

**National International Holding Company
K.S.C. (Closed) and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

30 SEPTEMBER 2008



**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL INTERNATIONAL
HOLDING COMPANY K.S.C. (CLOSED)**

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of National International Holding Company K.S.C. (Closed) (the "parent company") and its subsidiaries (the "group") as at 30 September 2008, the related interim condensed consolidated income statement for the three month and nine month periods then ended, the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended and explanatory notes. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). 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 International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

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, 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 month period ended 30 September 2008 that might have had a material effect on the business of the group or on its financial position.

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

ABDUL MAJEED ASHKANANI, CIDA
LICENCE NO. 95 A
FIRST AUDIT
MEMBER OF MGI INTERNATIONAL

National International Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
Period ended 30 September 2008

		<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
	<i>Notes</i>	2008	2007	2008	2007
		KD	KD	KD	KD
Realised gain on sale of investments carried at fair value through income statement		168,765	1,423,642	1,753,413	2,174,790
Unrealised gain (loss) from investments carried at fair value through income statement		472,858	1,884,527	(488,076)	740,972
Gain (loss) on sale of available for sale investments		548,680	(13,687)	1,305,613	6,503,192
Dividend income		47,443	113,941	737,404	673,516
Share of results of associates		-	37,443	34,075	122,344
Gain on sale of investment in an associate	7	-	-	668,476	-
Interest income		3,628	4,466	17,910	14,375
Fee income		2,800	2,925	8,825	8,625
Gain on sale of furniture and equipment		-	-	-	1,650
Foreign exchange (loss) gain		(15,445)	(4,901)	(28,625)	6,137
General and administrative expenses		(135,521)	(29,625)	(403,890)	(335,299)
Impairment of available for sale investments		-	(398,571)	-	(980,765)
Finance costs		(21,454)	(17,456)	(59,050)	(91,847)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		1,071,754	3,002,704	3,546,075	8,837,690
Contribution to KFAS		(13,241)	(27,024)	(31,915)	(79,539)
National Labour Support Tax (NLST)		(26,794)	(75,068)	(79,664)	(214,525)
Zakat		(10,668)	-	(31,866)	-
PROFIT FOR THE PERIOD		1,021,051	2,900,612	3,402,630	8,543,626
BASIC AND DILUTED EARNINGS PER SHARE	3	4.92 fils	13.9 fils	16.39 fils	40.7 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

National International Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
 At 30 September 2008

		<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
ASSETS			
Bank balances and cash	4	457,167	4,103,945
Investments carried at fair value through income statement	5	7,054,045	10,101,678
Available for sale investments	6	50,073,051	34,015,779
Investment in associates	7	58,033	3,659,852
Property under development		11,401,947	7,134,351
Accounts receivable and prepayments		1,701,131	2,411,997
Furniture and equipment		10,649	12,316
TOTAL ASSETS		70,756,023	61,439,918
EQUITY AND LIABILITIES			
Equity			
Share capital		21,262,500	15,750,000
Share premium		21,023,856	21,023,856
Statutory reserve		2,479,285	2,479,285
General reserve		1,297,894	1,297,894
Cumulative changes in fair values		13,101,194	11,482,139
Foreign currency translation reserve		-	(200,865)
Retained earnings		4,527,366	6,637,236
Treasury shares		(1,187,414)	(991,082)
Treasury shares reserve		318,561	307,308
Total equity		62,823,242	57,785,771
Liabilities			
Bank overdrafts	4	311,548	407,558
Term loans	9	4,550,000	2,100,000
Murabaha payables	10	1,941,000	-
Other liabilities		1,130,233	1,146,589
Total liabilities		7,932,781	3,654,147
TOTAL EQUITY AND LIABILITIES		70,756,023	61,439,918


 Ali Ahmed Al-Bagli
 (Chairman)


 Abdulwahab Mohamed Al-Wazzan
 (Deputy Chairman)

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

National International Holding Company K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(UNAUDITED)

Period ended 30 September 2008

		<i>Nine months ended 30 September</i>	
	<i>Note</i>	2008	2007
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		3,402,630	8,543,626
Adjustments for:			
Realised gain on sale of available for sale investments		(1,305,613)	(6,503,192)
Dividend income		(737,404)	(673,516)
Share of results of associates		(34,075)	(122,344)
Gain on sale of investment in an associate		(668,476)	-
Interest income		(17,910)	(14,375)
Foreign exchange loss (gain)		28,625	(6,137)
Gain on sale of furniture and equipment		-	(1,650)
Depreciation		3,067	2,890
Provision for employees' end of service benefits		14,451	11,254
Provision for impairment of available for sale investments		-	980,765
Finance costs		59,050	91,847
		<u>744,345</u>	<u>2,309,168</u>
Changes in operating assets and liabilities:			
Investments carried at fair value through income statement		(4,616,452)	1,526,693
Accounts receivable and prepayments		682,241	(3,099,618)
Other liabilities		110,418	189,575
Cash (used in) operations		(3,079,440)	(1,383,350)
Employees' end of service benefits paid		(5,060)	(68)
Finance costs paid		(59,050)	(91,847)
Net cash used in operating activities		<u>(3,143,558)</u>	<u>(1,475,265)</u>
INVESTING ACTIVITIES			
Purchase of available for sale investments		(11,804,523)	(1,989,903)
Proceeds from sale of available for sale investments		6,336,004	8,237,779
Proceeds from sale of investment in an associate		4,505,235	-
Cost incurred on property under development		(4,267,596)	(271,672)
Purchase of furniture and equipment		(1,400)	(7,669)
Proceeds from sale of furniture and equipment		-	1,650
Dividend income received		737,404	673,516
Interest income received		17,910	14,375
Net cash (used in) from investing activities		<u>(4,476,966)</u>	<u>6,658,076</u>
FINANCING ACTIVITIES			
Murabaha payables		1,941,000	-
Payment of wakala payable		-	(500,000)
Purchase of treasury shares		(241,080)	(631,519)
Proceeds from sale of treasury shares		56,001	-
Term loans obtained		2,450,000	550,000
Repayments of term loans		-	(1,704,340)
Cash dividend paid		(136,165)	(1,476,720)
Net cash from (used in) financing activities		<u>4,069,756</u>	<u>(3,762,579)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(3,550,768)	1,420,232
Cash and cash equivalents at the beginning of the period		<u>3,696,387</u>	<u>101,626</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u>145,619</u>	<u>1,521,858</u>

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

National International Holding Company K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 30 September 2008

	Share capital KD	Share premium KD	Statutory reserve KD	General reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Retained earnings KD	Treasury shares KD	Treasury shares reserve KD	Total KD
Balance at 1 January 2007	15,750,000	21,023,856	1,610,435	429,044	14,618,266	(28,350)	1,621,324	(592,529)	252,424	54,684,470
Realised gain on sale of available for sale investments during the period	-	-	-	-	(6,503,192)	-	-	-	-	(6,503,192)
Change in fair value of available for sale investments	-	-	-	-	1,798,954	-	-	-	-	1,798,954
Transfer to interim condensed consolidated income statement on impairment of available for sale investments	-	-	-	-	980,765	-	-	-	-	980,765
Foreign currency translation adjustments	-	-	-	-	-	(108,780)	-	-	-	(108,780)
Total expense for the period recognised directly in equity	-	-	-	-	(3,723,473)	(108,780)	-	-	-	(3,832,253)
Profit for the period	-	-	-	-	-	-	8,543,626	-	-	8,543,626
Total income and expense for the period	-	-	-	-	(3,723,473)	(108,780)	8,543,626	-	-	4,711,373
Dividend (Note 8)	-	-	-	-	-	-	(1,550,489)	-	-	(1,550,489)
Purchase of treasury shares	-	-	-	-	-	-	-	(631,519)	-	(631,519)
Balance at 30 September 2007	15,750,000	21,023,856	1,610,435	429,044	10,894,793	(137,130)	8,614,461	(1,224,048)	252,424	57,213,835
Balance at 1 January 2008	15,750,000	21,023,856	2,479,285	1,297,894	11,482,139	(200,865)	6,637,236	(991,082)	307,308	57,785,771
Realised gain on sale of available for sale investments during the period	-	-	-	-	(1,305,613)	-	-	-	-	(1,305,613)
Change in fair value of available for sale investments	-	-	-	-	2,924,668	-	-	-	-	2,924,668
Foreign currency translation adjustments	-	-	-	-	-	200,865	-	-	-	200,865
Total income for the period recognised directly in Equity	-	-	-	-	1,619,055	200,865	-	-	-	1,819,920
Profit for the period	-	-	-	-	-	-	3,402,630	-	-	3,402,630
Total income for the period	-	-	-	-	1,619,055	200,865	3,402,630	-	-	5,222,550
Issue of bonus shares (Note 8)	5,512,500	-	-	-	-	-	(5,512,500)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	(241,080)	-	(241,080)
Sale of treasury shares	-	-	-	-	-	-	-	44,748	11,253	56,001
Balance at 30 September 2008	21,262,500	21,023,856	2,479,285	1,297,894	13,101,194	-	4,527,366	(1,187,414)	318,561	62,823,242

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2008

1 ACTIVITIES

The interim condensed consolidated its financial information of National International Holding Company K.S.C. (Closed) (the "parent company") and its subsidiaries (the group) for the nine month period ended 30 September 2008 were authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2008.

The parent company is a Kuwaiti closed shareholding company incorporated on 14 January 1979 under the Commercial Companies Law No. 15 of 1960 and amendments thereto.

The group is primarily engaged in investments in the local and international markets. It is also engaged in the purchase and sale of real estate.

The registered office of the parent company is located on the 4th Floor, Chamber of Commerce and Industry Building, Al Shuhada Street, Kuwait.

Details of the subsidiary companies are set out in note 2.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

The accounting policies used in preparation of this interim condensed consolidated financial information are consistent with those used in preparation of the annual consolidated financial statements for the year ended 31 December 2007, except for the implementation of IFRS 7 'Financial Instruments: Disclosures' and amendments to IAS 39 Financial Instruments: Recognition and Measurement, as follows:

Implementation of IFRS 7 "Financial Instruments: Disclosures" and amendments to IAS 39, Financial Instrument: Recognition and Measurement:

On 13 October 2008, the International Accounting Standards Board (IASB) approved and published amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures to allow reclassifications of certain financial instruments held for trading to either held to maturity, loans and receivables or available for sale categories with effect from 1 July 2008. Any reclassification of a financial instrument made in periods beginning on or after 1 November 2008 shall take effect from the date the reclassification was made.

The group has implemented the IFRS 7 "Financial Instruments: Disclosures" and amendments to IAS 39. As a result, the group has reclassified certain trading investments with a carrying value of KD 7,058,913 from the 'fair value through income statement' category to the 'available for sale' category with effect from 1 July 2008 as these investments are no longer held for the purpose of selling or repurchasing it in the near term due to the impact of the global financial crisis on the local and regional equity markets.

The group has recorded unrealised losses of KD 1,753,659 in respect of the reclassified investments in cumulative changes in fair value within equity. Had the group not implemented the amendments to IAS 39, the unrealised loss would have been recorded in the interim condensed consolidated income statement.

The interim condensed consolidated financial information does not include all information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the group's annual consolidated financial statements as at 31 December 2007.

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 nine month period ended 30 September 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

National International Holding Company K.S.C. (Closed) and Subsidiaries
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2008

2 BASIS OF PREPARATION (continued)

Basis of consolidation

The interim condensed consolidated financial information incorporates the interim condensed financial information of the parent company and its subsidiaries stated below. The interim financial information of the subsidiaries is prepared for the same reporting period as the parent company using consistent accounting policies.

Details of subsidiary companies included in the interim condensed consolidated financial information are set out below:

<i>Name of the company</i>	<i>Country of incorporation</i>	<i>Interest in equity % (Audited)</i>			<i>Principal activities</i>
		<i>30 September 2008</i>	<i>31 December 2007</i>	<i>30 September 2007</i>	
Al Ola National Real Estate Company W.L.L.	Kuwait	100	100	100	Purchase and sale of real estate
Al Ghad Project Management Company W.L.L.	Kuwait	100	100	100	Real estate projects Management

The interim financial information of the subsidiary companies are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group balances, transactions and unrealised profits are eliminated on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Profit for the period (KD)	<u>1,021,051</u>	<u>2,900,612</u>	<u>3,402,630</u>	<u>8,543,626</u>
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<u>207,426,150</u>	<u>208,651,609</u>	<u>207,647,594</u>	<u>209,734,100</u>
Basic and diluted earnings per share	<u>4.92 fils</u>	<u>13.9 fils</u>	<u>16.39 fils</u>	<u>40.7 fils</u>

Basic and diluted earnings per share for the prior period presented have been restated for bonus shares approved by the ordinary general assembly of the shareholders held on 15 April 2008 (Note 8).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2008

4 CASH AND CASH EQUIVALENTS

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

	<i>30 September 2008 KD</i>	<i>(Audited) 31 December 2007 KD</i>	<i>30 September 2007 KD</i>
Short-term deposits	312,480	332,049	302,010
Bank balances	139,688	3,770,897	2,248,419
Cash in hand	4,999	999	999
Bank balances and cash	<u>457,167</u>	<u>4,103,945</u>	<u>2,551,428</u>
Bank overdrafts	<u>(311,548)</u>	<u>(407,558)</u>	<u>(1,029,570)</u>
	<u>145,619</u>	<u>3,696,387</u>	<u>1,521,858</u>

Included in short-term deposits and bank balances is an amount of KD 416,042 (31 December 2007: KD 1,291,914 and 30 September 2007: KD 386,006) denominated in foreign currencies, principally US Dollars and Euros.

Short-term deposits carry interest at an average rate of 5.2% (31 December 2007: 4.2% and 30 September 2007: 4.52%) per annum.

The average interest rate on bank overdrafts is 2.5% (31 December 2007: 2.5% and 30 September 2007: 2.5%) per annum over the Central Bank of Kuwait discount rate.

5 INVESTMENTS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>30 September 2008 KD</i>	<i>(Audited) 31 December 2007 KD</i>	<i>30 September 2007 KD</i>
Quoted investments	2,569,975	8,316,680	9,342,493
Managed portfolios	4,484,070	1,784,998	1,814,001
	<u>7,054,045</u>	<u>10,101,678</u>	<u>11,156,494</u>

Quoted investments amounting to KD Nil (31 December 2007: Nil and 30 September 2007: KD 1,804,000) were pledged as security against term loans (Note 9).

Due to the adoption of the IAS 39 amendments issued by the IASB on 13 October 2008, the group reclassified certain trading investments with a carrying value of KD 7,058,913 from the 'fair value through income statement category' to the 'available for sale category' with effect from 1 July 2008 (Note 2 and Note 6).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2008

6 AVAILABLE FOR SALE INVESTMENTS

	<i>30 September 2008 KD</i>	<i>(Audited) 31 December 2007 KD</i>	<i>30 September 2007 KD</i>
Quoted investments	8,845,408	3,490,297	4,493,886
Unquoted investments	38,231,019	26,525,865	26,181,097
Managed funds	2,996,624	3,999,617	3,953,845
	<u>50,073,051</u>	<u>34,015,779</u>	<u>34,628,828</u>

A portion of unquoted investments and managed funds amounting to KD 5,805,029 (31 December 2007: KD 7,781,403 and 30 September 2007: KD 8,190,533) are carried at cost due to non availability of reliable measures of its fair values. Management has commenced a detailed review of its unquoted investments to assess whether impairment has occurred in the value of these investments due to the impact of the global financial crisis.

Investments amounting to KD 19,089,326 (31 December 2007: KD 16,344,028 and 30 September 2007: KD 16,393,514) are denominated in foreign currencies, principally US Dollars and Euros.

Due to the adoption of the IAS 39 amendments issued by the IASB on 13 October 2008, the group reclassified certain trading investments with a carrying value of KD 7,058,913 from the 'fair value through income statement category' to the 'available for sale category' with effect from 1 July 2008 (Note 2 and Note 5).

In the opinion of management, based on currently available information, there is no evidence of any impairment in the value of quoted securities at the interim condensed consolidated balance sheet date.

National International Holding Company K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2008

7 INVESTMENT IN ASSOCIATES

The associated companies included in the interim condensed consolidated financial information are listed as follows:

Name of the company	Country of incorporation	Interest in equity %				(Audited)		30 September 2007	30 September 2007	30 September 2007
		30 September 2008	31 December 2007	30 September 2007	30 September 2008	30 September 2008	31 December 2007			
		KD	KD	KD	KD	KD	KD			
Middle East for Digital Communications Company (Salah Yousef Abdullah Al Nafesi & Partners) W.L.L.	Kuwait	33%	33%	33%	58,033	58,033	58,033			69,135
Real Estate Finance Company (REEF) B.S.C.C.	Bahrain	-	20%	20%	-	3,456,394	3,456,394			3,325,996
					58,033	3,514,427	3,514,427			3,295,131
					-	145,425	145,425			148,460
					58,033	3,659,852	3,659,852			3,543,591
Goodwill										

During the period ended 30 June 2008, the parent company disposed of its entire interest in Real Estate Finance Company (REEF) B.S.C.C. to a related party and realised a total gain of KD 668,476 (Note 11).

Share of results of Middle East for Digital Communications Company (Salah Yousef Abdullah Al Nafesi & Partners) W.L.L. was calculated based on management accounts for the three month period ended 31 March 2008. In the opinion of the management, there were no significant events or transactions in the nine months ended 30 September 2008. In addition, the management does not expect any material difference in the figures incase interim condensed financial information would have been available as of 30 September 2008.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2008

8 BONUS SHARES

The board of directors of the parent company has proposed a cash dividend of 15% of paid up share capital and bonus shares of 10% of paid up share capital related to the year ended 31 December 2007. However, the Annual General Assembly of the parent company's shareholders held on 15 April 2008 has approved the distribution of bonus shares of 35% of paid up capital for the year ended 31 December 2007 (2007: cash dividend of 10% of paid up share capital).

9 TERM LOANS

Term loans represent revolving loans borrowed from local financial institutions and bear average interest rate of 8.7% (31 December 2007: 8.5% and 30 September 2007: 8.8%) per annum.

A portion of term loans is secured on quoted investments with carrying value of Nil at 30 September 2008 (31 December 2007: Nil and 30 September 2007: KD 1,804,000) (Note 5).

10 MURABAHA PAYABLES

Murabaha payables represent murabaha contracts with a related party maturing within 3 months from the balance sheet date.

The average effective cost attributable to this contract is 8% per annum (31 December 2007: Nil and 30 September 2007: Nil).

11 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management.

Transactions with related parties included in the interim condensed consolidated income statement are as follows:

	<i>Associates</i>	<i>Major</i>	<i>Nine months ended 30 September</i>	
	<i>KD</i>	<i>shareholders</i>	<i>2008</i>	<i>2007</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>
Realised gain on sale of investments carried at fair value through income statement	-	-	-	28,110
Unrealised loss on investments carried at fair value through income statement	-	-	-	(111,052)
Loss on sale of available for sale investments	-	(14,503)	(14,503)	(20,783)
Share of results of associates	34,075	-	34,075	122,344
Gain on sale of investment in an associate	-	668,476	668,476	-
General and administrative expenses	-	(90,000)	90,000	(119,750)
Finance costs	-	26,403	26,403	-

National International Holding Company K.S.C. (Closed) and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 (UNAUDITED)
 At 30 September 2008

11 RELATED PARTY TRANSACTIONS (continued)

Balances with related parties included in the interim condensed consolidated balance sheet are as follows:

	<i>Associates</i>	<i>Major</i>	<i>Other</i>	<i>30 September</i>	<i>(Audited)</i>	<i>30 September</i>
	<i>KD</i>	<i>shareholders</i>	<i>related</i>	<i>2008</i>	<i>31 December</i>	<i>2007</i>
	<i>KD</i>	<i>KD</i>	<i>parties</i>	<i>KD</i>	<i>2007</i>	<i>2007</i>
			<i>KD</i>		<i>KD</i>	<i>KD</i>
Investments carried at fair value through income statement (managed by a related party)	-	3,750,000	-	3,750,000	-	1,319,196
Available for sale investments (managed by a related party)	-	1,672,407	-	1,672,407	-	4,012,735
Investments in associates	58,033	-	-	58,033	3,659,852	3,543,591
Amount due from a related party (included in accounts receivable)	-	-	61,998	61,998	52,889	48,428
Murabaha payables	-	1,941,000	-	1,941,000	-	-
Accrued expenses and other liabilities	-	330,000	-	330,000	120,000	90,000

Key management compensation

	<i>Nine months ended 30 September</i>	
	<i>2008</i>	<i>2007</i>
	<i>KD</i>	<i>KD</i>
Short-term benefits		51,260
Provision for management executive bonus		15,000
End of service benefits		1,850

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

At 30 September 2008

12 SEGMENTAL INFORMATION

Primary segment information

The group operates into two major business segments which are investment and real estate. The principal activities and services under these segments are as follows:

30 September 2008	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	448,067	9,100	457,167
Investments carried at fair value through income statement	7,054,045	-	7,054,045
Available for sale investments	50,073,051	-	50,073,051
Investments in associates	58,033	-	58,033
Property under development	-	11,401,947	11,401,947
Accounts receivable and prepayments	1,701,131	-	1,701,131
Furniture and equipment	10,649	-	10,649
TOTAL ASSETS	59,344,976	11,411,047	70,756,023
EQUITY AND LIABILITIES			
Equity	62,823,242	-	62,823,242
Bank overdrafts	311,548	-	311,548
Term loans	2,700,000	1,850,000	4,550,000
Murabaha payables	1,941,000	-	1,941,000
Other liabilities	1,130,233	-	1,130,233
TOTAL EQUITY AND LIABILITIES	68,906,023	1,850,000	70,756,023
Nine months ended 30 September 2008			
Segment income	4,525,716	-	4,525,716
Segment result	3,546,075	-	3,546,075
Unallocated expenses			(143,445)
			3,402,630

National International Holding Company K.S.C. (Closed) and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 (UNAUDITED)
 At 30 September 2008

12 SEGMENTAL INFORMATION (continued)

30 September 2007	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	2,546,421	5,007	2,551,428
Investments carried at fair value through income statement	11,156,494	-	11,156,494
Available for sale investments	34,628,828	-	34,628,828
Investments in associates	3,543,591	-	3,543,591
Property under development	-	6,694,621	6,694,621
Accounts receivable and prepayments	1,940,221	1,500	1,941,721
Furniture and equipment	11,884	-	11,884
TOTAL ASSETS	53,827,439	6,701,128	60,528,567
EQUITY AND LIABILITIES			
Equity	57,213,835	-	57,213,835
Bank overdrafts	1,029,570	-	1,029,570
Term loans	141,233	1,208,767	1,350,000
Other liabilities	935,162	-	935,162
TOTAL EQUITY AND LIABILITIES	59,319,800	1,208,767	60,528,567
Nine months ended 30 September 2007			
Segment income	10,245,601	-	10,245,601
Segment result	8,837,690	-	8,837,690
Unallocated expenses			(294,064)
			8,543,626

Real estate segment is partially financed by the investment segment and intercompany transactions are eliminated in the consolidation.

Secondary segment information

The group operates in different geographical areas. A geographical analysis based on location of revenue, profits, assets and liabilities is as follows:

	<i>Net revenue</i>		<i>Unallocated expenses</i>		<i>Profit</i>	
	<i>30 September 2008 KD</i>	<i>30 September 2007 KD</i>	<i>30 September 2008 KD</i>	<i>30 September 2007 KD</i>	<i>30 September 2008 KD</i>	<i>30 September 2007 KD</i>
Geographical areas:						
Kuwait	1,117,883	2,109,503	(143,445)	(294,064)	974,438	1,815,439
United States of America	1,748,777	(76,174)	-	-	1,748,777	(76,174)
Europe	10,939	6,664,021	-	-	10,939	6,664,021
GCC	668,476	140,340	-	-	668,476	140,340
	3,546,075	8,837,690	(143,445)	(294,064)	3,402,630	8,543,626

National International Holding Company K.S.C. (Closed) and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 (UNAUDITED)
 At 30 September 2008

12 SEGMENTAL INFORMATION (continued)

Secondary segment information (continued)

	<i>Assets</i>			<i>Liabilities</i>		
	<i>(Audited)</i>			<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2008</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Geographical areas:						
Kuwait	47,918,692	38,905,754	38,723,027	7,932,781	3,654,147	3,314,732
United States of America	7,130,512	4,751,266	4,267,839	-	-	-
Europe	11,465,464	12,884,676	13,098,144	-	-	-
GCC	4,241,355	4,898,222	4,439,557	-	-	-
	<u>70,756,023</u>	<u>61,439,918</u>	<u>60,528,567</u>	<u>7,932,781</u>	<u>3,654,147</u>	<u>3,314,732</u>

13 COMMITMENTS

At 30 September 2008, the group had capital commitments toward acquisition of investments amounted to KD 2,860,000 (31 December 2007: KD Nil and 30 September 2007: KD 171,739).

14 SUBSEQUENT EVENTS

The group is exposed to equity price risk with respect to its equity investments. Equity investments are classified either as investments carried at fair value through income statement (including trading securities) or available for sale investments.

Subsequent to the balance sheet date, as a result of the volatility in the local equity market, there has been a decline in the some of the investments held by the group.

The decline in stock market indices subsequent to the balance sheet date up to 3 November 2008, and its approximate impact on the group, was as follows:

	<i>Effect on profit</i>	<i>Effect on equity</i>
	<i>KD</i>	<i>KD</i>
Investments carried at fair value through income statement	(1,364,426)	(1,364,426)
Available for sale investments	-	2,095,010

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

At 30 September 2008

15 LIQUIDITY RISK

Liquidity risk is the risk that the group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management have diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturity profile of the group's assets and liabilities. The maturity profile of murabaha payables and term loans at the period end is based on contractual repayment arrangements. The maturity profile for the remaining assets and liabilities is determined based on the management estimate of liquidation of those financial assets. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The maturity profile of the assets, equity and liabilities at 30 September 2008, 31 December 2007 and 30 September 2007 was as follows:

30 September 2008	<i>Within 3 months KD</i>	<i>3 to 6 months KD</i>	<i>6 to 12 months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Bank balances and cash	457,167	-	-	-	457,167
Investments carried at fair value through income statement	1,602,000	2,331,121	3,120,924	-	7,054,045
Available for sale investments	-	1,375,550	5,777,797	42,919,704	50,073,051
Investment in associates	-	-	-	58,033	58,033
Property under development	-	-	-	11,401,947	11,401,947
Accounts receivable and prepayments	-	199,722	1,501,409	-	1,701,131
Furniture and equipment	-	-	-	10,649	10,649
TOTAL ASSETS	2,059,167	3,906,393	10,400,130	54,390,333	70,756,023
EQUITY AND LIABILITIES					
Equity	-	-	-	62,823,242	62,823,242
Bank overdrafts	-	311,548	-	-	311,548
Term loans	-	-	800,000	3,750,000	4,550,000
Murabaha payables	-	-	-	1,941,000	1,941,000
Other liabilities	310,192	-	695,245	124,796	1,130,233
TOTAL EQUITY AND LIABILITIES	310,192	311,548	1,495,245	68,639,038	70,756,023

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

At 30 September 2008

15 LIQUIDITY RISK (continued)

31 December 2007	<i>Within 3 months KD</i>	<i>3 to 6 months KD</i>	<i>6 to 12 Months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Bank balances and cash	4,103,945	-	-	-	4,103,945
Investments carried at fair value					
through income statement	2,810,571	3,897,853	17,617	3,375,637	10,101,678
Available for sale investments	2,820,077	340,743	-	30,854,959	34,015,779
Investment in associates	-	3,601,819	-	58,033	3,659,852
Property under development	-	-	-	7,134,351	7,134,351
Accounts receivable and prepayments	804,955	1,524,576	-	82,466	2,411,997
Furniture and equipment	-	-	-	12,316	12,316
TOTAL ASSETS	10,539,548	9,364,991	17,617	41,517,762	61,439,918
EQUITY AND LIABILITIES					
Equity	-	-	-	57,785,771	57,785,771
Bank overdrafts	-	-	407,558	-	407,558
Term loans	-	-	-	2,100,000	2,100,000
Other liabilities	370,945	566,735	208,909	-	1,146,589
TOTAL EQUITY AND LIABILITIES	370,945	566,735	616,467	59,885,771	61,439,918
30 September 2007	<i>Within 3 months KD</i>	<i>3 to 6 months KD</i>	<i>6 to 12 Months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Bank balances and cash	2,551,428	-	-	-	2,551,428
Investments carried at fair value					
through income statement	2,126,062	3,093,701	5,936,731	-	11,156,494
Available for sale investments	-	977,691	3,145,384	30,505,753	34,628,828
Investment in associates	-	-	-	3,543,591	3,543,591
Property under development	-	-	-	6,694,621	6,694,621
Accounts receivable and prepayments	-	227,968	1,713,753	-	1,941,721
Furniture and equipment	-	-	-	11,884	11,884
TOTAL ASSETS	4,677,490	4,299,360	10,795,868	40,755,849	60,528,567
EQUITY AND LIABILITIES					
Equity	-	-	-	57,213,835	57,213,835
Bank overdrafts	-	1,029,570	-	-	1,029,570
Term loans	-	-	237,363	1,112,637	1,350,000
Other liabilities	256,655	-	575,250	103,257	935,162
TOTAL EQUITY AND LIABILITIES	256,655	1,029,570	812,613	58,429,729	60,528,567