. The Group made a provision of KD 110,000 for this case, which represents the penalty term specified in the mentioned above contract. This is the maximum expected penalty that the Group would pay based on the opinion of the Group's legal council.

16. Off balance sheet items

The Group manages portfolios on behalf of others, which are not included in the balance sheet of the Company. The total net value of the managed assets on behalf of others amounted to KD 124,562,249 as of 30 September 2009 (KD 122,014,124 as of 31 December 2008 and KD 149,728,665 as of 30 September 2008).