

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

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

30 JUNE 2009

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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 30 June 2009 and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of cash flows and changes in equity for the six month period then ended. 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

Except for the matters discussed in the "basis for qualified conclusion" below, 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.

Basis for qualified conclusion

- (A) As stated in note 5, the group carried available for sale investments amounting to KD 2,759,560 and KD 3,120,004 at cost and on net asset values respectively, at dates different from 30 June 2009 date due to the non availability of the information as of 30 June 2009. In the absence of reasonable fair values of these investments, we are not in a position to conclude whether there is any impairment in value of these investments. At this stage, in the absence of up to date information on fair values and lack of any other suitable review procedures available to us, it is not possible to determine the likely impact, if any, of this matter on the carrying value of the unquoted investments and on the interim condensed consolidated statements of income or changes in equity.

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

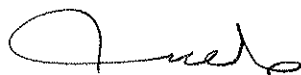
(B) During the three months ended 31 March 2009, the group recorded impairment of 1,388,575 in respect of available for sale investments. However, a portion of impairment previously recognised amounting to KD 609,018 has been reversed by the management during the three months ended 30 June 2009 as a result of the increase in the fair value of the respective equity investment. The reversal of impairment of an available for sale investment, which should have been reflected as an increase in cumulative changes in fair values within equity, constitutes a departure from International Financial Reporting Standards. Therefore, profit for the period ended 30 June 2009 and retained earnings are overstated by KD 609,018 and the cumulative changes in fair values are understated by an equivalent amount.

Qualified conclusion

Based on our review, except for the effect of the matters referred to in the "basis for qualified conclusion" above, 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, except for the effects of the matters described in the "basis for qualified conclusion" above, 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 six month period ended 30 June 2009 that might have had a material effect on the business of the group or on its financial position.



AHMED M. AL AIBAN
LICENCE NO. 65 A
OF ERNST & YOUNG



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

12 August 2009

Kuwait

National International Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
Period ended 30 June 2009

	Note	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Realised gain on sale of investments carried at fair value through income statement		523,197	435,575	786,839	1,584,648
Unrealised loss from investments carried at fair value through income statement		(39,508)	(305,240)	(939,648)	(960,934)
Gain on sale of available for sale investments		816,239	62,104	817,199	756,933
Dividend income		6,660	425,427	54,911	689,961
Share of results of associates		-	-	-	34,075
Gain on sale of investment in an associate		693	668,476	693	668,476
Interest income		123,590	7,511	286,857	14,282
Provision no longer required		28,797	-	28,797	-
Fee income		2,925	3,025	5,850	6,025
Foreign exchange gain (loss)		13,501	(7,575)	(20,581)	(13,180)
General and administrative expenses		(105,330)	(135,550)	(157,579)	(268,369)
Reversal (impairment) of available for sale investments		609,018	-	(779,557)	-
Finance costs		(34,694)	(20,628)	(65,720)	(37,596)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		1,945,088	1,133,125	18,061	2,474,321
Contribution to KFAS		(163)	(6,603)	(163)	(18,674)
National Labour Support Tax (NLST)		-	(19,340)	-	(52,870)
Zakat		-	(7,736)	-	(21,148)
PROFIT FOR THE PERIOD		1,944,925	1,099,446	17,898	2,381,629
BASIC AND DILUTED EARNINGS PER SHARE	3	9.39 fils	5.39 fils	0.09 fils	11.47 fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

National International Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)
Period ended 30 June 2009

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2009	2008	2009	2008
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	1,944,925	1,099,446	17,898	2,381,629
OTHER COMPREHENSIVE INCOME				
Change in fair value of available for sale investments	2,766,598	269,936	1,817,273	3,595,656
Realised gain on sale of available for sale investments transferred to interim condensed consolidated income statement	(816,239)	(62,104)	(817,199)	(756,933)
Impairment of available for sale investments	609,018	-	779,557	-
Exchange differences on translation of foreign operations	-	200,865	-	200,865
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2,559,377	408,697	1,779,631	3,039,588
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,504,302	1,508,143	1,797,529	5,421,217

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2009

		30 June 2009 KD	(Audited) 31 December 2008 KD	30 June 2008 KD
	Notes			
ASSETS				
Bank balances and cash	4	1,466,460	445,420	6,680,920
Investments carried at fair value through income statement		2,964,661	3,566,953	11,668,620
Available for sale investments	5	39,905,530	42,472,962	37,974,934
Investment in associates	6	-	58,033	58,033
Property under development		13,454,026	11,708,523	10,709,713
Accounts receivable and prepayments		3,439,032	2,211,863	1,808,017
Furniture and equipment		7,792	9,590	10,307
TOTAL ASSETS		61,237,501	60,473,344	68,910,544
EQUITY AND LIABILITIES				
Equity				
Share capital	7	21,262,500	21,262,500	21,262,500
Share premium	7	18,455,411	21,023,856	21,023,856
Statutory reserve	7	-	2,479,285	2,479,285
General reserve	7	-	1,297,894	1,297,894
Cumulative changes in fair values		15,215,762	13,436,131	14,320,862
Retained earnings (accumulated losses)		17,898	(6,345,624)	3,506,365
Treasury shares		(1,247,764)	(1,212,364)	(1,187,414)
Treasury shares reserve		318,561	318,561	318,561
Total equity		54,022,368	52,260,239	63,021,909
Liabilities				
Bank overdrafts	4	216,473	460,244	256,226
Term loans		5,850,000	4,800,000	3,900,000
Murabaha payables	8	-	1,941,000	-
Other liabilities		1,148,660	1,011,861	1,732,409
Total liabilities		7,215,133	8,213,105	5,888,635
TOTAL EQUITY AND LIABILITIES		61,237,501	60,473,344	68,910,544

Ali Ahmed Al-Baghi
(Chairman)

Abdulwahab Mohamed Al-Wazzan
(Deputy Chairman)

The attached notes 1 to 11 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 June 2009

		<i>Six months ended 30 June</i>	
	<i>Note</i>	<i>2009</i>	<i>2008</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Profit for the period		17,898	2,381,629
Adjustments for:			
Gain on sale of available for sale investments		(817,199)	(756,933)
Dividend income		(54,911)	(689,961)
Share of results of associates		-	(34,075)
Gain on sale of investment in an associate		(693)	(668,476)
Interest income		(286,857)	(14,282)
Provision no longer required		(28,797)	-
Foreign exchange loss		20,580	13,180
Depreciation		1,798	2,009
Provision for employees' end of service benefits		4,447	12,334
Impairment of available for sale investments		779,557	-
Finance costs		65,720	37,596
		(298,457)	283,021
Changes in operating assets and liabilities:			
Investments carried at fair value through income statement		602,292	(1,566,942)
Accounts receivable and prepayments		(914,043)	601,774
Other liabilities		(147,521)	546,156
Cash used in operations		(757,729)	(135,991)
Finance costs paid		(25,485)	(15,871)
Net cash used in operating activities		(783,214)	(151,862)
INVESTING ACTIVITIES			
Purchase of available for sale investments		(1,059,905)	(2,643,596)
Proceeds from sale of available for sale investments		5,444,610	2,280,097
Proceeds from sale of investment in an associate		58,726	4,505,235
Cost incurred on property under development		(1,505,865)	(3,575,362)
Dividend income received		36,859	689,961
Interest income received		-	8,913
Net cash from investing activities		2,974,425	1,265,248
FINANCING ACTIVITIES			
Purchase of treasury shares		(35,400)	(241,080)
Proceeds from sale of treasury shares		-	56,001
Term loans obtained		1,850,000	1,800,000
Repayments of term loans		(800,000)	-
Repayment of murabaha payables		(1,941,000)	-
Net cash (used in) from financing activities		(926,400)	1,614,921
INCREASE IN CASH AND CASH EQUIVALENTS		1,264,811	2,728,307
Cash and cash equivalents at the beginning of the period		(14,824)	3,696,387
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1,249,987	6,424,694

The attached notes 1 to 11 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 June 2009

	Share capital KD	Share premium KD	Statutory reserve KD	General reserve KD	Cumulative changes in fair values KD	Retained earnings KD	Foreign currency translation reserve 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
Profit for the period	-	-	-	-	-	17,898	-	-	-	17,898
Other comprehensive income for the period	-	-	-	-	1,779,631	-	-	-	-	1,779,631
Total comprehensive income for the period	-	-	-	-	1,779,631	17,898	-	-	-	1,797,529
Offsetting of accumulated losses (Note 7)	-	(2,568,445)	(2,479,285)	(1,297,894)	-	(6,345,624)	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	(35,400)	-	(35,400)
Balance at 30 June 2009	21,262,500	18,455,411	-	-	15,215,762	17,898	-	(1,247,764)	318,561	54,022,368
Balance at 1 January 2008	15,750,000	21,023,856	2,479,285	1,297,894	11,482,139	6,637,236	(200,865)	(991,082)	307,308	57,785,771
Profit for the period	-	-	-	-	-	2,381,629	-	-	-	2,381,629
Other comprehensive income for the period	-	-	-	-	2,838,723	-	200,865	-	-	3,039,588
Total comprehensive income for the period	-	-	-	-	2,838,723	2,381,629	200,865	-	-	5,421,217
Issue of bonus shares (Note 7)	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 June 2008	21,262,500	21,023,856	2,479,285	1,297,894	14,320,862	3,506,365	-	(1,187,414)	318,561	63,021,909

The attached notes I to II form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 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 six month period ended 30 June 2009 were authorised for issue in accordance with a resolution of the board of directors on 12 August 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 does 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 six months ended 30 June 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, except for the adoption of the new standards as follows:

IASB standards issued and adopted

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 separates owner and non owner changes in equity. The interim condensed consolidated statement of changes in equity includes only details of transactions with owners, with non owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The group has elected to present two statements.

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. The application of the revised standard has not had a material impact on the interim condensed consolidated financial information because it has always been the group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

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). The application of the revised standard has not had a material impact on the interim condensed consolidated financial information because it has always been the group's accounting policy to carry the projects under construction at cost less any impairment required.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

2 BASIS OF PREPARATION (continued)*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. However, the application of the revised standard has had no significant impact on designation of the group's reporting segments as it has previously been consistent with the internal reporting provided to the chief operating decision maker.

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 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Profit for the period (KD)	<u>1,944,925</u>	<u>1,099,446</u>	<u>17,898</u>	<u>2,381,629</u>
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<u>207,204,941</u>	<u>203,849,007</u>	<u>207,264,282</u>	<u>207,699,065</u>
Basic and diluted earnings per share	<u>9.39 fils</u>	<u>5.39 fils</u>	<u>0.09 fils</u>	<u>11.47 fils</u>

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

4 CASH AND CASH EQUIVALENTS

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

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Short-term deposits	-	163,801	327,600
Bank balances	1,461,461	276,620	6,351,321
Cash in hand	4,999	4,999	1,999
Bank balances and cash	<u>1,466,460</u>	<u>445,420</u>	<u>6,680,920</u>
Bank overdrafts	<u>(216,473)</u>	<u>(460,244)</u>	<u>(256,226)</u>
	<u>1,249,987</u>	<u>(14,824)</u>	<u>6,424,694</u>

Included in short-term deposits and bank balances is an amount of KD 141,158 (31 December 2008: KD 363,374 and 30 June 2008: KD 327,600) denominated in foreign currencies, principally US Dollars and Euros.

Short-term deposits carried interest at an average rate of 4.5% (31 December 2008: 5.2% and 30 June 2008: 5.2%) per annum.

The average interest rate on bank overdrafts is 2.8% (31 December 2008: 2.5% and 30 June 2008: 2.5%) per annum over the Central Bank of Kuwait discount rate.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

5 AVAILABLE FOR SALE INVESTMENTS

	30 June 2009 KD	(Audited) 31 December 2008 KD	30 June 2008 KD
Quoted investments	1,447,937	3,541,533	809,694
Unquoted investments	35,791,133	36,019,584	34,063,216
Managed funds	2,666,460	2,911,845	3,102,024
	<u>39,905,530</u>	<u>42,472,962</u>	<u>37,974,934</u>

A portion of unquoted investments and managed funds amounting to KD 2,759,560 and KD 3,120,004 (31 December 2008: KD 4,812,964 and 30 June 2008: KD 12,904,408) are carried at cost and net asset value (NAV) of earlier dates due to non availability of reliable measures of its fair values as of 30 June 2009.

Except as mentioned in the previous paragraph, management has performed a detailed review of all available for sale investments to assess whether impairment has occurred in the value of those investments due to the impact of the global financial crisis. As a result, an impairment loss of KD 779,557 (31 December 2008: KD 6,601,988 and 30 June 2008: KD Nil) 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 those investments at the financial position date.

Investments amounting to KD 19,121,779 (31 December 2008: KD 21,703,690 and 30 June 2008: KD 21,098,760) are denominated in foreign currencies, principally US Dollars and Euros.

6 INVESTMENT IN ASSOCIATE

During the current period, the parent company disposed of its entire interest in Middle East for Digital Communications Company (Salah Yousef Abdullah Al Nafesi & Partners) W.L.L. and realised a total gain of KD 693.

7 SHARE CAPITAL

	30 June 2009 KD	(Audited) 31 December 2008 KD	30 June 2008 KD
Authorised, issued and fully paid (212,625,000 shares of 100 fils each)	<u>21,262,500</u>	<u>21,262,500</u>	<u>21,262,500</u>

For the year ended 31 December 2008, the board of directors did not propose cash dividends or bonus shares. In the previous year, 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.

The Annual General Meeting of the parent company's shareholders held on 27 May 2009 approved the board of directors' proposal of offsetting the accumulated losses attributable to the parent company as at 31 December 2008 amounting to KD 6,345,624 against statutory reserve, general reserve and share premium. The offset of the accumulated losses was reflected in this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

8 MURABAHA PAYABLES

Murabaha payables represent contracts with a related party matured and were fully settled during the six months ended 30 June 2009. The average effective cost attributable to this contract was Nil % 6.79% per annum.

9 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, associates, 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 KD	Six months ended 30 June	
		2009 KD	2008 KD
Realised gain on sale of investments carried at fair value through income statement	-	-	112,716
Unrealised loss on investments carried at fair value through income statement	(364,780)	(364,780)	(12,000)
Share of results of associates	-	-	34,075
Gain on sale of investment in an associate	-	-	668,476
General and administrative expenses	-	-	(60,000)
Finance costs	25,485	25,485	-

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

	Major shareholders KD	30 June 2009 KD	(Audited) 31 December 2008 KD	30 June 2008 KD
Investments carried at fair value through income statement (managed by a related party)	871,850	871,850	1,233,700	918,640
Available for sale investments (managed by a related party)	7,917,027	7,917,027	9,528,000	102,000
Investments in associate	-	-	58,033	58,033
Amount due from a related party (included in accounts receivable and prepayments)	-	-	51,443	57,476
Murabaha payables	-	-	1,941,000	-
Other liabilities	358,000	358,000	358,000	60,000

Key management compensation

	Six months ended 30 June	
	2009 KD	2008 KD
Short-term benefits	33,000	36,875
Provision for management executive bonus	-	15,000
Employees' end of service benefits	2,163	2,890
	<u>35,163</u>	<u>54,765</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

10 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:

30 June 2009	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	1,452,502	13,958	1,466,460
Investments carried at fair value through income statement	2,964,661	-	2,964,661
Available for sale investments	36,005,530	3,900,000	39,905,530
Property under development	-	13,454,026	13,454,026
Accounts receivable and prepayments	3,439,032	-	3,439,032
Furniture and equipment	7,792	-	7,792
TOTAL ASSETS	43,869,517	17,367,984	61,237,501
EQUITY AND LIABILITIES			
Equity	54,022,368	-	54,022,368
Bank overdrafts	216,473	-	216,473
Term loans	-	5,850,000	5,850,000
Other liabilities	1,148,660	-	1,148,660
TOTAL EQUITY AND LIABILITIES	55,387,501	5,850,000	61,237,501
Six months ended 30 June 2009			
Segment revenue	1,981,146	-	1,981,146
Segment results	27,574	(9,513)	18,061
Unallocated expenses			(163)
			17,898

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

10 SEGMENTAL INFORMATION (continued)

31 December 2008	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Total KD</i>
ASSETS			
Bank balances and cash	435,922	9,498	445,420
Investments carried at fair value through income statement	3,566,953	-	3,566,953
Available for sale investments	42,472,962	-	42,472,962
Investment in associate	58,033	-	58,033
Property under development	-	11,708,523	11,708,523
Accounts receivable and prepayments	2,211,863	-	2,211,863
Furniture and equipment	9,590	-	9,590
TOTAL ASSETS	<u>48,755,323</u>	<u>11,718,021</u>	<u>60,473,344</u>
EQUITY AND LIABILITIES			
Equity	52,260,239	-	52,260,239
Bank overdrafts	460,244	-	460,244
Term loans	2,900,000	1,900,000	4,800,000
Murabaha payables	1,941,000	-	1,941,000
Other liabilities	1,011,861	-	1,011,861
TOTAL EQUITY AND LIABILITIES	<u>58,573,344</u>	<u>1,900,000</u>	<u>60,473,344</u>
Year ended 31 December 2008			
Segment revenue	<u>5,030,821</u>	<u>-</u>	<u>5,030,821</u>
Segment Results	<u>(7,458,360)</u>	<u>(12,000)</u>	<u>(7,470,360)</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

10 SEGMENTAL INFORMATION (continued)

30 June 2008	Investment KD	Real estate KD	Total KD
ASSETS			
Bank balances and cash	6,671,820	9,100	6,680,920
Investments carried at fair value through income statement	11,668,620	-	11,668,620
Available for sale investments	37,974,934	-	37,974,934
Investment in associate	58,033	-	58,033
Property under development	-	10,709,713	10,709,713
Accounts receivable and prepayments	1,808,017	-	1,808,017
Furniture and equipment	10,307	-	10,307
TOTAL ASSETS	<u>58,191,731</u>	<u>10,718,813</u>	<u>68,910,544</u>
EQUITY AND LIABILITIES			
Equity	63,021,909	-	63,021,909
Bank overdrafts	256,226	-	256,226
Term loans	3,900,000	-	3,900,000
Other liabilities	1,732,409	-	1,732,409
TOTAL EQUITY AND LIABILITIES	<u>68,910,544</u>	<u>-</u>	<u>68,910,544</u>
Six months ended 30 June 2008			
Segment revenue	<u>3,754,400</u>	<u>-</u>	<u>3,754,400</u>
Segment results	<u>2,474,321</u>	<u>-</u>	<u>2,474,321</u>
Unallocated expenses			<u>(92,692)</u>
			<u>2,381,629</u>

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:

	Net (deficit) revenue		Unallocated expenses		Results	
	30 June 2009 KD	30 June 2008 KD	30 June 2009 KD	30 June 2008 KD	30 June 2009 KD	30 June 2008 KD
Geographical areas:						
Kuwait	(91,432)	960,591	(163)	(92,692)	(91,595)	867,899
United States of America	(4,462)	791,179	-	-	(4,462)	791,179
Europe	113,500	-	-	-	113,500	-
GCC	455	722,551	-	-	455	722,551
	<u>18,061</u>	<u>2,474,321</u>	<u>(163)</u>	<u>(92,692)</u>	<u>17,898</u>	<u>2,381,629</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 June 2009

10 SEGMENTAL INFORMATION (continued)

	<i>Assets</i>			<i>Liabilities</i>		
	<i>(Audited)</i>			<i>(Audited)</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</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	36,898,399	41,290,306	48,918,969	7,215,133	6,272,105	5,888,635
United States of America	6,576,730	6,001,312	4,171,322	-	1,941,000	-
Europe	14,536,912	12,328,077	12,383,273	-	-	-
GCC	3,225,460	853,649	3,436,980	-	-	-
	<u>61,237,501</u>	<u>60,473,344</u>	<u>68,910,544</u>	<u>7,215,133</u>	<u>8,213,105</u>	<u>5,888,635</u>

11 COMMITMENTS

At 30 June 2009, the group had commitments toward acquisition of investments amounting to KD 2,650,000 (31 December 2008: KD 2,925,000 and 30 June 2008: KD 2,860,000). Commitments are due upon the request of the investee company.