NATIONAL REAL ESTATE COMPANY K.S.C.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2009
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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AND ITS SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
National Real Estate Company K.S.C.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Real Estate Company K.S.C. (the Parent Company) and its subsidiaries (the Group) as of September 30, 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. 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.

Emphasis of matter

Without qualifying our conclusion we would like to draw attention to notes (6), (15) and (17) to the interim consolidated financial information.

Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the Parent Company's books of account and to the best of our knowledge and belief, there were no contraventions during the period ended September 30, 2009 of either the Commercial Companies Law or the Parent Company's Articles of Association, which might have materially affected the Group's financial position or results of its operations, except that the Parent Company holds certain direct investments in shares in violation of its objectives.

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State of Kuwait
November 12, 2009

NATIONAL REAL ESTATE COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2009
(All amounts are in Kuwaiti Dinars)

ASSETS	Note	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Cash and cash equivalents		**15,138,852**	16,678,195	15,529,262
Investments at fair value through income statement		**-**	-	1,393,304
Accounts receivable and other debit balances		**13,300,174**	13,286,083	81,358,337
Investments available for sale		**21,618,366**	19,607,670	23,128,334
Investment in associates	4	**210,402,327**	177,842,974	175,892,376
Investment in a joint venture		**423,322**	370,465	343,583
Capital work in progress	5	**255,801,995**	235,429,364	47,131,016
Fixed assets		**3,956,923**	3,053,855	2,148,855
Investment properties	7	**69,114,364**	66,680,147	66,429,799
Total assets		**589,756,323**	532,948,753	413,354,866
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable and other credit balances		**133,374,849**	136,072,035	28,740,071
Bank facilities	8	**181,699,990**	156,556,310	142,235,427
Bonds		**7,351,895**	6,816,724	6,776,000
Provision for end of service indemnity		**742,102**	740,053	726,449
Total liabilities		**323,168,836**	300,185,122	178,477,947
Equity:				
Share capital		**81,419,506**	81,419,506	81,419,506
Treasury shares	9	**(7,118,276)**	(7,015,148)	(6,742,923)
Statutory reserve		**36,332,700**	36,332,700	34,503,518
Treasury shares reserve		**12,859,431**	12,859,431	12,854,484
Effect of changes in associates' equity	4	**(3,042,434)**	(9,667,825)	(9,044,511)
Cumulative changes in fair value		**(1,928,546)**	(4,116,430)	(3,226,115)
Foreign currency translation adjustments		**3,892,709**	(655,172)	(1,309,320)
Dilution gain		**-**	-	9,686
Retained earnings		**121,521,951**	100,959,845	105,039,214
		243,937,041	210,116,907	213,503,539
Non-controlling interests		**22,650,446**	22,646,724	21,373,380
Total equity		**266,587,487**	232,763,631	234,876,919
Total liabilities and equity		**589,756,323**	532,948,753	413,354,866

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

Jamil Sultan Al-Essa
Chairman and Managing Director



NATIONAL REAL ESTATE COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2009	2008	2009	2008
Revenues:					
Rental income		**2,267,593**	2,121,449	**6,459,672**	5,988,138
Share in the associates' results	4	**9,102,282**	8,059,803	**25,933,962**	24,915,980
Change in fair value of investment properties		**(1,168,941)**	(117,472)	**(3,506,819)**	(352,362)
		10,200,934	10,063,780	**28,886,815**	30,551,756
Expenses:					
Staff costs		**(1,002,248)**	(1,270,313)	**(3,160,785)**	(3,993,392)
General and administrative		**(1,515,143)**	(1,294,465)	**(4,438,769)**	(5,477,837)
Depreciation & amortization		**(92,659)**	(92,541)	**(402,319)**	(293,629)
		(2,610,050)	(2,657,319)	**(8,001,873)**	(9,764,858)
Operating profit		**7,590,884**	7,406,461	**20,884,942**	20,786,898
Net investment income	10	**3,423**	532,371	**84,110**	3,778,320
Other income	11	**207,163**	220,702	**2,054,261**	2,507,802
Share in the joint venture results		**(12,070)**	(12,247)	**(30,328)**	(29,293)
Interest income		**900,777**	866,411	**2,788,362**	2,469,780
Interest expense		**(795,692)**	(2,589,396)	**(2,165,858)**	(6,938,792)
Foreign exchange gain (loss)		**58,371**	(53,100)	**(703,909)**	282,680
Provision for interest income on the balance due from Kuwait Ports Authority	6	**(722,629)**	(654,128)	**(2,115,018)**	(1,914,536)
Provision for doubtful debts		**(3,842)**	(29,656)	**(5,192)**	(35,614)
Profit for the period before Board of Directors' remuneration		**7,226,385**	5,687,418	**20,791,370**	20,907,245
Board of Director's remuneration		**(17,500)**	(17,500)	**(52,500)**	(52,500)
Net profit for the period		**7,208,885**	5,669,918	**20,738,870**	20,854,745
Attributable to :					
Equity holders of the Parent Company		**7,196,572**	5,575,747	**20,562,106**	20,542,013
Non-controlling interests		**12,313**	94,171	**176,764**	312,732
		7,208,885	5,669,918	**20,738,870**	20,854,745
Earnings per share attributable to equity holders of the Parent Company (fils)	13	**9.28**	7.15	**26.51**	26.34

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

NATIONAL REAL ESTATE COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2009	2008	**2009**	2008
Net profit for the period		**7,208,885**	5,669,918	**20,738,870**	20,854,745
Other comprehensive income:					
Foreign currency translation adjustments		**527,934**	(1,439,863)	**4,989,906**	(2,110,348)
Investments available for sale		**493,983**	(5,164,117)	**2,188,669**	(4,256,267)
Share of other comprehensive income of associates	4	**613,837**	(761,813)	**4,153,213**	(4,146,229)
Other Comprehensive income (loss) for the period		**1,635,754**	(7,365,793)	**11,331,788**	(10,512,844)
Total comprehensive income (loss) for the period		**8,844,639**	(1,695,875)	**32,070,658**	10,341,901
Attributable to:					
Equity holders of the parent company		**8,782,480**	(1,617,306)	**31,451,084**	10,498,468
Non-controlling interests		**62,159**	(78,569)	**619,574**	(156,567)
Total comprehensive income (loss) for the period		**8,844,639**	(1,695,875)	**32,070,658**	10,341,901

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information.

NATIONAL REAL ESTATE COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009
(All amounts are in Kuwaiti Dinars)

	Attributable to equity holders of the Parent Company											
	Share capital	Treasury shares	Statutory reserve	Treasury shares reserve	Effect of changes in associates' equity	Cumulative changes in fair value	Foreign currency translation adjustments	Dilution gain	Retained earnings	Subtotal	Non controlling interests	Total
Balance at December 31, 2008	81,419,506	(7,015,148)	36,332,700	12,859,431	(9,667,825)	(4,116,430)	(655,172)	-	100,959,845	210,116,907	22,646,724	232,763,631
Total comprehensive income for the period	-	-	-	-	4,153,213	2,187,884	4,547,881	-	20,562,106	31,451,084	619,574	32,070,658
Share of changes in associates' equity – Note 4	-	-	-	-	2,472,178	-	-	-	-	2,472,178	-	2,472,178
Purchase of treasury shares	-	(103,128)	-	-	-	-	-	-	-	(103,128)	-	(103,128)
Paid to Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(615,852)	(615,852)
Balance at September 30, 2009	**81,419,506**	**(7,118,276)**	**36,332,700**	**12,859,431**	**(3,042,434)**	**(1,928,546)**	**3,892,709**	**-**	**121,521,951**	**243,937,041**	**22,650,446**	**266,587,487**
Balance at December 31, 2007	74,017,733	(5,554,583)	34,503,518	12,951,208	5,897,123	997,834	373,733	-	106,085,340	228,372,206	21,541,999	249,914,105
Total comprehensive (loss) income for the period	-	-	-	-	(4,146,229)	(4,223,949)	(1,683,053)	9,686	23,542,013	13,498,468	(155,567)	10,341,901
Purchase of treasury shares	-	(1,637,965)	-	-	-	-	-	-	-	(1,637,965)	-	(1,637,965)
Sale of treasury shares	-	449,625	-	903,275	-	-	-	-	-	1,252,900	-	1,252,901
Net movement in associates' treasury shares – Note 4	-	-	-	-	(10,795,405)	-	-	-	-	(10,795,405)	-	(10,795,405)
Paid to non - controlling interests	-	-	-	-	-	-	-	-	-	-	(11,952)	(11,952)
Cash dividend (2007 – 20 fils per share) – Note 16	-	-	-	-	-	-	-	-	(14,186,666)	(14,186,666)	-	(14,186,666)
Bonus shares (2007 – 10%) – Note 16	7,401,773	-	-	-	-	-	-	-	(7,401,773)	-	-	-
Balance at September 30, 2008	81,419,506	(6,742,923)	34,503,518	12,954,484	(9,044,511)	(3,226,115)	(1,309,320)	9,686	105,039,214	213,533,539	21,373,380	234,876,919

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

NATIONAL REAL ESTATE COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009
(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period before Board of Directors' remuneration	**20,791,370**	20,907,245
Adjustments for:		
Depreciation and amortization	**402,319**	293,629
Net investment income	**(84,110)**	(3,778,320)
Share in the associates' results	**(25,933,962)**	(24,915,980)
Share in the joint venture results	**30,328**	29,293
Loss (gain) on sale of fixed assets	**30,821**	(9,002)
Gain on partial sale of investment properties	**-**	(9,475)
Change in fair value of investment properties	**3,506,819**	352,362
Interest income	**(2,788,362)**	(2,469,780)
Interest expense	**2,165,858**	6,938,792
Interest capitalized on capital work in progress	**(4,764,429)**	-
Capital work in progress written off	**11,292**	1,914,536
Provision for interest income and doubtful debts	**2,120,210**	35,614
Provision for end of service indemnity	**174,824**	152,358
	(4,337,022)	(558,728)
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	**(565,131)**	(1,231,943)
Accounts payable and other credit balances	**2,047,192**	234,250
Cash used in from operations	**(2,854,961)**	(1,556,421)
Payment for end of service indemnity	**(172,775)**	(39,577)
Payment for Board of directors' remuneration	**-**	(70,000)
Net cash used in operating activities	**(3,027,736)**	(1,665,998)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments at fair value through income statement	**-**	(18,233,834)
Proceeds from sale of investments at fair value through income statement	**-**	10,923,505
Purchase of investments available for sale	**(57,564)**	(7,417,670)
Proceeds from sale of investments available for sale	**198,612**	4,063,124
Purchase of additional investment in an associate	**-**	(17,934)
Proceeds from partial disposal of investment in an associate	**-**	7,576,954
Payment for long term loan to a joint venture	**(57,085)**	(55,230)
Payment for capital work in progress	**(11,188,624)**	(11,991,072)
Purchase of fixed assets	**(1,246,121)**	(821,122)
Proceeds from partial sale of fixed assets	**7,500**	10,000
Payment for additions to investment properties	**(99,840)**	(370,648)
Proceeds from partial sale of investment properties	**-**	9,475
Payment for lands	**(5,694,725)**	(9,332,487)
Dividends income received	**121,035**	697,193
Dividends received from an associate	**-**	17,459,220
Interest income received	**646,517**	505,466
Net cash used in investing activities	**(17,370,295)**	(6,995,060)

	Nine months ended September 30,	
	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from bank overdraft	**1,216,035**	6,201,501
Net proceeds from term loans	**23,927,645**	21,226,498
Proceeds from issue of bonds	**-**	3,957,000
Paid for purchase of treasury shares	**(103,128)**	(1,637,965)
Proceeds from sale of treasury shares	**-**	1,252,901
Dividends paid	**(137,123)**	(13,889,594)
Interest paid	**(6,784,962)**	(6,621,739)
Paid to Non-controlling interests	**(115,852)**	(11,952)
Net cash generated from financing activities	**18,002,615**	10,476,650
Foreign currency translation adjustments	**856,073**	753,798
Net (decrease) increase in cash and cash equivalents	**(1,539,343)**	2,569,390
Cash and cash equivalents at beginning of the period	**16,678,195**	12,959,872
Cash and cash equivalents at end of the period	**15,138,852**	15,529,262

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

1. Incorporation and activities

National Real Estate Company K.S.C. (the Parent Company) is a Kuwaiti public shareholding company registered in Kuwait and listed on the Kuwait Stock Exchange and Dubai Financial Market. It is engaged in real estate investment and management, as well as undertaking real estate construction and maintenance. The Parent Company also holds investments in securities.

The Parent Company was registered in the Commercial register under reference number 19628 dated November 15, 1973.

The address of the Parent Company's registered office is P.O. Box 22644, Safat 13087, State of Kuwait.

The interim consolidated financial information was authorized for issue by the Board of Directors on November 12, 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 interim 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 condensed financial statements) 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.

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 September 30, 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.

3. Basis of consolidation

The interim consolidated financial information includes the financial information of National Real Estate Company K.S.C. (the Parent Company) and the following subsidiaries:

		Percentage of ownership(%)		
	Country of incorporation	**September 30, 2009**	December 31, 2008 (Audited)	September 30, 2008
1) Dasman Commercial Complex – Joint venture	Kuwait	**62.117**	62.117	62.117
2) HRD International for Human Resources Development Company W.L.L.	Kuwait	**80**	80	80
3) Al-Takafouh Al-Thahabi General Trading and Contracting Company W.L.L.	Kuwait	**100**	100	100
4) Aqaba National Real Estate Projects Co. (private shareholding company)	Jordan	**70**	70	70
5) Kuwait National Real Estate (PVT) Ltd	Pakistan	**100**	100	100
6) National Holding Group Company (Lebanese shareholding company)	Lebanon	**100**	100	100
7) Kuwait Touristic Enterprises Development Company (private shareholding company)	Tunisia	**100**	100	100
8) Kuwait National Real Estate Company (Egyptian shareholding company)	Egypt	**100**	100	100
9) National Project Holding K.S.C. (Holding)	Kuwait	**98**	93	93
10) National Investment & Development Company (private shareholding company)	Jordan	**100**	100	100
11) KREDCO Real Estate Company – Limited	Iraq	**51**	51	51
12) Fresh World International Catering Co. K.S.C. (Closed)	Kuwait	**70**	70	70
13) Yemen Kuwait Co. for General Trading & Contracting W.L.L.	Yemen	**100**	100	100
14) Middle East Projects General Trading Company W.L.L.	Kuwait	**100**	100	100
15) Kuwait Wadi El-Nile Urban Development Company (Egyptian shareholding Company)	Egypt	**80**	80	80
16) Masaken Global Real Estate Co. K.S.C. (Closed)	Kuwait	**100**	100	100
17) Victus Food Development Co. W.L.L.	Kuwait	**100**	100	100

During the period, the Group has increased its share from National Project Holding K.S.C. (Holding) by 5% which has resulted in other income amounting to KD 13,322 under "Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition" included in "others" in other income – Note (11).

The accompanying interim consolidated financial information includes proportionate consolidation of the Parent Company's 50% investment in Mediterranean Investment Holding P.L.C. (joint venture), a company registered in Malta. The principal activities are investing and developing real estate projects.

4. Investment in associates

Name of the associate	Country of Incorporation	Percentage of ownership (%)					
		September 30, 2009	December 31, 2008 (Audited)	September 30, 2008	**September 30, 2009**	December 31, 2008 (Audited)	Septemb 30, 200
(i) Public Warehousing Company K.S.C. (Agility)	Kuwait	**22.444**	22.444	22.932	**203,429,782**	170,870,429	168,071,3
Goodwill					**4,505,307**	4,505,307	4,896,7
					207,935,089	175,375,736	172,968,0
(ii) Kuwait Bulgarian Dairy Company W.L.L.	Kuwait	**40**	40	40	**120,000**	120,000	120,0
(iii) Al-Seef International Holding K.S.C.C.	Kuwait	**25**	25	25	**2,347,238**	2,347,238	2,804,3
					210,402,327	177,842,974	175,892,3

The movement during the period / year is as follows:

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Balance at the beginning of the period / year	**177,842,974**	185,405,109	185,405,109
Additional investment in the associate	**-**	17,931	17,934
Transferred from investments available for sale	**-**	2,625,000	2,625,000
Partial disposal of investment in the associate	**-**	(8,645,722)	(4,670,793)
Net share in the associates' results	**25,933,962**	31,464,824	24,915,980
Cash dividends received	**-**	(17,459,220)	(17,459,220)
Effect of changes in associate's equity (b)	**6,625,391**	(15,564,948)	(14,941,634)
Balance at the end of the period / year	**210,402,327**	177,842,974	175,892,376

(i) Public Warehousing Company K.S.C. (Agility) is a public shareholding company registered in Kuwait and listed on the Kuwait Stock Exchange and Dubai Financial Market. Its principal activities are storing goods, management and renting of warehouses, all transportation activities, distribution, handling and customs clearance for goods.

The fair value of the Group's investment in Public Warehousing Company K.S.C. (Agility) as of September 30, 2009 is KD 291,337,095 (December 31, 2008 – KD 145,668,547, September 30, 2008 – KD 196,852,701).

a) During 2006, the Parent Company made a provision amounting to KD 1,226,082 for its share of interest of a bank performance guarantee that has been encashed in favor of General Administration of Customs for Kuwait in relation to non-performance of obligations under a contract operated by a subsidiary of the associate.

The subsidiary of the associate appealed against that encashment through case No. 224/2007 "Administrative – 7". In the opinion of the external legal consulting firms, the violations against which a portion of the bank guarantee provided has been encashed, are non-contractual violations and believe the verdict shall be issued in favor of the subsidiary to return the encashed portion of the guarantee plus interest. Accordingly, no provision has been made in the associate's books as of the interim condensed consolidated statement of financial position date.

The Parent Company has provided for its share of the encashed portion of the bank guarantee on a conservatism approach and not as surrender to the validity of the encashment.

b) The change in associate's equity is as follows:

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Gain (Loss) on sale of treasury shares	**226,682**	(506,776)	168,760
Changes in hedging reserve	**(1,738,941)**	(2,009,612)	-
Net movement in treasury shares	**2,245,496**	(10,869,726)	(10,795,405)
Foreign currency translation adjustment	**5,884,748**	(2,180,993)	(4,317,797)
Cumulative changes in fair value of available for sale investments	**7,406**	2,159	2,808
	6,625,391	(15,564,948)	(14,941,634)

The associate's contingent liabilities are as follows:

a. A dispute has arisen between the associate and a third party with respect to a partnership agreement dated July 30, 2002 for the purpose of bidding for the provision of services for Prime Vendor Services Contract with the U.S. Government. The partnership agreement provided for the preparation of all infrastructure and assets for that purpose. The associate had submitted all evidences to the Execution Department in proof of the partnership not having any funds, assets or properties and the eventual non-existence of the partnership, as a consequence of the partners not providing any capital contributions to the partnership.

On January 7, 2008, the Supreme Court of Kuwait ruled in favor of the associate confirming that the partnership agreement between the associate and the third party was not legally enforceable and is void.

b. On November 27, 2006, and based on the recommendation by the Ministers' Council, the Ministry of Commerce & Industry issued the Resolution No. 30/2006 to terminate three contracts of those concluded between the associate and the Public Authority of Industry for Mina Abdulla Zone, Kuwait.

The associate protested against this order through the Case No. 940/2006 "Administrative". In the hearing held on December 25, 2006, the Court pronounced its ruling to repeal the aforesaid resolution of the Ministry of Commerce & Industry and its resultant impacts.

However, the Government requested the Board of Public Authority of Industry to hold a meeting chaired by the Minister of Commerce & Industry, who issued a new resolution No. 1/2007 to terminate the same contract, being the subject of the previous resolution.

The associate, again, appealed against the new resolution through the Case No. 36/2007 and assured, in its statement of defense, which is in agreement with the clauses of the law, as confirmed by the Supreme Court including the Kuwait Court of Cassation, that the new resolution is void, because it has been made on the same subject of the previous resolution. From legal perspective the Court shall issue its judgment to revoke the new resolution issued by the Public Authority of Industry, because it has been based on a wrong basis.

The associate is in the process of performing an assessment of the final losses arising from the aforementioned resolutions, so that a claim can be filed with the Government of Kuwait for recovery of these amounts. The associate has not recognized any revenue on the three aforesaid contracts since January 1, 2007.

Whereas the resolutions issued by the governmental authorities are not expected, from a legal perspective, to remain effective, no provision should be made in the books of the associate, as the outcomes of the legal cases issued by the courts in this respect are in favour of the associate.

c. On January 9, 2007 the Ministry of Finance terminated Al-Jahra Fish, Meat and Vegetables Market Project Contract with the associate according to the resolution of the Council of Ministers No. 2/2007. The associate appealed to the Court of First Instance against this resolution through Case No. 200/2007 "Administrative - 3". In January 2008, the Court of Appeal ruled in favor of the associate whereby Al-Jahra Fish, Meat and Vegetables Market Project Contract are to be given back to the associate. The Court of Appeal also ruled out that the associate be compensated for losses and expenses that arose as a result of this case where the Ministry of Finance appealed to the court of appeal's verdict in the court of cessation at which legal proceedings are still in progress.

d. In addition to the above, the associate is involved in various claims and legal proceedings including employee compensation and contractors disputes. The external legal counsel of the associate believes that such claims are not valid and will not have a material adverse effect on the interim consolidated financial information of the associate as of September 30, 2009.

(ii) The Group has not accounted for its share of results in Kuwait Bulgarian Dairy Company W.L.L. due to non availability of financial information.

(iii) The Group's share in the contingent liabilities and capital commitments of the associate amounted to KD 26,771,652 (December 31, 2008 – KD 37,954,092, September 30, 2008 – KD 17,194,118).

5. Capital work in progress

This represents mainly work-in-progress relating to foreign subsidiaries. The movement during the period / year is as follows:

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Balance at the beginning of the period / year	**235,429,364**	38,216,590	38,216,590
Transfers from accounts receivable and other debit balances relating to advance payments	**-**	55,934,302	-
Additions	**11,188,624**	138,681,339	11,991,072
Transferred to fixed assets	**(1,440)**	(1,145,547)	-
Transferred to investment properties	**(5,887,472)**	(3,771,166)	-
Disposals	**(7,550)**	(90,075)	-
Foreign currency translation adjustments	**9,194,659**	1,707,744	(3,076,646)
Provisions against additions in Kuwait Free Trade Zone set off against contractual obligations	**(3,742)**	(123,110)	-
Interest capitalized on capital work in progress	**5,889,552**	6,019,287	-
Balance at the end of the period / year	**255,801,995**	235,429,364	47,131,016

6. Net amount due from Kuwait Ports Authority

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Due from Kuwait Ports Authority			
Rehabilitation costs of properties (a)	**6,417,653**	6,417,653	6,417,653
Accrued interest on the balance (b)	**14,265,721**	12,150,703	11,480,075
	20,683,374	18,568,356	17,897,728
Rent due from Kuwait Ports Authority (c)	**15,633,440**	15,633,440	15,633,440
Gross amount due from Kuwait Ports Authority before its share in rental income of Kuwait Free Trade Zone	**36,316,814**	34,201,796	33,531,168
Due to Kuwait Ports Authority			
Gross share of Kuwait Ports Authority in rental income of Kuwait Free Trade Zone (d)	**7,566,312**	7,566,312	7,566,312
Less: Refunded share of the outstanding and unpaid rent of Kuwait Ports Authority (e)	**(637,756)**	(637,756)	(637,756)
Net share of Kuwait Ports Authority in rental income of Kuwait Free Trade Zone	**6,928,556**	6,928,556	6,928,556
Gross amount due from Kuwait Ports Authority after its share in rental income of Kuwait Free Trade Zone	**29,388,258**	27,273,240	26,602,612
Provision for doubtful debts (b,c,f)	**(29,388,258)**	(27,273,240)	(26,602,612)
	-	-	-

(a) According to clause number 11 in Kuwait Free Trade Zone management contract, if National Real Estate Company K.S.C. (the managing company) makes any rehabilitation for the properties according to the plan implemented by the Ministry of Commerce and Industry, then the managing company has the right to recover all the expenses it incurred for the rehabilitation work for those properties before accounting for the assigned share of Kuwait Ports Authority. These costs need to be approved by the Ministry of Commerce and Industry. In accordance with this clause and the letter from the Ministry of Commerce and Industry dated November 25, 1998, at which the Ministry approved the costs that amounted to KD 6,449,034; the managing company had charged the amounts incurred in the renovation and overhauling of some properties of Kuwait Ports Authority to its account, including borrowing costs that can be capitalized amounting to KD 73,122 and the interest for the bank loans amounting to KD 100,393 that can be capitalized for the period from the date of commencement of activities till December 31, 1999.

The actual rehabilitation costs incurred by the managing company for Kuwait Ports Authority properties amounted to KD 6,417,653. The Consulting Committee of the Free Zones had approved the rehabilitation costs of KD 5,033,000 during its meeting on January 23, 2002, for the period from May 30, 1998 till October 31, 2000.

(b) The managing company also computes interest on the monthly outstanding balance due from Kuwait Ports Authority at 10% per annum. Interest income recorded in the interim condensed consolidated statement of income for the period ended September 30, 2009 amounted to KD 2,115,018 (December 31, 2008 – KD 2,585,164, September 30, 2008 – KD 1,914,536). The managing company has fully provided for this interest.

(c) Also, the balance due from Kuwait Ports Authority as of September 30, 2009 includes an amount of KD 15,633,440 (December 31, 2008 - KD 15,633,440, September 30, 2008 – KD 15,633,440) being the balance due for the rents of utilized properties by Kuwait Ports Authority in the Kuwait Free Trade Zone. The managing company has recorded a provision for those rents in the balance due from Kuwait Ports Authority.

(d) According to the management contract, 80% of the rent collected in the Kuwait Free Trade Zone from the existing properties that were handed over from Kuwait Ports Authority is assigned to it. As a result of the resolution issued by the Ministry of Commerce and Industry mentioned in (f) below, the Parent Company lost its control over the assets of Kuwait Free Trade Zone and on its management. Accordingly, Kuwait Ports Authority's share of rent was not calculated for the years 2007 and 2008 and also for the nine months ended September 30, 2009.

(e) The 80% share relating to the outstanding and unpaid rent of Kuwait Ports Authority is deducted from the gross share of Kuwait Ports Authority in rental income of the Kuwait Free Trade Zone. In case of any settlement regarding those outstanding and unpaid rents, its relative share previously deducted will be refunded back to the share of Kuwait Ports Authority in rental income of Kuwait Free Trade Zone.

(f) As a result of the resolution issued by the Ministry of Commerce and Industry No. 507 / 2006 relating to the cancellation of the management contract of Kuwait Free Trade Zone with the managing company (Note 15f), the managing company has fully provided for the amount due from Kuwait Ports Authority on a conservatism approach and not as a surrender to the validity of the cancellation resolution.

7. Investment properties

During the period, capital work in progress amounting to KD 5,887,472 have been completed and hence transferred to investment properties during the period ended September 30, 2009.

8. Bank facilities

	Currency	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Current				
Overdraft facility from a local bank carrying an interest rate of 2.5% per annum over the Central Bank of Kuwait discount rate repayable on July 1, 2010.	KD	**9,831,173**	8,883,405	13,249,066
Overdraft facility from a local bank carrying an interest rate of 2% per annum over the Central Bank of Kuwait discount rate repayable on December 1, 2009.	KD	**853,594**	585,327	1,019,276
Revolving multi currency loans from a local bank carrying an interest rate of 2.25% per annum over the Central Bank of Kuwait discount rate for KD loans, repaid on April 23, 2009.	KD	-	30,000,000	80,006,835
Revolving multi currency loan from a local bank carrying an interest rate of 2.5% per annum over the Central Bank of Kuwait discount rate for KD loans, repayable on July 1, 2010.	KD	**14,000,000**	-	-
Revolving loan from a local bank carrying an interest rate of 2.5% per annum over the Central Bank of Kuwait discount rate, repayable on December 1, 2009.	KD	**30,500,000**	28,000,000	30,500,000
Revolving multi currency loan from an International Bank carrying an interest rate of 1.5% per annum over the LIBOR out of which 25% was repaid on April 26, 2009 and 75% was repaid on June 24, 2009	USD	-	16,587,000	16,604,000
Multi Currency loan from an international Bank carrying an interest rate of 4% per annum over the bank funding cost repayable on 3 equal quarterly installments up to June 23, 2010	USD	**8,637,000**	-	-
Total current portion of bank facilities		**63,821,767**	84,055,732	141,379,177
Non-current				
Term loan from a local bank against a pledge of certain shares of the Group's investment in The Public Warehousing Co. K.S.C. (Agility) carrying an interest rate of 2.25% per annum over the Central Bank of Kuwait discount rate, maturing in June 28, 2013 and repayable on 11 equal quarterly installments of KD 2,916,667 each and a balloon payment of KD 37,916,663.	KD	-	70,000,000	-
Outstanding balance of term loan from a local bank against a pledge of certain shares of the Group's investment in the Public Warehousing Co. K.S.C (Agility) carrying an interest rate of 2.85% per annum over the Central Bank of Kuwait discount rate , maturing on March 31, 2015 the total loan is repayable on 16 equal quarterly installments of KD 4,000,000 each and a balloon payment of KD 66,000,000.	KD	**110,000,000**	-	-
Parent company's share of a multi currency term loan from an international bank secured by a general mortgage over the joint venture's assets (Mediterranean Investments Holding P.L.C. and its subsidiaries) with no recourse on the parent company and subject to floating interest rates. As of September 30, 2009, the effective interest rate on Libyan Dinar borrowings amounted to 6%, whilst the effective interest rate on Euro borrowings amounted to 2.5% over 3 months EURIBOR. These borrowings are 70% repayable on equal installments starting July 8, 2010, the balance of 30% is due on March 18, 2014.	Libyan Dinar / Euro	**7,878,223**	2,500,578	856,250
Total non-current portion of bank facilities		**117,878,223**	72,500,578	856,250
Total bank facilities		**181,699,990**	156,556,310	142,235,427

Bank facilities amounting to KD 164,331,173 (December 31, 2008 - KD 129,468,732, September 30, 2008 – KD 123,755,902) have been secured by promissory notes amounting to KD 192,000,000 (December 31, 2008 – KD 192,000,000, September 30, 2008 - KD 122,000,000).

As of September 30, 2009, the Group had available KD 22,081,290 (December 31, 2008 – KD 62,324,440, September 30, 2008 – KD 1,502,864) of undrawn bank facilities in respect of which all conditions precedent had been met. During the period ended September 30, 2009, the Group has negotiated its lending financial institutions about the restructuring and renewal of the Group's current facilities, which has resulted in the successful renewal and restructuring a considerable amount of the Group's current facilities to long term facilities. Such restructuring had affected the Group's financial ratios and its working capital positively (Note 17).

9. Treasury shares

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Number of treasury shares	**38,688,251**	38,188,251	36,217,225
Percentage of issued shares (%)	**4.75**	4.69	4.45
Market value (KD)	**12,380,240**	9,012,427	12,494,943
Cost (KD)	**7,118,276**	7,015,148	6,742,923

10. Net investment income

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Dividend income	-	300,001	**121,035**	697,196
Unrealized gain (loss) from investments at fair value through income statement	-	16,226	-	(556,688)
Realized gain on sale of investments at fair value through income statement	-	-	-	235,426
Realized gain on partial disposal of investment in an associate	-	-	-	2,906,161
Realized gain (loss) on sale of investments available for sale	**3,423**	216,144	**(36,925)**	496,225
	3,423	532,371	**84,110**	3,778,320

11. Other income

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Promotional income	**19,786**	14,512	**84,519**	133,418
Service income – programs and courses fee	**6,016**	62,729	**640,771**	779,323
Service and registration income – others	**49,196**	6,253	**161,937**	52,133
Consultancy fees	**37,250**	22,490	**111,750**	131,643
Gain from money market funds	-	-	-	36,221
(Loss) gain on sale of fixed assets	-	-	**(30,821)**	9,002
Gain on partial sale of investment properties	-	-	-	9,475
Reversal of accrued expenses	**4,136**	464	**541,937**	944,005
Others	**90,779**	114,254	**544,168**	412,582
	207,163	220,702	**2,054,261**	2,507,802

12. Contribution to KFAS, NLST and Zakat

Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) is calculated at 1% of the profit of the Parent Company after deducting its share of income from shareholding subsidiaries and associates and transfer to statutory reserve. Contribution to KFAS has not been recognized for the nine months period ended September 30, 2009 since there was no income based on which KFAS could be calculated.

National Labor Support Tax is calculated at 2.5% of the profit of the Parent Company and after deducting its share of income from listed shareholding subsidiaries and associates and cash dividends from Kuwaiti listed shareholding companies. For the nine months period ended September 30, 2009, NLST has not been recognized since there was no income based on which NLST could be calculated.

Zakat is calculated at 1% of the profit of the Parent Company in accordance with Law No. 46/2006 and the Ministry of Finance Resolution No. 58/2007. For the nine months period ended September 30, 2009, Zakat has not been recognized since there was no income based on which Zakat could be calculated.

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 as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Net profit for the period attributable to equity holders of the Parent Company	**7,196,572**	5,575,747	**20,562,106**	20,542,013
	2009 Shares	2008 Shares	**2009 Shares**	2008 Shares
Number of issued and fully paid-up shares	**814,195,063**	740,177,330	**814,195,063**	740,177,330
Add: bonus shares	**-**	74,017,733	**-**	74,017,733
Less: Weighted average number of treasury shares	**(38,688,251)**	(34,055,631)	**(38,623,049)**	(34,268,857)
Weighted average number of shares outstanding	**775,506,812**	780,139,432	**775,572,014**	779,926,206
	Fils	Fils	**Fils**	Fils
Earnings per share attributable to equity holders of the Parent Company	**9.28**	7.15	**26.51**	26.34

14. Related party balances and transactions

Related parties represent major shareholders, directors, associates, key management personnel and parties related to them. Pricing policies and terms of these transactions are approved by the Parent Company's management. Related party balances and transactions are summarized as follows:

	Major shareholders	Key management personnel	Associates	Joint Ventures	Others	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Balances:								
Accounts receivable and other debit balances	**1,125,677**	**93,000**	**574,274**	**-**	**2,027,386**	**3,820,337**	3,864,863	4,736,646
Long term loan	**-**	**-**	**-**	**624,408**	**-**	**624,408**	541,223	-
Accounts payable and other credit balances	**37,536**	**-**	**-**	**-**	**-**	**37,536**	23,063	22,063

	Major shareholders	Key management personnel	Associate	Joint Ventures	Others	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Transactions:							
Rental income	**373,312**	**-**	**-**	**-**	**-**	**373,312**	353,210
Other income	**119,263**	**-**	**-**	**-**	**-**	**119,263**	34,576
Interest income	**18,780**	**-**	**-**	**26,100**	**83,236**	**128,116**	112,511
General and administrative expenses	**176,075**	**-**	**-**	**-**	**-**	**176,075**	123,489

	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Key management compensation:		
Short term benefits	**641,833**	813,128
Termination benefits	**28,990**	29,025
Board of Director's remuneration	**52,500**	52,500

15. Contingencies and capital commitments

a) At September 30, 2009, the Group's management authorized capital commitments amounting to KD 2,647,388 (December 31, 2008 – KD 7,517,301, September 30, 2008 – KD 122,357,416).

b) At September 30, 2009, capital expenditure commitments arising from the Parent Company's interest in Mediterranean Investment Holding (joint venture) is as follows:

(i) Capital expenditure contracted for the construction and development of real estate projects but not yet incurred amounted to KD 4,238,578 (December 31, 2008 – KD 6,476,250, September 30, 2008 – KD 11,209,544).

(ii) Capital expenditure authorized by the board of directors of the joint venture but has not yet been contracted for amounted to KD 2,052,960 (December 31, 2008 – KD 1,373,750, September 30, 2008 - KD 5,130,580).

c) At September 30, 2009, the Parent Company had commitments under a non-cancelable operating lease, primarily for land leased from the Government of Kuwait for the Water Front Project as follows:

Year	KD
2010 – 2014	141,000
2015 – 2019	141,000
	282,000

For the operating lease commitments, the Parent Company is required to give a bank guarantee of 0.5% of the total value of the capital project concerned for the purpose of maintenance services to be provided by the final lessor.

d) The Group was contingently liable in respect of the following:

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Letters of guarantee	**457,486**	418,560	397,408
Letters of credit	**381,566**	412,368	437,955
	839,052	830,928	835,363

e) One of the tenants of the Kuwait Free Trade Zone had filed a complaint against the Parent Company claiming for a compensation amounting to KD 11,632,382. An Arbitration Committee was formed under the supervision of Ministry of Commerce and Industry. The Parent Company's management submitted many memoranda objecting about the non-competency of the Arbitration Committee, disapproving the arbitration procedures and agreement, and request for denying the case. However, the Arbitration Committee continued to perform its function and declared a verdict on November 15, 2003 obliging the Parent Company to pay compensation for losses suffered amounting to KD 3,600,000.

The Parent Company's management appealed against the verdict of the Arbitration Committee dated November 15, 2003. On January 19, 2004, the General Court declared that the verdict by Arbitration Committee dated November 15, 2003 is void, and forwarded the case to the Experts Department in Ministry of Justice which had concluded in its report that no compensation is payable to the tenant and the Court of First Instance issued its ruling in which the Arbitration decision was nullified and the managing company was not entitled to any compensation. The Court of Appeal sustained the decision of the Court of First Instance. The tenant has appealed against the decision of the Court of Appeal in the Court of Cassation which has issued the verdict in favor of the Parent Company on June 17, 2008.

f) As per the decision No. 507 in 2006, the Ministry of Commerce and Industry cancelled the management contract of Kuwait Free Trade Zone in Shuwaikh port dated May 30, 1998 between the Ministry of Commerce and Industry and National Real Estate Company K.S.C (the managing company). Due to this, the managing company had lost its control over the assets located in KFTZ. Accordingly, the managing company had recognized the following provisions:

	2006
Assets located in KFTZ	11,172,070
Provision for contractual obligations relating to the cancellation of management's contract of Kuwait Free Trade Zone	1,653,236
Provision for doubtful debts	535,118
	13,360,424

All these provisions were made on a conservatism approach and not as surrender to the validity of the resolution.

The managing company had filed case 939/2006 for an appeal against the decision of Ministry of Commerce and Industry for the cancellation of management contract for KFTZ. On April 15, 2007, the Court forwarded the case to the Experts Department in the Ministry of Justice. The Experts Department had issued its report and the date of hearing of the report at the Court of First Instance is set for November 19, 2009.

As per the opinion of the managing company's external legal counsel, the decision of the Ministry of Commerce and Industry would be cancelled and in case the decision is not cancelled, then the managing company has the right to recover all expenses incurred due to cancellation of the contract before its maturity and has also the right to be compensated for future benefits for the rest of the managing contract term.

The managing company is in process of performing an assessment of the compensation in case the Court sustains the cancellation resolution. In such event, the managing company proposes to offer an initiative for a considerate settlement of its rights with the government. In the event of failure of the initiative, a claim is proposed to be filed by the managing company for the recovery of those compensation claims as per the law.

g) The Parent Company has certain properties erected on land leased from the Government for 25 years. The Ministry of Finance had issued a resolution to terminate those contracts after the expiry of this 25 years period. However, the Parent Company appealed against this resolution claiming for the renewal of those contracts for another 25 years with the same terms. The Court of First Instance sustains the resolution of the Ministry of Finance, after which the Parent Company appealed against the resolution of the Court of First Instance. The Court of Appeal in its sitting dated June 24, 2007 had decided in its verdict to cancel the resolution of the Court of First Instance and to cancel the resolution of the Minister of Finance to withdraw those properties and consider it as void along with all its consequent effects. The Ministry of Finance appealed against this verdict at the Court of Cassation which had decided in its session dated June 30, 2009 to revoke the Court of Appeal's verdict and corroborate the Court of First Instance's verdict, which ruled that the contracts of those properties are expired and the properties are to be handed over to the Ministry of Finance.

During the last periods, the Group had recorded full provisions for those properties for conservatism purposes. In the Group's opinion, the Court of Cassation's verdict won't have negative financial impact on its financial results as all necessary provisions in that regard are included in its records.

In the opinion of the External Legal Counselor of the Group, there is no ability to comment on the possible financial impact of neither the Court of Cessation's verdict nor the possible compensations which might result for either party of the dispute, as there's no basis that would enable the Group of calculating these financial results, possible compensations or evaluating the possibility of concluding new agreements for those properties in an accurate manner. Taking that into consideration as well as the full provision recorded for those properties in the Group's records, the Group's management had decided that no additional provisions would be necessary as of the date of interim consolidated financial information.

16. Shareholders' Annual General Assembly

The annual shareholders' general assembly meeting was held on May 27, 2009 and had approved no distribution of either cash dividends or bonus shares for the year ended December 31, 2008 (December 31, 2007: Cash dividends of 20 fils per share and bonus shares of 10 shares for every 100 shares).

On the same meeting as well, the shareholders' general assembly had decided to decline the proposal of cancelling the parent company's share capital increase to KD 103,624,826 through issuing 222,053,200 new shares of 100 fils per share and a premium of 150 fils per share totaling to a subscription price of 250 fils per share.

As of the date of interim consolidated financial information, the subscription of new shares has not commenced as the parent company is awaiting the approvals from the official authorities.

17. Working capital

	September 30, 2009	December 31, 2008 (Audited)	September 30, 2008
Current assets:			
Cash and cash equivalents	**15,138,852**	16,678,195	15,529,262
Investment at fair value through income statement	**-**	-	1,393,304
Accounts receivable and other debit balances	**7,875,293**	6,572,404	7,530,188
Quoted investments available for sale	**13,280,047**	11,269,350	13,140,014
Total current assets	**36,294,192**	34,519,949	37,592,768
Current liabilities:			
Accounts payable and other credit balances	**(52,290,060)**	(38,185,282)	(18,122,680)
Bank facilities	**(63,821,767)**	(84,055,732)	(141,379,177)
Total current liabilities	**(116,111,827)**	(122,241,014)	(159,501,857)
Working capital	**(79,817,635)**	(87,721,065)	(121,909,089)

The Group's current liabilities exceeded its current assets by an amount of KD 79,817,635 (December 31, 2008 - KD 87,721,065, September 30, 2008 – KD 121,909,089). The decrease in that excess had resulted from the Group's successful negotiations with its lending financial institutions on the renewal and restructuring of the granted borrowings which has affected the Group's working capital positively.

The interim consolidated financial information have been prepared assuming the Group will continue as a going concern. The interim consolidated financial information do not include any adjustment that might result from the outcome of the uncertainty. The Group's going concern assumption relies on necessary support from financial institutions, shareholders as well as the Group's ability to promote its cash inflows. The Group's management is currently negotiating the renewal and restructuring of other borrowings from the respective financial institutions as well as availing new facilities.

As of the interim condensed consolidated statement of financial position date, the Group had undrawn outstanding credit facilities of KD 22,081,290 (December 31, 2008 – KD 62,324,440, September 30, 2008 – KD 1,502,864). In the Group's management opinion, its lending financial institutions will renew and restructure the Group's outstanding borrowings on their respective due dates considering the quality of the Group's assets and the stability of its cash flows, and that the major shareholders of the Parent Company as well as the associates will provide necessary support, if needed, to enhance the Group's cash flows.

18. Segment information

The Group's management has grouped the Group's services into the following business segments:

- Real estate and Other operations: consisting of development, trading, leasing and management of real estate properties and other activities.
- Investment operations: consisting of investment in associates, equity securities and joint ventures.

There are no inter-segmental transactions. The following are the details of the above segments:

	Nine months ended September 30, 2009			Nine months ended September 30, 2008		
	Real estate & Others	**Investments**	**Total**	Real estate & Others	Investments	Total
Segment income	**8,513,933**	**25,987,744**	**34,501,677**	8,495,940	28,665,007	37,160,947
Segment expenses	**(7,604,746)**	**-**	**(7,604,746)**	(9,506,843)	-	(9,506,843)
Segment profits	**909,187**	**25,987,744**	**26,896,931**	(1,010,903)	28,665,007	27,654,104
Unallocated (expenses) revenues			**(756,409)**			230,180
Earnings before interest, tax, depreciation & amortization			**26,140,522**			27,884,284
Depreciation, amortization and change in fair value			**(3,909,138)**			(645,991)
Net Interest			**(1,492,514)**			(6,383,548)
Net profit for the period			**20,738,870**			20,854,745
Attributable to:						
Equity holders of the Parent Company			**20,562,106**			20,542,013
Non controlling interest			**176,764**			312,732
			20,738,870			20,854,745
Total Assets	**357,312,308**	**232,444,015**	**589,756,323**	213,990,573	199,364,293	413,354,866

For the management purposes, the group is divided into five geographical segments, which are: State of Kuwait, GCC, Asia, Africa and others.

The geographical segments information are as follows:

	September 30, 2009						September 30, 2008					
	Kuwait	GCC	Asia	Africa	Others	Total	Kuwait	GCC	Asia	Africa	Others	Total
Cash on hand & at banks	439,019	39,118	459,017	641,262	5,866,689	7,445,105	2,496,158	867,616	350,500	562,884	18,588	4,295,746
Bank deposits	2,568,185	440,545	1,262,718	3,422,299	-	7,693,747	903,976		1,478,259	4,032,142	4,819,129	11,233,510
Advances for real estate investments	-	-	-	-	-	-	-	45,224,507	-	21,016,993	-	66,241,500
Other receivables and debit balances	7,640,677	79,878	3,451,734	175,555	1,952,330	13,300,174	9,129,745	179,670	3,104,823	1,224,062	1,478,547	15,116,837
Total Accounts receivable & other debit balances	7,640,677	79,878	3,451,734	175,555	1,952,330	13,300,174	9,129,745	45,404,177	3,104,823	22,241,055	1,478,547	81,358,337
Investments at fair value	-	-	-	-	-	-	1,393,304	-	-	-	-	1,393,304
Investments available for sale	11,025,858	8,961,897	-	-	1,630,811	21,618,366	16,993,928	4,465,313	825,000	-	1,744,093	23,128,334
Investment in associates	210,402,327	-	-	-	-	210,402,327	175,892,378	-	-	-	-	175,892,378
Investment in a joint venture	423,322	-	-	-	-	423,322	343,583	-	-	-	-	343,583
Capital work in process	177,571	113,556,129	16,452,791	105,736,475	19,879,029	255,801,995	4,336,317	4,269,647	24,774,826	2,407,330	11,342,896	47,131,016
Fixed Assets	1,261,181	2,241	2,417,386	241,807	34,308	3,956,923	1,715,695	-	244,395	155,630	33,135	2,148,855
Investment properties	63,273,169	-	5,841,195	-	-	69,114,364	66,429,799	-	-	-	-	66,429,799
Total assets	297,211,109	123,079,808	29,884,841	110,217,398	29,363,167	589,756,323	278,734,881	55,006,753	30,777,813	23,399,031	19,436,388	413,354,864
Bank facilities	(173,821,767)	-	-	-	(15,230,118)	(189,051,885)	(141,379,177)	-	-	-	(7,632,250)	(149,011,427)
Other liabilities	(25,362,506)	(29,609,235)	(669,239)	(75,865,233)	(2,610,738)	(134,116,951)	(26,768,971)	-	(1,213,944)	(467,167)	(1,016,438)	(29,466,520)
Total liabilities	(199,184,273)	(29,609,235)	(669,239)	(75,865,233)	(17,840,856)	(323,168,836)	(168,148,148)	-	(1,213,944)	(467,167)	(8,648,688)	(178,477,947)

	Nine months ended September 30, 2009						Nine months ended September 30, 2008					
	Kuwait	GCC	Asia	Africa	Others	Total	Kuwait	GCC	Asia	Africa	Others	Total
Revenues												
Rental income	6,241,028	-	218,644	-	-	6,459,672	5,846,133	-	142,005		-	5,988,138
Share in the associates' results	25,933,962	-	-	-	-	25,933,962	24,915,980	-	-	-	-	24,915,980
Net investment income (Loss)	81,611	5,777	-	-	(3,278)	84,110	3,786,922	248,030	(256,632)	-	-	3,778,320
Interest income	2,346,504	18,347	61,958	272,861	88,692	2,788,362	2,104,761	3,000	81,667	212,525	67,827	2,469,780
Other income	2,025,268	-	28,035	958	-	2,054,261	2,428,187	-	79,615	-	-	2,507,802
Total revenues	36,628,373	24,124	308,637	273,819	85,414	37,320,367	39,081,983	251,030	46,655	212,525	67,827	39,660,020
Expenses												
Staff costs	(2,646,471)	(139,965)	(315,321)	(59,028)	-	(3,160,785)	(3,749,665)	(3,897)	(239,630)	-	-	(3,993,392)
General & Administrative	(3,201,855)	(513,627)	(447,965)	(202,152)	(73,170)	(4,438,769)	(4,672,779)	(11,699)	(552,001)	(133,049)	(108,309)	(5,477,837)
Change in fair value of investment properties	(3,506,819)	-	-	-	-	(3,506,819)	(352,362)	-	-	-	-	(352,362)
Depreciation and amortization	(300,023)	(253)	(79,049)	(16,194)	(6,800)	(402,319)	(189,851)	-	(92,214)	(652)	(10,912)	(293,629)
Interest expense	(2,109,368)	-	-	-	(56,490)	(2,165,858)	(6,711,821)	-	-	-	(226,971)	(6,938,792)
Provision for interest income and doubtful debts	(2,116,368)	-	(3,842)	-	-	(2,120,210)	(1,950,150)	-	-	-	-	(1,950,150)
Foreign exchange (loss) gain	(703,909)	-	-	-	-	(703,909)	282,680	-	-	-	-	282,680
Others expenses	(82,828)	-	-	-	-	(82,828)	(81,793)	-	-	-	-	(81,793)
Total expenses	(14,667,641)	(653,845)	(846,177)	(277,374)	(136,460)	(16,581,497)	(17,425,741)	(15,596)	(884,045)	(133,701)	(346,192)	(18,805,275)
Net profit for the period	21,960,732	(629,721)	(537,540)	(3,555)	(51,046)	20,738,870	21,656,242	235,434	(837,390)	78,824	(278,365)	20,854,745
Attributable to:												
Equity Holders of parent company	21,807,225	(618,757)	(569,881)	(5,435)	(51,046)	20,562,106	21,355,780	241,434	(832,193)	55,357	(278,365)	20,542,013
Non-controlling interest	153,507	(10,964)	32,341	1,880	-	176,764	300,462	(6,000)	(5,197)	23,467	-	312,732
	21,960,732	(629,721)	(537,540)	(3,555)	(51,046)	20,738,870	21,656,242	235,434	(837,390)	78,824	(278,365)	20,854,745

For more information on the accounting policies used and the nature of the above captions, please refer to Note (2) and the related notes thereto in the accompanying interim consolidated financial information.

19. Comparative figures

Certain prior periods amounts have been reclassified to conform to the current period presentation.