

**AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING)
AND SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2009
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2009
(UNAUDITED)
WITH REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

AL-WAHA
AUDITING OFFICE
ALI OWAID RUKHAEYES



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The Board of Directors
Al Mazaya Holding Company K.S.C. (Holding) and subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C. (Holding) (the Parent Company) and subsidiaries (the Group) as of March 31, 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account. 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 period ended March 31, 2009 that might have had a material effect on the business of the Group or on its financial position.

Ali Owaid Rukhayes
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State of Kuwait
May 11, 2009

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF MARCH 31, 2009

ASSETS		Note	LIABILITIES AND EQUITY	
Cash and cash equivalents	36,801,004	3	36,673,700	351,871,536
Investments at fair value through income statement	11,442,733		-	3,257,125
Accounts receivable and other debit balances	20,597,610	4	37,117,040	1,675,080
Properties held for trading	7,064,733	5	71,799,374	659,247
Investments available for sale	10,691,948		23,775,572	12,351,725
Investment in an associate	-		2,405,889	-
Investment in an unconsolidated subsidiary	-		268,400	149,818,740
Investment in joint ventures	12,473,545		12,069,644	12,069,644
Properties under development	159,452,233	6	149,818,740	149,818,740
Investment properties	13,998,839		-	-
Work in progress	9,558,298		11,574,714	11,574,714
Fixed assets	716,763		662,695	662,695
Leasehold land	1,747,858		1,693,025	1,693,025
Goodwill	1,044,993		3,259,607	3,259,607
	285,590,557		344,876,259	351,871,536
			LIABILITIES	
Bank overdraft	1,112,367		5,093,743	4,738,629
Accounts payable and other credit balances	80,939,343	7	99,045,662	102,426,621
Term loans	53,046,745		44,970,000	44,970,000
Wakala and Murabaha payables	11,109,068		6,070,000	5,000,000
Deferred consideration on acquisition of properties	40,953,709		34,007,819	28,833,640
End of service indemnity	149,864		210,357	228,798
Total liabilities	187,311,096		189,397,581	186,197,688
Equity:				
Capital	37,906,980	9	45,406,980	45,406,980
Share premium	33,234,971		75,714,971	75,714,971
Statutory reserve	7,777,758		9,131,420	9,131,420
Voluntary reserve	7,777,758		9,131,420	9,131,420
Treasury shares reserve	1,334,823		1,561,889	1,561,889
Cumulative changes in fair value	72,000		68,567	78,715
Assets revaluation surplus	1,038,731		623,239	519,366
Foreign currency translation adjustments	(2,490,696)		(807,542)	2,698,601
Effect of changes in subsidiary's treasury shares	-		(457,645)	(671,823)
Effect of changes in subsidiary's equity	68,900		57,768	57,768
Retained earnings	93,211,869		4,638,767	9,689,593
Treasury shares	(2,027,624)		(28,049,447)	(28,396,237)
Equity attributable to equity holders of the Parent	91,184,245		117,020,387	124,922,663
Company	7,095,216		38,458,291	40,751,185
Non-controlling interests	98,279,461		155,478,678	165,673,848
Total equity	285,590,557		344,876,259	351,871,536
Total liabilities and equity				

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

Revenues		2009		2008	
		Note		(Restated)	
Revenue from sale of properties under development	11	9,112,143		11,397,851	
Revenue from sale of properties held for trading	12	13,342,034		10,412,570	
Revenue from sale of investment properties		-		2,570,838	
Total revenues		22,454,177		24,381,259	
Cost of revenues					
Cost of sale of properties under development	11	(7,273,412)		(5,987,827)	
Cost of sale of properties held for trading	12	(6,341,626)		(6,845,893)	
Total cost of revenues		(13,615,038)		(12,833,720)	
Gross profit		8,839,139		11,547,539	
Management fees, commission and consultancy income		129,586		759,347	
Net investment income (loss)		100,524		(589,148)	
(Loss) gain on partial disposal of a subsidiary		(11,316)		3,391,755	
Group's share of results from joint ventures		(37,539)		580,760	
Marketing expenses		(81,336)		(252,883)	
Administrative expenses		(1,119,197)		(1,256,900)	
Expenses related to equity settled share based payments		(30,636)		(364,928)	
Depreciation and amortization		(90,248)		(80,203)	
Expenses on completed projects		(8,620)		(237,725)	
Foreign currency exchange (loss) gain		(31,452)		587,889	
Other income		479,259		110,245	
Interest income		182,185		506,889	
Finance charges		(652,571)		(1,204,751)	
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat		7,667,778		13,497,886	
Contribution to Kuwait Foundation for the Advancement of Sciences		(2,169)		(99,081)	
Contribution to Zakat		(3,720)		(263,569)	
National Labor Support Tax		(129,659)		(103,559)	
Net profit for the period		7,532,230		13,031,677	
Attributable to:					
Equity holders of the Parent Company		5,050,826		12,190,701	
Non-controlling interests		2,481,404		840,976	
Net profit for the period		7,532,230		13,031,677	
Earnings per share attributable to the equity holders of the Parent Company	13	12.30		32.67	

Three months ended March 31,		2008	
		(Restated)	

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

Three months ended March 31,	2008	2009	Net profit for the period
	(Restated)		
	13,031,677	7,532,230	
			Other comprehensive income:
	(57,183)	3,506,143	Exchange differences on translating foreign operations
	72,000	10,148	Investments available for sale
	-	(103,873)	Assets revaluation adjustments
	14,817	3,412,418	Other Comprehensive income for the period
	13,046,494	10,944,648	Total comprehensive income for the period
			Attributable to:
	12,205,518	8,463,244	Equity holders of the Parent Company
	840,976	2,481,404	Non-controlling interests
	13,046,494	10,944,648	Total comprehensive income for the period

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

(All amounts are in Kuwaiti Dinars)

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

Three months ended		March 31,	
	2008	2009	(Restated)
Cash flows from operating activities:			
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labour Support Tax and contribution to Zakat	13,497,886	7,667,778	
Adjustments for:			
Net investment (income) loss	589,148	(100,524)	
Loss (gain) on partial disposal of a subsidiary	(3,391,755)	11,316	
Group's share of results from joint ventures	(580,760)	37,539	
Expenses related to equity settled share capital payments	364,928	30,636	
Depreciation and amortization	80,203	90,248	
Interest income	(506,889)	(182,185)	
Finance charges	1,204,751	652,571	
Foreign currency exchange loss (gain)	(587,889)	31,452	
Provision for end of service indemnity	43,534	40,646	
Changes in operating assets and liabilities:	10,713,157	8,279,477	
Accounts receivable and other debit balances	13,475,148	(6,677,683)	
Properties held for trading		8,652,095	
Properties under development	(45,075,134)	(8,718,983)	
Accounts payable and other credit balances	18,840,944	(6,550,181)	
Deferred consideration on acquisition of properties	2,562,394	(6,477,631)	
End of service indemnity paid	7,362,402	(11,492,906)	
Net cash (used in) generated from operating activities	7,361,055	(11,509,211)	
Cash flows from investing activities:			
Purchase of investments at fair value through income statement	(1,993)	-	
Proceeds from sale of investments at fair value through income statement	5,157,377	1,258	
Purchase of investment available for sale	-	(11,031,134)	
Proceeds from sale of investments available for sale	1,145,718	11,633,723	
Proceeds from partial disposal of a subsidiary	4,964,916	89,376	
Investment in joint ventures	(7,458,373)	(72,351)	
Investment properties	(3,766,828)	-	
Work in progress	(734,148)	(777,011)	
Interest income received	351,360	200,557	
Dividend income received	52,560	-	
Paid against increase in equity holding of subsidiaries	-	(30,206)	
Purchase of fixed assets	(27,455)	(68,854)	
Net cash used in investing activities	(316,866)	(54,642)	

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTD.)
FOR THE PERIOD ENDED MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

Three months ended		
March 31,	2008	
(Restated)	2009	
		Cash flows from financing activities:
		Bank overdrafts
		Term loans
		Purchase of treasury shares
		Cash dividends paid
		Finance charges paid
		Wakala and Murabaha payables
		Proceeds from sale of treasury shares
		Movement in non-controlling interests
		Movement in equity of subsidiary
		Net cash (used in) generated from financing activities
		Net (decrease) increase in cash and cash equivalents
		Cash balance related to movement in equity holding in a subsidiary
		Foreign currency translation adjustments
		Cash and cash equivalents at the beginning of the period
		Cash and cash equivalents at the end of the period (Note 3)
1,112,367	(355,114)	36,673,700
(936,281)	-	48,756,857
(38,349)	(346,790)	2,037,581
(7,670)	(1,043)	-
(782,435)	(313,246)	(14,120,738)
1,314,684	(1,070,000)	(2,556,885)
510,899	-	(214,178)
583,762	(256,514)	1,756,977
-		8,801,166
		(386,480)
		885,775
		27,500,543
		36,801,004

The accompanying notes (1) to (20) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

Al Mazaya Holding Company - K.S.C. (Holding) was incorporated on November 7, 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto.

The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered Head Office of the Parent Company is at Saliha complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

These interim consolidated financial information were approved for issue by the Board of Directors on May 11, 2009.

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2008 except for the changes due to implementation of certain amendments to the following International Financial Reporting Standards:

IAS 1 "Presentation of Financial Statements" (Revised)

Effective January 1, 2009, The Group has applied IAS 1 (Revised), which has impacted the presentation of financial statements to enhance the usefulness of the information presented. The revised Standard has introduced a number of terminology changes (including revised titles for the interim consolidated financial information) and has resulted in a number of changes in presentation and disclosure. The revised IAS 1 has introduced a new statement of comprehensive income, wherein all changes in equity arising from transactions other than with owners in their capacity as owners should be presented. Accordingly only changes in equity arising from transactions with owners in their capacity as owners are permitted to be presented in the statement of changes in equity.

IFRS 8 "Operating Segments"

Effective January 1, 2009, The Group has applied IFRS 8, which requires disclosure of information to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Accordingly, operating segments should be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

IAS 23 "Borrowing Cost" (Revised)

Effective January 1, 2009, The Group has applied IAS 23 (Revised), which requires a Group to capitalize borrowing costs attributable to the acquisition, construction or production of a qualifying asset as a part of the cost of that asset and removing an option of expensing these borrowing costs in the consolidated statement of income.

IFRIC 15 – Agreement for the construction of Real Estate

During 2008, The Group had adopted early application of IFRIC 15 – Agreements for the construction of Real Estate. This change in accounting policy had been accounted for retrospectively as per IAS 8. This had resulted in decreasing the balance of retained earnings as of December 31, 2007 by KD 15,485,612, decreasing the non-controlling interests by an amount of KD 926,720, decreasing the properties under development by KD 14,034,196, decreasing the investment in joint venture by KD 2,378,136 and decreasing the net profit for the period ended March 31, 2008 by KD 686,899.

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

The application of IFRIC 15 gives the guidance for accounting of revenue and associated expenses regarding construction of real estate and whether the agreement is within the scope of IAS 11 – Construction Contract or IAS 18 – Revenue. An agreement for the construction of real estate meets the definition of a construction contract where the buyer is able to specify the major structural elements of the design of the real estate before construction begins and or specify major structural changes once construction is in progress and in that case IAS 11 – Construction Contract applies.

In case of agreement for construction of real estate in which buyers have only limited ability to influence the design of the real estate, it is within the scope of IAS 18 – Revenue.

The interim consolidated financial information do not include all of the information and footnotes required for complete financial statements prepared in accordance with 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 period ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2008.

The interim consolidated financial information include the financial information of Al Mazaya Holding Company - K.S.C. (Holding) (the Parent Company) and the following subsidiaries (the Group):

Subsidiaries				
Al Mazaya Real Estate Development Company - K.S.C. (Closed)	100	100	100	Kuwait
Al Mazaya Real Estate FZ/LLC and its subsidiaries:	100	100	100	U.A.E
Al Dana Real Estate Limited	100	100	100	U.A.E
Al Rayhan Real Estate Limited	100	100	100	U.A.E
Advantage General Trading Co. W.L.L.	100	100	100	U.A.E
Al Mazaya Al Khalifa for General Trading and Contracting - Khalid S. Esbatiah and Partners - W.L.L.	100	100	100	U.A.E
Al Mazaya Arabian Real Estate Company - Khalid S. Esbatiah and Partners - W.L.L.	100	100	100	Kuwait
Al Mazaya International for Projects Management S. Esbatiah and Partners - W.L.L.	100	100	100	Kuwait
Company - Khalid S. Esbatiah and Partners - W.L.L.	100	100	100	Kuwait
Mazaya Lebanon Company - S.A.L. (Holding) and its subsidiary:	100	100	100	Kuwait
Mazaya Lamarten - S.A.L.	100	100	100	Lebanon
Seven Zones Real Estate Company K.S.C. (Closed)	100	100	100	Kuwait
First Dubai Real Estate Development Company - K.S.C. (Closed) and its subsidiary:	100	100	100	Kuwait
Future International Project Management - W.L.L. and its subsidiary:	100	100	100	Kuwait
Waterfront Real Estate Company K.S.C. (Closed)	100	100	100	Kuwait

Country of incorporation	March 31, 2009	December 31, 2008	March 31, 2008
Kuwait	100	100	100
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AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

Cash and bank balances	28,268,938	39,772,935	25,483,884
Short term bank deposits	8,403,782	8,982,942	11,273,500
Cash in investment portfolios	980	980	43,620
	<u>36,673,700</u>	<u>48,756,857</u>	<u>36,801,004</u>
Short term bank deposits earn an average interest rate of 3.90% (December 31, 2008 - 7.08 %, March 31, 2008 - 5.33 %) per annum.			

4. Accounts receivable and other debit balances

Trade receivables	20,981,434	4,495,833	5,457,825
Advance payments	10,231,356	12,697,186	7,135,976
Advances for capital subscription	-	14,534,904	-
Murabaha receivables	4,323,456	-	-
Due from related parties (Note 14)	6,422,057	3,568,657	6,588,199
Pre payments	5,130,256	4,887,302	744,367
Staff receivables	105,071	74,803	40,477
Other receivables	5,967,336	1,933,308	630,766
	<u>53,160,966</u>	<u>42,191,993</u>	<u>20,597,610</u>
Provision for doubtful accounts	(16,043,926)	(16,346,304)	-
	<u>37,117,040</u>	<u>25,845,689</u>	<u>20,597,610</u>
Trade receivables include an amount of KD 13,036,892 that was collected subsequent to the interim condensed consolidated statement of financial position date.			

5. Properties held for trading

Balance at the beginning of the period / year	81,504,695	-	-
Additions	201,693	24,314,915	13,691,787
Transferred from investment properties	-	22,012,213	-
Transferred (to) / from properties under development (Note 6)	(2,658,686)	52,474,393	218,839
Transferred from work in progress	-	891,891	-
Disposals	(8,957,661)	(18,188,717)	(6,845,893)
Foreign currency translation adjustments	1,709,333	-	-
Balance at the end of the period / year	<u>71,799,374</u>	<u>81,504,695</u>	<u>7,064,733</u>
	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008

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6. Properties under development

	March 31, 2009	December 31, 2008	March 31, 2008
	132,921,184	120,650,881	134,685,077
Balance at the beginning of the period / year	-	-	(14,034,196)
Effect of application of IFRIC 15 (Note 2)	-	-	-
Adjusted balance at the beginning of the period / year	132,921,184	120,650,881	120,650,881
year	132,921,184	120,650,881	120,650,881
Additions	15,992,394	126,426,713	45,008,018
Disposals	(7,273,412)	(81,903,536)	(5,987,827)
Related to acquisition of a newly consolidated subsidiary	-	41,547,608	-
Transferred from investment properties	-	3,650,124	-
Transferred from / (to) properties held for trading	-	-	-
(Note 5)	2,658,686	(52,474,393)	(218,839)
Impairment loss	-	(24,986,342)	-
Foreign currency translation adjustments	5,519,888	10,129	-
Balance at the end of the period / year	149,818,740	132,921,184	159,452,233

7. Accounts payable and other credit balances

	March 31, 2009	December 31, 2008	March 31, 2008
Trade payables	29,426,634	9,510,195	18,814,325
Advances received from customers	48,285,939	67,591,522	29,425,028
Due to related parties (Note 14)	9,524,301	9,745,139	10,372,887
Retentions payable	5,750,333	2,588,178	-
Accrued development costs	1,018,226	1,250,737	-
Dividends payable	756,139	757,182	16,277,033
Other payables and accrued expenses	7,665,049	7,602,709	6,050,070
	102,426,621	99,045,662	80,939,343

8. Wakala and Murabaha payables

The average cost rate attributable to Murabaha payable was 7.5% (December 31, 2008 – Nil, March 31, 2008 – Nil) per annum.

During the period ended March 31, 2009, the Group settled the Wakala payable amounts to KD 1,070,000.

9. Capital

Authorized, issued and paid-up capital consists of 454,069,800 shares (December 31, 2008 – 454,069,800 shares, March 31, 2008 – 379,069,800 shares) of 100 fils each.

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10. Treasury shares

	March 31, 2009	December 31, 2008	March 31, 2008
Number of shares (shares)	44,767,154	42,847,154	4,382,154
Percentage of issued shares (%)	9.86%	9.44%	1.16%
Market value (KD)	6,625,539	13,496,854	3,768,652
Cost (KD)	28,396,237	28,049,447	2,027,624

11. Profit from sale of properties under development

	2009	(Restated)	2008
Revenue from sale of properties under development	9,112,143	11,397,851	
Cost of sale of properties under development	(7,273,412)	(5,987,827)	
Profit from sale of properties under development	1,838,731	5,410,024	

Three months ended March 31,

12. Profit from sale of properties held for trading

	2009	2008
Revenue from sale of properties held for trading	13,342,034	10,412,570
Cost of sale of properties held for trading	(6,341,626)	(6,845,893)
Profit from sale of properties held for trading	7,000,408	3,566,677

During 2008, one of the subsidiaries sold 80% of a major project located in Dubai with an approximate amount of AED 1.64 Billion, equivalent to KD 119 Million. The realized revenue and profit arising from this sale transaction recognized in the consolidated statement of income during 2008 amounted to KD 47,734,956 and KD 28,945,059 respectively, representing 40% of the total revenue and profit.

During the current period and due to global crisis, the Group entered into a settlement agreement with the purchasing party to complete only 50% of the transaction equivalent to 40% of the project, which has adjusted the total selling amount to AED 820 Million, equivalent to KD 60 Million.

The realized revenue and profit on this settlement agreement amounted to KD 13,036,892 and KD 6,979,156 respectively, which had been recognized in the current period interim condensed consolidated statement of income with a cost amounting to KD 6,057,736.

Subsequent to the financial position date, the Group collected KD 13,036,892 which represents the remaining value of the sale transaction (Note 4).

13. Earnings per share

Earnings per share is computed by dividing net profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period.

Three months ended March 31,			
2009	2008		
(Restated)			
		Net profit for the period attributable to equity holders of the Parent Company	
5,050,826	12,190,701		
Shares	Shares		
454,069,800	379,069,800		
(43,300,487)	(5,942,220)		
410,769,313	373,127,580		
		Weighted average number of issued and fully paid-up shares	
		Less: weighted average number of treasury shares	
		Weighted average number of shares outstanding	
Fils	Fils		
12.30	32.67		
		Earnings per share attributable to equity holders of the Parent Company	
		Earnings per share reported for the period ended March 31, 2008 was 34.5 Fils before the effect of the application of IFRIC 15 (Note 2).	

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14. Related parties' balances and transactions

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related parties' balances and transactions are as follows:

	Major shareholders	Joint ventures	Other related parties	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balances included in the interim condensed consolidated statement of financial position						
Accounts receivable and other debit balances	1,465,892	2,055,325	2,900,840	6,422,057	3,568,657	6,588,199
Accounts payable and other credit balances	-	9,417,305	106,996	9,524,301	9,745,139	10,372,887
Wakala and Murabaha payables	-	-	-	-	-	2,039,068
Transactions included in the interim condensed consolidated statement of income						
Management, commission and consultancy fees	54,132	-	78,000	132,132	830,146	26,000
Finance charges	-	-	-	-	-	43,686

Key management compensation:

	2009	2008
Salaries and other short term benefits	158,651	155,940
Terminal benefits	5,928	6,184
	<u>164,579</u>	<u>162,124</u>

The related parties' balances represent the amounts being collected or paid on behalf of the Group by / for its related parties, which related to operational activities.

15. General Assembly

The Shareholders' Annual General Assembly for the year ended December 31, 2008 has not been held until the date of preparation of the interim consolidated financial information. Accordingly, the consolidated financial statements for the year ended December 31, 2008 have not yet been approved. The interim consolidated financial information for the period ended March 31, 2009 do not include any adjustments, which might have been required, had the Shareholders' Annual General Assembly approved the consolidated financial statements for the year ended December 31, 2008.

The General Assembly held on March 31, 2008 approved the distribution of cash dividends of 50 fils per share and 20 bonus shares for every 100 shares held as of the General Assembly date, for the year ended December 31, 2007. Also, the General Assembly had approved the increase in capital by 75,000,000 shares at 100 fils par value and 766 fils share premium or the equivalent after the distribution of cash dividends and bonus shares.

16. Fiduciary accounts

The Group manages projects on behalf of others, and maintains cash balances and notes receivable in fiduciary accounts, which are not reflected in the interim consolidated financial information. Assets under management at March 31, 2009, amounted to KD 68,920,295 (December 31, 2008 – KD 65,696,016 and March 31, 2008 – KD 27,268,598).

17. Segment information

For management purposes, the Group is divided into three geographical segments, which are: State of Kuwait, United Arab Emirates and Lebanon, where the Group performs its main activities in the real estate segment. Accordingly, the Group has no secondary segment. There are no income generating transactions between the Group's segments.

18. Contingent liabilities and commitments

In the normal course of business, the Group uses primary financial instruments such as cash and cash equivalents, investments, accounts receivable, accounts payable, term loans and Wakala payable and as a result, is exposed to the risks indicated below. The Group currently does not use derivative financial instruments to manage its exposure to these risks.

Foreign currency risk

The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Kuwaiti Dinar. The Group may reduce its exposure to fluctuations in foreign exchange rates through the use of derivative financial instruments. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

20. Comparative figures

Certain prior year / period figures have been reclassified to conform with the current period presentation.