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**NATIONAL INTERNATIONAL HOLDING COMPANY
K.S.C. (CLOSED) AND SUBSIDIARIES**

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

31 MARCH 2009

**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 statement of financial position of National International Holding Company K.S.C. (Closed) (the parent company) and its Subsidiaries (the group) as at 31 March 2009 and the related interim condensed consolidated income statement, comprehensive income, cash flows and changes in equity for the three 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 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, nor of the articles of association of the parent company have occurred during the three month period ended 31 March 2009 that might have had a material effect on the business of the group or on its financial position.



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OF ERNST & YOUNG



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

14 May 2009
Kuwait

National International Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
 Period ended 31 March 2009

	<i>Note</i>	<i>Three months ended 31 March</i>	
		2009 KD	2008 KD
Realised gain on sale of investments carried at fair value through income statement		263,642	1,149,073
Unrealised loss from investments carried at fair value through income statement		(900,140)	(655,694)
Gain on sale of available for sale investments		960	694,829
Dividend income		48,251	264,534
Share of results of associates		-	34,075
Interest income		163,267	6,771
Fee income		2,925	3,000
Foreign exchange loss		(34,082)	(5,605)
General and administrative expenses		(52,249)	(132,819)
Impairment of available for sale investments		(1,388,575)	-
Finance costs		(31,026)	(16,968)
(LOSS) PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		(1,927,027)	1,341,196
Contribution to KFAS		-	(12,071)
National Labour Support Tax (NLST)		-	(33,530)
Zakat		-	(13,412)
(LOSS) PROFIT FOR THE PERIOD		(1,927,027)	1,282,183
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE	3	(9.28) fils	6.15 fils

The attached notes 1 to 13 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 31 March 2009

	<i>Note</i>	<i>Three months ended 31 March</i>	
		<i>2009</i>	<i>2008</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
(Loss) profit for the period		(1,927,027)	1,341,196
Adjustments for:			
Dividend income		(48,251)	(264,534)
Share of results of associates		-	(34,075)
Gain on sale of available for sale investments		(960)	(694,829)
Interest income		(163,267)	(6,771)
Foreign exchange loss		34,082	5,605
Depreciation		739	1,020
Provision for employees' end of service benefits		2,329	10,108
Impairment of available for sale investments		1,388,575	-
Finance costs		31,026	16,968
		(682,754)	374,688
Changes in operating assets and liabilities:			
Investments carried at fair value through income statement		859,217	(602,471)
Accounts receivable and prepayments		(508,468)	446,753
Other liabilities		(46,413)	(103,026)
Cash (used in) from operations		(378,418)	115,944
Finance costs paid		-	(10,871)
Net cash used in (from) operating activities		(378,418)	105,073
INVESTING ACTIVITIES			
Purchase of available for sale investments		(7,998)	(4,501,875)
Proceeds from sale of available for sale investments		22,935	5,563,114
Cost incurred on property under development		(818,470)	(2,785,634)
Dividend income received		16,813	264,534
Interest income received		-	4,323
Net cash used in investing activities		(786,720)	(1,455,538)
FINANCING ACTIVITIES			
Purchase of treasury shares		(3,360)	(122,200)
Term loans obtained		850,000	-
Repayments of term loans		-	800,000
Net cash from financing activities		846,640	677,800
DECREASE IN BANK BALANCES AND CASH		(318,498)	(672,665)
Bank balances and cash at the beginning of the period		(14,824)	3,696,387
BANK BALANCES AND CASH AT THE END OF THE PERIOD	4	(333,322)	3,023,722

The attached notes 1 to 13 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 31 March 2009

	Share capital KD	Share premium KD	Statutory reserve KD	General reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	(Accumulated losses) retained earnings KD	Treasury shares KD	Treasury shares reserve KD	Total KD
Balance at 1 January 2009	21,262,500	21,023,856	2,479,285	1,297,894	13,436,131	-	(6,345,624)	(1,212,364)	318,561	52,260,239
Loss for the period	-	-	-	-	-	-	(1,927,027)	-	-	(1,927,027)
Other comprehensive income	-	-	-	-	438,290	-	-	-	-	438,290
Total comprehensive income (loss) for the period	-	-	-	-	438,290	-	(1,927,027)	-	-	(1,488,737)
Purchase of treasury shares	-	-	-	-	-	-	-	(3,360)	-	(3,360)
Balance at 31 March 2009	21,262,500	21,023,856	2,479,285	1,297,894	13,874,421	-	(8,272,651)	(1,215,724)	318,561	50,768,142
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
Income for the period	-	-	-	-	-	-	1,282,183	-	-	1,282,183
Other comprehensive income (loss)	-	-	-	-	2,568,787	(259,038)	-	-	-	2,309,749
Total comprehensive income (loss) for the period	-	-	-	-	2,568,787	(259,038)	1,282,183	-	-	3,591,932
Purchase of treasury shares	-	-	-	-	-	-	-	(122,200)	-	(122,200)
Balance at 31 March 2008	15,750,000	21,023,856	2,479,285	1,297,894	14,050,926	(459,903)	7,919,419	(1,113,282)	307,308	61,255,503

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2009

1 ACTIVITIES

The interim condensed consolidated financial information of National International Holding Company K.S.C. (Closed) (the "parent company") and its subsidiaries (the group) for the three month period ended 31 March 2009 were authorised for issue in accordance with a resolution of the board of directors on 14 May 2009.

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, development 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.

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 interim condensed consolidated financial information do not contain all information and disclosures required for full 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 2008. In addition, results for the three months ended 31 March 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

In the opinion of management, all adjustments (consisting of normal recurring accruals), considered necessary for a fair presentation have been included. The accounting policies used in the preparation of this 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 2008.

During the period, the group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in income) to be presented in the interim condensed consolidated statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in the interim condensed consolidated statement of comprehensive income. Components of interim condensed consolidated statement of comprehensive income are not permitted to be presented in the interim condensed consolidated statement of changes in equity.

IAS 23 'Borrowing costs' (Revised)

This standard will require an entity to capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset as a part of the cost of that asset and removes the option of expensing these borrowing costs in the interim condensed consolidated income statement.

IAS 40 'Investment Property' (Revised)

IAS 40 (Revised) allows property under development which is within the scope of the investment property to be measured at cost if fair value cannot be measured reliably until such time as the fair value becomes reliably measurable or construction is completed (whichever comes earlier).

IFRS 8 'Operating segments':

The new standard which replaced IAS 14 'Segment reporting' requires a management approach for segment reporting under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

3 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share are calculated by dividing the (loss) 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 31 March</i>	
	<i>2009</i>	<i>2008</i>
(Loss) profit for the period (KD)	<u>(1,927,027)</u>	<u>1,282,183</u>
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<u>207,574,507</u>	<u>208,408,560</u>
Basic and diluted (loss) earnings per share	<u>(9.28) fils</u>	<u>6.15 fils</u>

4 BANK BALANCES AND CASH

Bank balances and cash included in the interim condensed consolidated cash flow statement include the following interim condensed consolidated statement of financial position amounts:

	<i>31 March 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>31 March 2008 KD</i>
Short-term deposits	-	163,801	340,882
Bank balances	195,242	276,620	3,125,810
Cash in hand	4,999	4,999	1,999
Bank balances and cash	<u>200,241</u>	<u>445,420</u>	<u>3,468,691</u>
Bank overdrafts	<u>(533,563)</u>	<u>(460,244)</u>	<u>(444,969)</u>
	<u>(333,322)</u>	<u>(14,824)</u>	<u>3,023,722</u>

Included in short-term deposits and bank balances is an amount of KD 111,053 (31 December 2008: KD 363,374 and 31 March 2008: KD 1,434,027) denominated in foreign currencies, principally US Dollars and Euros.

Short-term deposits carried interest at an average rate of Nil (31 December 2008: 5.2% and 31 March 2008: 6.5%) per annum.

The average interest rate on bank overdrafts is 2.25% (31 December 2008: 2.5% and 31 March 2008: 2.5%) per annum over the Central Bank of Kuwait discount rate.

5 INVESTMENTS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>31 March 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>31 March 2008 KD</i>
Held for trading investments:			
Quoted investments	1,891,164	2,328,052	9,589,741
Managed portfolios (quoted securities)	816,572	1,238,901	1,114,408
	<u>2,707,736</u>	<u>3,566,953</u>	<u>10,704,149</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2009

6 AVAILABLE FOR SALE INVESTMENTS

	<i>31 March</i>	<i>(Audited)</i>	
	<i>2009</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2008</i>	<i>2008</i>
		<i>KD</i>	<i>KD</i>
Quoted investments	2,584,254	3,541,533	4,237,801
Unquoted investments	35,760,265	36,019,584	29,039,483
Managed funds	3,164,181	2,911,845	3,163,458
	<u>41,508,700</u>	<u>42,472,962</u>	<u>36,440,742</u>

Quoted investments with carrying value amounting to KD 922,166 (31 December 2008 and 31 March 2008: Nil) were pledged as security against term loan (Note 9). In addition included in unquoted investments an amount of KD 2,209,100 (31 December 2008: KD 2,747,288 and 31 March 2008: Nil) which represents investments pledged as security against murabaha payables (Note 10).

A portion of unquoted investments and managed funds amounting to KD 4,418,112 (31 December 2008: KD 4,812,964 and 31 March 2008: KD 7,208,434) are carried at cost due to non availability of reliable measures of its fair values.

Management has performed a detailed review of all available for sale investments to assess whether impairment has occurred in the value of these investments due to the impact of the global financial crisis. As a result, an impairment loss of KD 1,388,575 has been taken on the total available for sale investments. Management is not aware of any circumstances that would indicate any further impairment in the value of these investments at the financial position date.

Investments amounting to KD 21,732,196 (31 December 2008: KD 21,703,690 and 31 March 2008: KD 17,507,779) are denominated in foreign currencies, principally US Dollars and Euros.

7 PROPERTY UNDER DEVELOPMENT

Property under development comprises freehold land located in Kuwait which is in the process of construction and development for the ultimate use as an investment property. Property under development include capitalised borrowing costs of KD 328,773 (31 December 2008: KD 247,184 and 31 March 2008: KD Nil).

8 BONUS SHARES

For the year ended 31 December 2008, the parent company has not proposed cash dividends or bonus shares. However In 2007, the board of directors of the parent company 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 approved the distribution of bonus shares of 35% of paid up capital for the year ended 31 December 2007.

9 TERM LOANS

Term loans represent revolving loans borrowed from local financial institutions and bear an average interest rate of 8.25% (31 December 2008: 8.25% and 31 March 2008: 8.6%) per annum.

A portion of term loans is secured by quoted investments with carrying value of KD 922,166 (31 December 2008: Nil and 31 March 2008: Nil) (Note 6).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

10 MURABAHA PAYABLES

Murabaha payables represent murabaha contracts with a related party maturing within 6 months from the financial position date.

The average effective cost attributable to this contract is 6.8% (31 December 2008: 6.79% and 31 March 2008: Nil) per annum.

A portion of murabaha payables is secured by unquoted investments with carrying value of KD 2,209,100 (31 December 2008: KD 2,747,288 and 31 March 2008: Nil) (Note 6).

11 RELATED PARTY TRANSACTIONS

Related parties represent associates, 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:

	Major shareholders	Three months ended 31 March	
	KD	2009 KD	2008 KD
Realised gain on sale of investments carried at fair value through income statement	-	-	112,716
Share of results of associates	-	-	34,075
General and administrative expenses	-	-	30,000
Finance costs	20,540	20,540	62,051

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	Associates	Major shareholders	31 March 2009 KD	(Audited) 31 December 2008 KD	31 March 2008 KD
Investments carried at fair value through income statement (managed by a related party)	-	811,980	811,980	1,233,700	-
Available for sale investments (managed by a related party)	-	9,485,640	9,485,640	9,528,000	-
Investments in associates	58,033	-	58,033	58,033	3,434,889
Amount due from a related party (included in accounts receivable and prepayments)	48,427	-	48,427	51,443	57,423
Murabaha payables	-	2,121,375	2,121,375	1,941,000	-
Other liabilities	-	358,000	358,000	358,000	235,000

Key management compensation

	Three months ended 31 March	
	2009 KD	2008 KD
Short-term benefits	5,450	18,950
Provision for management executive bonus	-	15,000
End of service benefits	1,800	2,650
	<u>7,250</u>	<u>36,600</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2009

12 SEGMENTAL 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:

31 March 2009	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	185,991	14,250	200,241
Investments carried at fair value through income statement	2,707,736	-	2,707,736
Available for sale investments	37,608,700	3,900,000	41,508,700
Investment in associates	58,033	-	58,033
Property under development	-	12,526,993	12,526,993
Accounts receivable and prepayments	3,061,329	-	3,061,329
Furniture and equipment	8,851	-	8,851
TOTAL ASSETS	43,630,640	16,441,243	60,071,883
EQUITY AND LIABILITIES			
Equity	50,768,142	-	50,768,142
Bank overdrafts	533,563	-	533,563
Term loans	2,900,000	2,750,000	5,650,000
Murabaha payables	2,121,375	-	2,121,375
Other liabilities	998,803	-	998,803
TOTAL EQUITY AND LIABILITIES	57,321,883	2,750,000	60,071,883
Three months ended 31 March 2009			
Segment revenue	479,045	-	479,045
Segment results	(1,926,778)	(249)	(1,927,027)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

12 SEGMENTAL INFORMATION (continued)

31 March 2008	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	3,460,081	8,610	3,468,691
Investments carried at fair value through income statement	10,704,149	-	10,704,149
Available for sale investments	36,440,742	-	36,440,742
Investment in associates	3,434,889	-	3,434,889
Property under development	-	9,919,985	9,919,985
Accounts receivable and prepayments	1,978,563	-	1,978,563
Furniture and equipment	11,296	-	11,296
TOTAL ASSETS	56,029,720	9,928,595	65,958,315
EQUITY AND LIABILITIES			
Equity	61,255,503	-	61,255,503
Bank overdrafts	444,969	-	444,969
Term loans	2,900,000	-	2,900,000
Other liabilities	1,357,843	-	1,357,843
TOTAL EQUITY AND LIABILITIES	65,958,315	-	65,958,315
Period ended 31 March 2008			
Segment revenue	2,152,282	-	2,152,282
Segment result	1,341,196	-	1,341,196
Unallocated expenses			(59,013)
			1,282,183

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

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

	<i>Net (loss) revenue</i>		<i>Unallocated expenses</i>		<i>Loss (profit)</i>	
	<i>31 March 2009 KD</i>	<i>31 March 2008 KD</i>	<i>31 March 2009 KD</i>	<i>31 March 2008 KD</i>	<i>31 March 2009 KD</i>	<i>31 March 2008 KD</i>
Geographical areas:						
Kuwait	(1,901,817)	636,327	-	(59,013)	(1,901,817)	577,314
United States of America	16,580	655,404	-	-	16,580	655,404
Europe	(18,540)	5,619	-	-	(18,540)	5,619
GCC	(23,250)	43,846	-	-	(23,250)	43,846
	(1,927,027)	1,341,196	-	(59,013)	(1,927,027)	1,282,183

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2009

12 SEGMENTAL INFORMATION (continued)

	<i>Assets</i>			<i>Liabilities</i>		
	<i>(Audited)</i>			<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Geographical areas:						
Kuwait	42,335,282	41,290,306	45,015,647	7,182,366	6,272,105	4,702,812
United States of America	5,220,740	6,001,312	4,203,549	2,121,375	1,941,000	-
Europe	12,039,840	12,328,077	12,407,422	-	-	-
GCC	476,021	853,649	4,331,697	-	-	-
	60,071,883	60,473,344	65,958,315	9,303,741	8,213,105	4,702,812

13 COMMITMENTS

At 31 March 2009, the group had commitments toward acquisition of investments amounting to KD 2,750,000 (31 December 2008: KD 2,925,000 and 31 March 2008: KD Nil). Commitments are due upon the request of the investee company.