International Investment Group Company
K.S.C. (Closed)
State of Kuwait

Interim Condensed Financial Information
For the period ended 30 September 2007
and Review Report
(Unaudited)

PRICEWATERHOUSECOOPERS

BDO

International Investment Group Company (K.S.C.C)
State of Kuwait

Interim Condensed Financial Information
For the period ended 30 September 2007
and Review Report
(Unaudited)

Contents **Pages**

Review Report	
Interim Condensed Balance Sheet (Unaudited)	1
Interim Condensed Statement of Income (Unaudited)	2
Interim Condensed Statement of Changes in Equity (Unaudited)	3
Interim Condensed Statement of Cash Flows (Unaudited)	4
Notes to the Interim Condensed Financial Information (Unaudited)	5 - 12

PRICEWATERHOUSECOOPERS

Bader and Co. PricewaterhouseCoopers
P.O. Box 20174, Safat 13062
Dar Al-Awadi Complex, 7th Floor
Ahmed Al-Jaber Street, Sharq - Kuwait
Telephone (965) 2408844
Facsimile (965) 2408855
E-mail: pwc.kwt@kw.pwc.com

BDO

BDO BURGAN - INTERNATIONAL ACCOUNTANTS
ALI AL- HASAWI & Co. - Member of BDO International

P.O. Box: 22351 Safat 13084 Kuwait
Sharq - Dasman Complex - Block 1 - 4th Floor
Tel: 2464574 - 6 - 2426862 - 3 Fax: 2414956
Email: bdoarch@qualitynet.net

International Investment Group
K.S.C. (Closed)
Kuwait

Report on Review of Interim Condensed Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed balance sheet of International Investment Group K.S.C. (Closed) "the Company" as of 30 September 2007 and the related interim condensed statements of 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 financial information in accordance with the basis of preparation set out in Note (2). Our responsibility is to express a conclusion on this interim condensed 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 financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note (2).

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note (11) to this interim condensed financial information, which indicates that the Company sold unquoted shares to a related party, which resulted to a realized profit of KD 7,954,369. Until to date on amount of KD 5,000,000 has been collected from this deal.

Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed financial information is in agreement with the books of the Company. We further report that to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, or of the Articles of Association of the Company have occurred during the period ended 30 September 2007 that might have had a material affect on the business of the Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the Organization of Banking Business and its related regulations during the nine ended 30 September 2007.

Bader A. Al Wazzan
Licence No. 62A
PricewaterhouseCoopers

Ali A. Al-Hasawi
License No. 30A
BDO Burgan International Accountants

Kuwait
8 November 2007

International Investment Group Company
K.S.C. (Closed)

Interim Condensed Balance Sheet as at 30 September 2007

	Note	30 September 2007	31 December 2006 (Audited)	30 September 2006
		Kuwaiti Dinars		
Assets				
Cash and cash equivalents		1,990,668	12,532,027	7,347,010
Murabahat and Wakalat investments		29,313,087	16,421,120	4,137,942
Mudarabat investments		598,037	3,793,582	575,029
Investments at fair value through profit or loss		7,033,106	2,534,780	16,109,616
Receivables and other debit balances	3	21,709,950	10,654,835	4,861,908
Available for sale Investments	4	15,809,144	32,018,694	22,237,626
Investment in associates	5	89,684,859	65,234,249	54,499,004
Investment in unconsolidated subsidiaries		6,310,951	10,994,823	4,300,000
Property and equipment		47,515	26,940	28,653
Total assets		172,497,317	154,211,050	114,096,788
Liabilities and Equity				
Liabilities				
Payables and other credit balances	6	14,009,269	28,956,847	30,000,213
Islamic debt instruments	7	69,763,581	42,626,303	11,783,688
Employees' end of service indemnity		257,808	207,497	223,025
Total liabilities		84,030,658	71,790,647	42,006,926
Equity				
Share capital	8	36,536,280	31,818,800	31,818,800
Share premium		4,327,600	-	-
Treasury shares	9	(9,300,060)	(7,074,614)	(7,074,614)
Other reserves	10	24,196,213	31,943,226	21,300,548
Retained earnings		32,706,626	25,732,991	26,045,128
Total equity		88,466,659	82,420,403	72,089,862
Total liabilities and equity		172,497,317	154,211,050	114,096,788

The accompanying notes form an integral part of this interim condensed financial information.

Sami Bader Al - Jenaai
Chairman and Managing Director

Sulaiman A
Vice Chairman

International Investment Group Company
K.S.C. (Closed)
Kuwait

Interim Condensed Statement of Income for the period ended 30 September 2007

	Note	Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
		2007	2006	2007	2006
Revenue					
Gain on investments	11	1,372,763	1,468,962	9,452,791	12,194,573
Company's share in results of associates	5.3	2,331,312	2,211,478	7,767,592	9,270,720
Gain from sale of shares in associates	5.4	346,860	2,605,984	4,270,130	2,605,984
Gain from sale of shares in subsidiary	5.2	-	-	266,815	-
Management, consulting and subscription fees	12	328,632	31,734	1,696,132	143,984
Foreign currencies		1,337,117	13,347	1,329,582	(10,259)
Other income		689,862	4,833	697,362	43,294
		6,406,546	6,336,338	25,480,404	24,248,296
Expenses and other charges					
Finance costs		1,343,932	-	3,166,457	125,447
General and administrative expenses		249,306	133,402	523,820	739,887
Staff Cost	13	236,991	240,125	3,632,896	709,296
Claims provision		-	-	766,004	2,943,737
Provision for doubtful debts		235,000	-	441,457	185,503
Kuwait Foundation for Advancement of Science "KFAS"		15,759	31,550	74,872	87,055
National Labour Support Tax		50,250	78,087	229,554	344,138
		2,131,238	483,164	8,835,060	5,135,063
Net profit for the period		4,275,308	5,853,174	16,645,344	19,113,233
Basic earnings per share (fils)	14	12.39	16.95	48.90	56.15

The accompanying notes form an integral part of this interim condensed financial information.

International Investment Group Company
K.S.C. (Closed)
Kuwait

Interim Condensed Statement of Changes in Equity for the period ended 30 September 2007

	Kuwaiti Dinars					
	Share Capital	Share premium	Treasury shares	Other reserves (Note 10)	Retained earnings	Total equity
Balance as of 31December 2005	21,944,000	-	(350,947)	4,051,905	23,105,174	48,750,132
Change in fair value of investments	-	-	-	14,525,192	-	14,525,192
Company's share in associates' reserves	-	-	-	392,796	-	392,796
Net profit recognized directly in equity	-	-	-	14,917,988	-	14,917,988
Net profit during the period	-	-	-	-	19,113,233	19,113,233
Total profit recognized for the period	-	-	-	14,917,988	19,113,233	34,031,221
Cash dividend for 2005	-	-	-	-	(6,298,479)	(6,298,479)
Bonus dividend for 2005	9,874,800	-	-	-	(9,874,800)	-
Purchase of treasury share	-	-	(13,482,139)	-	-	(13,482,139)
Sale of treasury share	-	-	6,758,472	2,330,655	-	9,089,127
Balance as of 30 September 2006	31,818,800	-	(7,074,614)	21,300,548	26,045,128	72,089,862
Balance as of 31 December 2006	31,818,800	-	(7,074,614)	31,943,226	25,732,991	82,420,403
Change in fair value of investments	-	-	-	(273,298)	-	(273,298)
Transfer to statement of income from sale of investments	-	-	-	(9,044,200)	-	(9,044,200)
Net profit recognized directly in equity	-	-	-	(9,317,498)	-	(9,317,498)
Net profit during the period	-	-	-	-	16,645,344	16,645,344
Total profit recognized for the period	-	-	-	(9,317,498)	16,645,344	7,327,846
Cash dividend for 2006	-	-	-	-	(6,350,229)	(6,350,229)
Bonus dividend for 2006	3,321,480	-	-	-	(3,321,480)	-
Issuance of shares as per the employees stock option plan	1,396,000	1,633,320	-	-	-	3,029,320
Cost of shares as per the employees stock option plan	-	2,694,280	-	-	-	2,694,280
Convertible sukuk	-	-	-	1,838,232	-	1,838,232
Purchase of treasury shares	-	-	(7,776,189)	-	-	(7,776,189)
Sale of treasury shares	-	-	5,550,743	(267,747)	-	5,282,996
Balance as of 30 September 2007	36,536,280	4,327,600	(9,300,060)	24,196,213	32,706,626	88,466,659

The accompanying notes form an integral part of this interim condensed financial information.

International Investment Group Company K.S.C. (Closed)
Kuwait

Interim Condensed Statement of Cash Flows for the period ended 30 September 2007
(Unaudited)

	Note	Kuwaiti Dinars For the nine months ended 30 September 2007	2006
Cash flows from operating activities			
Net profit for the period		16,645,344	19,113,233
Adjustments:			
Depreciation and amortisation		8,455	6,477
Gain on investments	11	(9,452,791)	(12,194,573)
Company's share in results of associates	6	(7,767,592)	(9,270,720)
Gain form sale of investments in associates		(4,270,130)	(2,605,984)
Gain from sale of investments in subsidiary		(266,815)	-
Finance costs		3,166,457	125,447
Employees stock option plan cost		2,694,280	-
Provisions for claims		766,004	2,943,737
Provision for doubtful debts		441,457	185,503
Employees' end of service indemnity		51,171	27,101
Operating profit/ (loss) before changes in operating assets and liabilities		2,015,840	(1,669,779)
Investments at fair value through profit or loss		(4,773,885)	12,646,506
Receivables and other debit balances		(4,151,572)	(1,096,138)
Payables and other credit balances		(17,456,711)	3,714,247
Net cash (used in)/ generated from operating activities		(860)	(12,479)
		(24,367,188)	13,582,357
Cash flows from investing activities			
Mudarbat investments		3,195,545	1,498
Paid for purchase of shares in associates		(64,839,386)	(13,774,601)
Proceeds from sale of shares in associates		58,464,009	4,408,495
Paid for Murabahat investment		(11,242,078)	(2,003,860)
Proceed from sale of available for sale investments		2,030,189	12,580,374
Paid for purchase of available for sale investments		(357,002)	(524,500)
Paid for purchase of property and equipment		-	(4,300,000)
Murabaha income and dividends received		(29,030)	(9,303)
Net cash used in generated from investing activities		114,344	54,831
		(12,663,409)	3,567,066
Cash flows from financing activities			
Net Islamic debt instruments		32,437,142	1,436,560
Finance costs paid		(1,876,931)	(125,447)
Cash dividends paid		(4,607,100)	(3,580,549)
Proceed from capital and share premium		3,029,320	-
Purchase of treasury shares		(7,776,189)	(13,482,139)
Sale of treasury shares		5,282,996	9,089,127
Net cash generated from/ (used in) in financing activities		26,489,238	(6,662,448)
Net change in cash and cash equivalents		(10,541,359)	3,352,843
Cash and cash equivalents at beginning of period		12,532,027	3,994,167
Cash and cash equivalents at end of period		1,990,668	7,347,010

The accompanying notes form an integral part of this interim condensed financial information.

1. Incorporation of the Company

International Investment Group Company is a closed Kuwaiti Shareholding Company established in 1987, and registered as an investment company in the Central Bank of Kuwait. The shares of the Company were listed in the Kuwait Stock Exchange on 23 November 1997.

The Company's office is domiciled at Kuwait Stock Exchange Building – fifth floor, P.O. Box 29448 Safat, 13155 - State of Kuwait.

The principle activities of the Company are representing in investment activities, managing financial portfolios and investment funds for others, also real estate activity. The activities of the Company are carried out in accordance with Noble Islamic Shariea principles.

The interim condensed financial statements were approved for issue by the Board of Directors on 8 November 2007.

2. Basis of preparation

These interim condensed financial statements have been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed financial information does not include all information and notes that are required for complete financial statements as per the International Financial Reporting Standards as adopted for use by the Government of Kuwait for financial institutions regulated by the Central Bank of Kuwait.

The provision for impairment in Murabaha, Wakala and Mudarba receivables is determined according to Central Bank of Kuwait requirements in respect of the specific provisions. Further, the Central Bank of Kuwait requires forming a minimum general provision to be provided for Murabaha, Wakala and Mudarba receivables that are not subject to specific provisions net of certain restricted categories of collaterals that are under instruction of Central Bank of Kuwait.

Starting from 1 January 2007, the general provision percentage was decreased to 1% as a minimum for cash finance and investment transactions to 0.5% as a minimum for non cash finance and investment transactions instead of 2% without affecting the outstanding general provision surplus as at 31 December 2006 until there is another instruction from Central Bank of Kuwait.

In the opinion of the management, all necessary adjustments including recording accruals have been included in the interim condensed financial statements for fair presentation.

The operating results for the period ended 30 September 2007 are not necessarily indicative of the results that may be expected for the year ending 31 December 2007. For further information, you may refer to the financial statements and its related notes for the year ended 31 December 2006.

The interim condensed financial statements were prepared in accordance with the same accounting policies and methods of computation followed in the latest annual financial statements which were prepared in accordance with the International Financial Reporting Standards as adopted in the State of Kuwait except the following:

2.1 Convertible Sukuk

Liabilities arising from Sukuk are initially recognised at fair values less transactions costs.

The fair value of the liabilities arising from convertible Sukuk is determined using a market rate of return of similar Sukuk and non-convertible Sukuk. This liability is recognized on an amortized cost basis until the date of there sukuk is converted into shares or utilities materiality date.

The remaining amount collected from Sukuk which represent the fair value of the convertible option of Sukuk to share is recognized in shareholders' equity under Convertible Sukuk.

2.2 Employees Stock option plan

The share option program allows employees to acquire the company's shares. According to the requirements of IFRS (2) - "Share based payment". The fair value of options granted is recognised as an employee expense with corresponding increase in equity. The fair value is measured at grant date and allocated over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest during each financial year.

The proceeds from share option plan received net of any directly attributable transaction costs are credited to share capital by nominal value and any excess is recorded as share premium.

3. Receivables and other debit balances

	Kuwaiti Dinars		
	30 September 2007	31 December 2006 (Audited)	30 September 2006
Margin deposit for letter of guarantee*	6,306,237	6,271,334	-
Trade receivables (Net)	8,084,127	681,005	1,209,422
Due from related parties	6,839,328	3,450,150	2,421,805
Accrued income	389,702	198,004	1,192,829
Prepaid expenses	54,787	39,330	27,312
Other debit balances	35,769	15,012	10,540
	21,709,950	10,654,835	4,861,908

* This represents restricted amounts at one of the local banks against letter of guarantee issued to third party (Note 18).

4. Available for sale investments

	Kuwaiti Dinars		
	30 September 2007	31 December 2006 (Audited)	30 September 2006
Investment in quoted shares	-	3,557,200	-
Investments in unquoted shares	15,019,272	24,549,585	20,,219,811
Investments in funds	789,872	3,911,909	2,017,815
	15,809,144	32,018,694	22,237,626

Investments in unquoted shares include KD 807,350 as of 30 September 2007 (KD 951,091 as of 31 December 2006 and KD 414,281 as of 30 September 2006) carried at cost less impairment losses.

5. Investments in associates

5.1 During the period, the Company has purchased shares in Osoul Leasing & Finance Company with a percentage of 20.53%. The Company currently is in the process of allocating the purchase price over the fair value of identifiable assets and liabilities of the acquired company at the acquisition date in order to calculate the goodwill. The balance of this investment amounted to KD 18,794,758 as of 30 September 2007.

5.2 During the period, the Company sold part of its investments in "The First Kuwait for Marine & Environmental Projects" representing 17.5% of the share capital of that company with profit of KD 266,815. This resulted in the dilution of the Company's ownership percentage to be 45%, thus the investment was reclassified from investments unconsolidated subsidiaries to investments in associates. The carrying amount of this investment amounted to KD 2,480,311 as of 30 September 2007.

5.3 The Company recorded an amount of KD 7,767,592 in the statement of income for the period ended 30 September 2007 (9,270,720 as of 30 September 2006) which represent the Company's share in the results of associates, based on the latest available financial statements.

5.4 During the current period, the Company has traded on a percentage 1-4% of its shares in some associate companies. This resulted to recognition of gains amounting to KD 4,270,130 that were recorded in the statement of income (KD 2,605,984 for the period ended 30 September 2006).

5.5 Investment in associate include amount of KD 71,084,325 pledge in portfolio managed by local company against Islamic Sukuk as of 30 September 2007.

6. Payables and other credit balances

	Kuwaiti Dinars		
	30 September 2007	31 December 2006 (Audited)	30 September 2006
Proceeds from subscriptions in companies	-	9,577,316	-
Due to related parties	250,306	3,585,295	17,719,151
Provision for claims	5,555,577	6,582,488	5,910,857
Investment funds payable	2,005,286	2,005,286	2,005,286
Dividends payable	4,231,924	2,488,795	2,737,546
Fiduciary assets payable	-	1,992,608	-
Board remuneration	-	-	340,470
Accrued expense	714,520	1,270,637	56,583
KFAS	74,872	72,924	87,055
National labour support tax	831,240	1,019,150	890,900
Others	345,544	362,348	252,365
	14,009,269	28,956,847	30,000,213

7. Islamic debt instruments

		Kuwaiti Dinars		
	Average effective yield rate	30 September 2007	31 December 2006 (Audited)	30 September 2006
Convertible Islamic Sukuk	8%	53,583,605	-	-
Wakala contracts	7%	9,295,995	34,848,866	7,537,128
Mudarba contracts	7%	6,171,481	6,352,437	2,102,195
Murabaha contracts	7%	712,500	1,425,000	2,144,365
		69,763,581	42,626,303	11,783,688

7.1 On 7 June 2007, the company obtained a finance from the global market through an Islamic Mudaraba Sukuk convertible to shares that will be matured on 10 July 2012 with a total value of KD 57,607,500 (equivalent to USD 200 million).

7.2 The summary of the conditions of transferring Sukuk into ordinary shares is represented in:

- Early voluntary conversion of the Sukuk to shares could be exercised on January, April, July and October in each year starting from 2008 at maximum value of USD 10 Million in each date.
- Unlimited early voluntary conversion of Sukuk to shares: could be exercised on April 2010, 2011, 2012 for the outstanding Sukuk balance.
- Contingent voluntary redemption to Sukuk which can be exchanged into shares: could be exercised on April 2009, where the shares price increase to 140 % of the weighted average price of International Investment Group Shares.

In case the company could not transfer the shares to the Sukuk certificate holders, the shares not transferred fair value amount will be paid to the Sukuk holders.

7.3 Sukuk are due to early voluntary redemption in case the company did not commit to any of the conditions mentioned in the agreement with the Sukuk holders in which one of them is the significant change in the company's shareholding structure.

7.4 Sukuk are secured with a mortgage of the shares of associated companies amounted to KD 65,153,134 and investments at fair value through profit or loss amounted by KD 1,737,500.

The price for which Sukuk can be exchanged to common shares is 500 fils for normal share (USD 1.738).

The carrying amount of Sukuk as of 30 September 2007 is as follows:

	30 September 2007
Proceed from convertible Sukuk issue	57,607,500
Less: issue cost	(1,450,548)
Net proceed from issue of convertible Sukuk	56,156,952
Recognized in equity	(1,838,232)
Carrying amount of liabilities in initial recognition	54,318,720
Finance cost carried on income statement during the period	1,310,412
Foreign currencies	(2,045,527)
Net book value for Sukuk as of 30 September 2007	53,583,605

8. Share capital

8.1 During the period ended in 30 June 2007, the employees have subscribed fully in issued share of employees stock options plan for a total of 13,960,000 shares at 217 fils per share through paying the nominal value of shares of KD 1,396,000 and premium share of KD 1,633,320.

8.2 The Shareholders General Assembly of the Company held on 30 May 2007, approved increase in capital by issue bonus shares at 10% which equal 33,214,800 share.

Accordingly the issue share capital of the company and fully paid is KD 36,536,280 distributed over 365,362,800 shares as of 30 September 2007 (paid is KD 31,818,800 as of 31 December 2006, paid is KD 31,818,800 as of 30 September 2006).

9. Treasury shares

	Kuwaiti Dinars		
	30 September 2007	31 December 2006 (Audited)	30 September 2006
Number of treasury shares (share)	21,790,186	14,261,533	14,261,533
Ownership percentage (%)	5.96	4.48	4.48
Market value	8,498,173	7,130,767	7,843,843

10. Other reserves

	Kuwaiti Dinars						
	Statutory reserve	Voluntary reserve	Convertible Sukuk	Change in fair value Reserve	Company share in associate's reserves	Gain on sale of treasury share	Total
Balance as of 31 December 2005	2,996,868	-	-	1,055,037	-	-	4,051,905
Change in fair value of available for sale investments	-	-	-	14,525,192	-	-	14,525,192
Company Share in associate's reserves	-	-	-	-	392,796	-	392,796
Net profit recognized directly in equity	-	-	-	14,525,192	392,796	-	14,917,988
Net profit recognized during the period	-	-	-	14,525,192	392,796	-	14,917,988
Sale of treasury share	-	-	-	-	-	2,330,655	2,330,655
Balance of 30 September 2006	2,996,868	-	-	15,580,229	392,796	2,330,655	21,300,548
Balance of 31 December 2006	5,415,169	2,418,301	-	21,534,898	244,207	2,330,651	31,943,226
Change in fair value of investments	-	-	-	(273,298)	-	-	(273,298)
Transferred to statement of income from sale investments	-	-	-	(9,044,200)	-	-	(9,044,200)
Net gain recognized directly in equity	-	-	-	(9,317,498)	-	-	(9,317,498)
Net profit recognized during the period	-	-	-	(9,317,498)	-	-	(9,317,498)
Convertible Sukuk	-	-	1,838,232	-	-	-	1,838,232
Sale of treasury share	-	-	-	-	-	(267,747)	(267,747)
Balance of 30 September 2007	3,415,169	2,418,301	1,838,232	12,217,400	244,207	2,062,904	24,196,213

11. Gain on investments

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Gain from sale of investments at fair value through profit or loss	649,759	269,852	289,673	1,313,130
Change in fair value of investments at fair value through profit or loss	(315,848)	1,226,231	(565,232)	(114,320)
Gain from sale of available for sale investments	-	-	8,324,241	10,768,372
Impairment losses in value of available for sale investments	-	-	(360,124)	-
Dividends income	9,306	(27,121)	114,344	227,391
Murabaha income	1,029,546	-	1,649,889	-
	1,372,763	1,468,962	9,452,791	12,194,573

On 15 May 2007, The Company sold unquoted shares amounted to KD 9,345,000 to related party, this amount is due on settlements ended 15 August 2008. This transaction has resulted a realized profit by KD 7,954,369. These shares have been deposit in portfolio managed by a related party on behalf to the buyer and the portfolio was pledged for the favor of the company as collateral until repayment of sale dues.

This transaction has been eliminated from the statement of cash flow for the investment activities and operation activities as its a non cash transaction.

12. Management, consulting and subscription fees

During the period, the company has marketed securities owned to related party against marketing commission. As per the contract conditions and to the extent of the securities quantities which have been marketed, the company is entitled to earn commission amounting to KD 1,286,725.

13. Employees stock options plan

The General Assembly Meeting held on 24 May 2006, approved the increase in the share capital by an amount of KD 1,396,000 by issuing 13,960,000 shares for the employees under the proposed employee stock option plan (ESOP). At 28 July 2006, the Board of Directors approved the employees stock option plan as the subscribe price is KD 217 fils per share.

During the period ended in 30 September 2007, the way of share issue, vesting period and qualifies employees have been determined and completed. The employees have fully subscribed in issued share and paid in cash. The cost of applying this plan is determined as the difference between the fair value of shares and amount paid in subscription, as per the requirement of IFRS "2" (share based payment). The cost of applying the plan amounted to KD 2,694,280 has been changed to current period statement of income.

14. Earnings per share

- **Basic earning per share:**

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of outstanding shares during the period as follows:

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Net profit for the period	4,275,308	5,853,174	16,645,344	19,113,233
Weighted average number of issued and outstanding shares (share)	345,051,310	345,223,932	340,408,603	340,417,232
Basic earnings per share (fils)	12.39	16.95	48.90	56.15

The Earning per share for the comparative figures has been adjusted taking into consideration the bonus share which have been approved by the shareholders in their General assembly meeting dated 30 May 2007.

15. Related parties' transactions

Related parties are the Company's shareholders who have representation in the board of directors, members of the board of directors, senior management, associates. In the normal course of business, subject to the Company's management approval, there were transactions with related parties during the period ended 30 September 2007. The related parties significant transactions and outstanding balances were as follows:

	Kuwaiti Dinars	
	2007	**2006**
Transactions		
Management and consulting and subscription fees	1,696,132	118,802
Dividends	12,000	1,073,560
Unrealised (loss)/ gain from change in fair value of investment at fair value through profit or loss	(346,956)	(759,330)
Gain on sale of available for sale investments	7,964,117	-
Murabaha income	1,222,529	-
Gain on sale of investment in subsidiary	266,815	-
Finance cost	962,827	-
Top management benefits	194,400	928,970

	30 September 2007	**30 September 2006**
Balances		
Investment in Murabahat	29,306,060	2,030,914
Investment in Mudarabat	598,037	575,029
Investment at fair value through profit or loss	6,184,880	14,646,040
Available for sale investments	14,951,019	21,045,935
Due from related parties	6,839,328	2,421,805
Accrued revenues	-	1,183,225
Due to related parties	250,306	17,719,151
Mudarabat and wakalat payable	13,381,065	5,430,285
Investment fund payables	2,005,286	2,005,286
Portfolios managed on behalf related parties	145,677,500	101,384,000

All related parties transactions are subject to the approval of the general assembly of the shareholders.

16. Proposed dividends

Shareholders General Assembly Meeting held on 30 May 2007 approved the financial statement for the year ending in 31 December 2006 and approved a cash dividends of 20% which is 20 fils per share and bonus shares of 10% of the paid up capital which is 10 shares for each 100 shares for the year ended 31 December 2006.

Shareholders' General Assembly meeting held on 24 May 2006 approved cash dividends of 30% of the paid up capital for the year ended 31 December 2005 and approved the dividends of bonus shares with 45% of the paid up capital with 45 shares for each 100 shares for the year ending in 31 December 2005.

17. Geographical distribution of assets and liabilities

	Kuwaiti Dinars Assets			Kuwaiti Dinars Liabilities		
	30 September 2007	31 December 2006 (Audited)	30 September 2006	30 September 2007	31 December 2006 (Audited)	30 September 2006
Kuwait	141,259,332	130,612,553	111,144,291	24,201,960	63,131,700	34,506,704
Other GCC	31,237,985	23,598,497	2,952,497	6,291,504	8,658,947	7,500,222
Other	-	-	-	53,537,194	-	-
	172,497,317	154,211,050	114,096,788	84,030,658	71,790,647	42,006,926

18. Contingent liabilities

At the date of balance sheet, there are letters of guarantee amounted to KD 6,156,497 as of 30 September 2007 (KD 5,753,024 as of 31 December 2006 and KD 5,753,024 as of 30 September 2006).

The Company is contingently liable for legal cases in courts under different judicial stages. In the preceding period, an initial verdict was issued against the Company relating to redemptions of capital and accrued profits of investments funds managed by the Company in United States. A full provision has been formed against those verdicts issued.

19. Off balance sheet items

The Company manages portfolios on behalf of others, which are not included in the balance sheet of the Company. The total net value of the managed assets on behalf of others amounted to KD 165,569,646 as of 30 September 2007 (KD 165,364,000 as of 31 December 2006 and KD 143,421,019 as of 30 September 2006).

20. Comparative figures

Certain comparative figures have been reclassified to conform with the current presentation of the interim condensed financial information as of 30 September 2007.