ACICO INDUSTRIES CO. – K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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

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AND ITS SUBSIDIARIES
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
ACICO Industries Co. - K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ACICO Industries Co. - K.S.C. (Closed) (the parent company) and subsidiaries (the group) as of June 30, 2009 and the related interim condensed consolidated statements of income, statement of comprehensive income, changes in equity and cash flows for the six 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.

We did not review the interim consolidated financial information of the subsidiaries, Ghassan Ahmed Sauod Al-Khaled and Co. – W.L.L and ACICO for Construction K.S.C. (Closed) whose total assets and revenue constitute 7.64% and 59.42% of the respective consolidated totals. The financial information of the above mentioned subsidiaries were reviewed by other auditors, whose unqualified reports were provided to us and, our conclusion in so far as it relates to the amounts included in the interim consolidated financial information related to these subsidiaries, is based solely on the reports of other auditors.

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 and the reports of other auditors, 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.

Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account of the Parent Company and to the best of our knowledge and belief, there were no contraventions during the period ended June 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.

Abdul Rahman Al-Qaoud & Partners
Public Accountants
Licence No. 25-A
Member of MSI Global Alliance

Nayef Al Bazie
Al-Bazie & Co.
Licence No. 91-A
Member of RSM International

State of Kuwait
August 12, 2009

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2009
(All amounts are in Kuwaiti Dinars)

ASSETS	Note	**June 30, 2009**	December 31, 2008 (Audited)	June 30, 2008
Cash and cash equivalents	3	**1,621,105**	469,609	6,518,488
Accounts receivable and other debit balances		**9,294,036**	9,695,242	8,129,448
Gross amount due from customers for contract work		**2,429,361**	4,439,530	2,262,858
Due from related parties	4	**4,754,717**	4,071,551	4,081,349
Inventories		**4,950,125**	6,758,793	3,215,513
Lands under development		**164,420**	164,420	164,420
Investments available for sale		**3,035,520**	3,035,520	6,141,259
Investment in associates	5	**15,329,247**	13,283,638	9,187,959
Investment properties	6	**45,347,640**	49,047,640	33,186,361
Projects under construction	7	**88,554,366**	69,781,267	65,412,895
Right of utilization of leasehold		**751,792**	780,520	809,248
Fixed assets		**29,350,632**	29,780,193	28,789,003
Goodwill		**2,250,506**	2,250,506	2,250,506
Assets related to discontinued operations	2	**-**	9,250,441	13,550,912
Total assets		**207,833,467**	202,808,870	183,700,219
LIABILITIES AND EQUITY				
Liabilities:				
Loans and due to banks	8	**106,294,562**	99,870,730	84,439,353
Accounts payable and other credit balances		**11,355,731**	13,489,725	9,003,254
Due to related parties	4	**10,503,698**	6,157,060	9,521,594
Dividends payable to shareholders		**915,250**	489,372	1,057,030
Provision for staff indemnity		**932,034**	878,169	524,950
Liabilities related to discontinued operations	2	**-**	7,180,187	6,357,935
Total liabilities		**130,001,275**	128,065,243	110,904,116
Equity:				
Share capital		**21,491,268**	20,467,874	20,467,874
Share premium		**24,426,446**	24,426,446	24,426,446
Statutory reserve		**7,683,349**	7,683,349	7,001,050
Treasury shares	9	**(432,774)**	(731,539)	(429,419)
Treasury shares reserve		**2,589,875**	2,583,763	2,583,763
Cumulative changes in fair value		**(71,143)**	(71,143)	9,197
Foreign currency translation adjustment		**(2,100,721)**	(2,648,533)	(5,206,587)
Effect of change in equity of an associate		**(259,149)**	(259,149)	-
Retained earnings		**21,935,590**	19,767,020	20,187,303
Total equity attributable to parent company's shareholders		**75,262,741**	71,218,088	69,039,627
Non-controlling interests		**2,569,451**	3,525,539	3,756,476
Total equity		**77,832,192**	74,743,627	72,796,103
Total liabilities and equity		**207,833,467**	202,808,870	183,700,219

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

Abdel Aziz Al-Ayuob
Chairman

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2009
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended June 30		For the six months ended June 30	
		2009	2008	**2009**	2008
Continuing operations:					
Operating income	14	**14,704,206**	6,551,995	**29,968,833**	15,096,341
Operating costs		**(12,124,351)**	(7,840,570)	**(24,568,825)**	(13,093,052)
Gross profit (loss) from operations	14	**2,579,855**	(1,288,575)	**5,400,008**	2,003,289
General and administrative expenses		**(1,057,071)**	(885,466)	**(2,274,008)**	(1,352,188)
Selling expenses		**(213,345)**	(366,407)	**(525,903)**	(707,262)
Depreciation and amortization		**(108,367)**	(80,238)	**(221,226)**	(250,077)
Income (loss) from operations		**1,201,072**	(2,620,686)	**2,378,871**	(306,238)
Rental income		**1,444,899**	412,899	**2,903,300**	509,349
Investment (loss) income		**(5,460)**	33,676	**-**	33,676
(Loss) Gain from sale of investment properties	6	**(450,000)**	516,058	**(450,000)**	516,058
Gain on sale of a share of investment in a consolidated subsidiary	2	**-**	-	**51,286**	1,400,000
Group's share of result from associates		**-**	119,000	**-**	315,000
Finance charges		**(313,196)**	(711,642)	**(905,347)**	(1,671,529)
Provision for doubtful debts		**(10,000)**	-	**(24,556)**	(10,000)
Other income	10	**210,458**	1,141,979	**374,364**	2,029,093
Profit (loss) for the period from continuing operations		**2,077,773**	(1,108,716)	**4,327,918**	2,815,409
Profit for the period from discontinued operations	2	**-**	3,540,587	**-**	4,239,912
Profit for the period before contribution to Kuwait Foundation for the Advancement of Science and National Labor Support Tax and contribution to Zakat		**2,077,773**	2,431,871	**4,327,918**	7,055,321
Contribution to Kuwait Foundation for the Advancement of Sciences		**(16,128)**	(19,164)	**(33,779)**	(55,867)
National Labor Support Tax		**(54,528)**	(56,539)	**(111,939)**	(163,935)
Contribution to Zakat		**(21,811)**	(23,658)	**(42,252)**	(68,996)
Net profit for the period		**1,985,306**	2,332,510	**4,139,948**	6,766,523
Attributable to:					
Parent company's shareholders		**2,065,065**	2,162,191	**4,211,169**	6,268,606
Non-controlling interests		**(79,759)**	170,319	**(71,221)**	497,917
Net profit for the period		**1,985,306**	2,332,510	**4,139,948**	6,766,523
		Fils	Fils	**Fils**	Fils
Earnings per share attributable to parent company's shareholders					
From continuing operations	11	**9.65**	(6.43)	**19.70**	9.48
From discontinued operations	11	**-**	16.53	**-**	19.81
From continuing operations and discontinued operations	11	**9.65**	10.10	**19.70**	29.29

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2009
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2009	2008	**2009**	2008
Net profit for the period		**1,985,306**	2,332,510	**4,139,948**	6,766,523
Other comprehensive income:					
Foreign currency translation adjustments		**(11,083)**	110,157	**811,032**	(2,723,681)
Other Comprehensive (loss) income for the period		**(11,083)**	110,157	**811,032**	(2,723,681)
Total comprehensive income for the period		**1,974,223**	2,442,667	**4,950,980**	4,042,842
Attributable to:					
Shareholders of the parent company		**2,060,807**	2,309,511	**4,758,981**	3,618,549
Non-controlling interests		**(86,584)**	133,156	**191,999**	424,293
Total comprehensive income for the period		**1,974,223**	2,442,667	**4,950,980**	4,042,842

The accompanying notes from (1) to (15) form an integral part of the interim consolidated financial information.

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2009
(All amounts are in Kuwaiti Dinars)

	Attributable to parent company's shareholders											
	Share capital	Share premium	Statutory reserve	Treasury shares	Treasury shares reserve	Cumulative changes in fair value	Foreign currency translation adjustment	Effect of change in equity of an associate	Retained earnings	Total equity	Non controlling Interests	Total equity
Balance as at December 31, 2008	20,467,874	24,426,446	7,683,349	(731,539)	2,583,763	(71,143)	(2,648,533)	(259,149)	19,767,020	71,218,088	3,525,539	74,743,627
Total comprehensive income for the period	-	-	-	-	-	-	547,812	-	4,211,169	4,758,981	191,999	4,950,980
Bonus shares – 5% (Note 12)	1,023,394	-	-	-	-	-	-	-	(1,023,394)	-	-	-
Cash dividends – 5% (Note 12)	-	-	-	-	-	-	-	-	(1,019,205)	(1,019,205)	-	(1,019,205)
Sale of treasury shares	-	-	-	298,765	6,112	-	-	-	-	304,877	-	304,877
Effect of a subsidiary resulting in an associate	-	-	-	-	-	-	-	-	-	-	(1,596,801)	(1,596,801)
Effect of sale of a portion of an investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	448,714	448,714
Balance as at June 30, 2009	**21,491,268**	**24,426,446**	**7,683,349**	**(432,774)**	**2,589,875**	**(71,143)**	**(2,100,721)**	**(259,149)**	**21,935,590**	**75,262,741**	**2,569,451**	**77,832,192**
Balance as at December 31, 2007	19,493,213	24,426,446	7,001,050	(415,881)	2,583,763	9,197	(2,556,530)	-	25,570,512	76,111,770	190,504	76,302,274
Total comprehensive income for the period	-	-	-	-	-	-	(2,650,057)	-	6,268,606	3,618,549	424,293	4,042,842
Bonus shares – 5% (Note 12)	974,661	-	-	-	-	-	-	-	(974,661)	-	-	-
Cash dividends – 55% (Note 12)	-	-	-	-	-	-	-	-	(10,677,154)	(10,677,154)	-	(10,677,154)
Cash dividends (subsidiary)	-	-	-	-	-	-	-	-	-	-	(543,453)	(543,453)
Purchase of treasury shares	-	-	-	(13,538)	-	-	-	-	-	(13,538)	-	(13,538)
Effect of consolidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,685,132	3,685,132
Balance as at June 30, 2008	20,467,874	24,426,446	7,001,050	(429,419)	2,583,763	9,197	(5,206,587)	-	20,187,303	69,039,627	3,756,476	72,796,103

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

	For the six months ended June 30,	
	2009	2008
Cash flows from operating activities		
Profit for the period from continuing operations	**4,327,918**	2,815,409
Profit for the period from discontinued operations	**-**	4,239,912
Adjustments:		
Depreciation and Amortization	**1,122,728**	1,114,498
Share of results from associates	**-**	(315,000)
Finance charges	**905,347**	1,671,093
(Loss) Gain from sale investment properties	**450,000**	(516,058)
Dividend income	**-**	(33,676)
Gain on sale of fixed assets	**(828)**	(447,562)
Rental income	**(2,903,300)**	(509,349)
Interest income	**-**	(535,324)
Provision for staff indemnity	**115,409**	153,910
Provision for doubtful debts	**24,556**	10,000
Foreign currency translation adjustments	**194,387**	(1,360,671)
Operating income before working capital changes	**4,236,217**	6,287,182
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	**376,650**	(3,513,787)
Gross amount due from customers for contract work	**2,010,169**	201,901
Due from related parties	**(683,166)**	(1,465,277)
Inventories	**1,808,668**	366,542
Accounts payable and other credit balances	**(3,101,964)**	47,283
Due to related parties	**4,346,638**	10,283,855
Payment for staff indemnity	**(61,544)**	(125,221)
Paid for Kuwait Foundation for the Advancement of Science	**-**	(57,333)
Board of Directors remuneration	**-**	(63,000)
Net cash generated from operating activities	**8,931,668**	11,962,145
Cash flows from investing activities		
Dividend income received	**-**	33,676
Interest income received	**-**	535,324
Rental income received	**2,903,300**	509,349
Proceeds from sale of fixed assets	**74,148**	700,006
Paid for investment properties	**-**	(11,392)
Proceeds from sale investment properties	**3,250,000**	-
Purchase of fixed assets	**(737,759)**	(6,375,462)
Paid for projects under construction	**(18,948,611)**	(11,976,216)
Net cash used in investing activities	**(13,458,922)**	(16,584,715)

	For the six months ended June 30,	
	2009	2008
Cash flows from financing activities		
Net proceeds from (payment for) loans and due to banks	**6,423,832**	(10,331,241)
Finance charges paid	**(905,347)**	(1,671,093)
Purchase of treasury shares	**-**	(13,538)
Proceeds form sale treasury shares	**304,877**	-
Cash dividends paid	**(593,327)**	(9,973,804)
Capital increase (subsidiary)	**-**	3,685,132
Cash dividends paid (subsidiary)	**-**	(543,453)
Effect of sale of a portion of an investment in a subsidiary	**448,714**	-
Net cash generated from (used in) financing activities	**5,678,749**	(18,847,997)
Net increase (decrease) in cash and cash equivalents	**1,151,495**	(23,470,567)
Cash and cash equivalents at beginning of the period	**613,557**	31,364,480
Cash and cash equivalents of a subsidiary previously consolidated (Note 2)	**(143,947)**	(1,375,425)
Cash and cash equivalents at end of the period (Note 3)	**1,621,105**	6,518,488

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

ACICO Industries Co. - K.S.C. (Closed) was incorporated and authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 16540 on June 23, 1990 and registered on Commercial register under Ref. No. 41903 dated July 17, 1991.

The main objectives of the Company include the establishment of a factory for the production of all types and sizes of aerated concrete and non-concrete and all its construction requirements, import and export of all building materials. The Company is considered the sole agent in the Middle East for manufacturing 'Hebil' international products. The Company's objectives also include owning, buying and selling real estate, land and land for development for the benefit of the Company either inside or outside Kuwait, dealing in industrial companies' shares and bonds relating to the main objective of the Company either inside or outside Kuwait, preparing and submitting the studies and consultancy and also organizing the industrial exhibition for the Company's projects.

The Company may have interests or participate in any aspect in other firms conducting similar activities or which may assist the Company in achieving its objectives in Kuwait or abroad. The Company may also acquire such firms or participate in their equity.

The address of the Parent Company is Sharq – Ahmed Al-Jaber Street – Raed Center, 5th floor, P.O. Box 24079, Safat, 13101 - State of Kuwait.

The interim consolidated financial information was authorized for issue by the Board of Directors on August 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.

IAS 23 "Borrowing Cost" (Revised)

Effective January 1, 2009, the Group has applied IAS 23 (Revised), which requires an entity to capitalize borrowing costs attributable to the acquisition, construction or production of a qualifying asset as a part of the cost of that asset and removing an option of expensing these borrowing costs in the consolidated statement of income. This amendment is not expected to have any impact on the interim consolidated financial information

The interim consolidated financial information does 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 June 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.

The interim consolidated financial information includes the financial information of ACICO Industries K.S.C. (closed) and the following subsidiaries:

		Percentage of ownership		
Name of Subsidiary	Country of incorporation	**June 30, 2009**	December 31, 2008 (Audited)	June 30, 2008
Ghassan Ahmed Saoud Al-Khaled & Partners W.L.L.	Kuwait	**75%**	75%	75%
ACICO International Contracting L.L.C.	UAE	**-**	75%	75%
ACICO Arabia for General Trading and Contracting W.L.L.	Kuwait	**60%**	60%	60%
ACICO for Construction K.S.C. (Closed)	Kuwait	**75%**	100%	100%

Effective January 1, 2009 the Parent company sold 30% of its investment in ACICO International Contracting L.L.C for an amount of KD 1,929,698 at its carrying value to a related party; as a result of the sale the parent Co's interest decreased from 75% to 45%. Therefore, the investment was classified as an investment in an associate. As a result the financial information for the period ended June 30, 2009 does not include the financial information related for the above mentioned entity that were included in the year ended December 31, 2008 and the period ended June 30, 2008, that was as follows:

Interim condensed consolidated statement of financial Position:

	December 31, 2008 (Audited)	June 30, 2008
Assets:		
Cash and cash equivalents	143,947	1,049,445
Fixed deposits	-	325,980
Accounts receivable and other debit balances	4,166,095	11,107,659
Gross amount due from customers for contract work	3,819,793	-
Due from related parties	5,141	-
Fixed assets	1,115,463	1,067,828
	9,250,441	13,550,912
Liabilities:		
Due to banks	2,344,052	-
Loans	-	2,166,900
Accounts payable and other credit balances	4,275,467	3,726,216
Due to related parties	329,502	23,469
Provision for staff indemnity	231,166	441,350
	7,180,187	6,357,935

Interim condensed consolidated Statement of Income:

	For the three months ended June 30, 2008	For the six months ended June 30, 2008
Operating income	12,119,171	17,133,437
Operating cost	(8,486,844)	(12,724,553)
General and administrative expenses	(90,800)	(171,650)
Depreciation and amortization	(12,000)	(24,640)
Finance charges	(5,060)	(10,191)
Other income	16,120	37,509
Profit from discontinued operations	3,540,587	4,239,912

During the period ended June 30, 2009 the parent company sold 25% of its investment in ACICO for Construction K.S.C. (Closed) to a related party for an amount of KD 487,782 resulting in a gain of KD 51,286 and decreased the percentage of ownership to 75%.

3. Cash and cash equivalents

	June 30, 2009	December 31, 2008 (Audited)	June 30, 2008
Cash on hand and at banks	**1,621,105**	459,294	1,225,836
Time deposits	**-**	10,315	5,292,652
	1,621,105	469,609	6,518,488

4. Related party transactions

Related parties represent the Group's major shareholders, associates, subsidiaries, unconsolidated subsidiaries, members of the Board of Directors, parties related to them and senior management. There were certain transactions conducted with related parties and were included in the interim consolidated financial information as follows:

Interim condensed consolidated statement of financial position	Associates	Other related parties	**June 30, 2009**	December 31, 2008 (Audited)	June 30, 2008
Due from related parties	1,947,311	2,807,406	**4,754,717**	4,071,551	4,081,349
Due to related parties	4,889,178	5,614,520	**10,503,698**	6,157,060	9,521,594
Investments available for sale	-	-	**-**	-	2,577,439

			For the six months ended	
Interim condensed consolidated statement of income	Associates	Other related parties	**June 30, 2009**	June 30, 2008
Operating income	159,341	-	**159,341**	644,554
Operating cost	135,440	-	**135,440**	394,132
Group's share of results from associates	-	-	**-**	315,000
Gain on sale of investment property	-	-	**-**	516,058
Gain on sale of a share of investment in a consolidated subsidiary	-	40,068	**40,068**	1,400,000
Other Income	325,000	-	**325,000**	-

	For the six months ended June 30,	
Compensation to key management personnel:	**2009**	2008
Short term benefits	**70,452**	70,452
Termination benefits	**12,000**	6,000
	82,452	76,452

5. Investment in associates

Name of the associate company	Country of incorporation	Percentage of holding	**June 30, 2009**	December 31, 2008 (Audited)	June 30, 2008
ACICO Saudi Arabia – W.L.L.	Saudi Arabia	45%	**226,257**	226,257	375,209
ACICO Qatar – W.L.L.	Qatar	49%	**3,131,546**	2,176,034	406,631
Al-Masaken International for Real Estate Development - K.S.C.	Kuwait	35%	**8,448,972**	8,448,972	8,406,119
Al-Masaken Arabian Holding - K.S.C.H.	Kuwait	11.81%	**2,432,375**	2,432,375	-
ACICO International Contracting L.L.C.	U.A.E	45%	**1,090,097**	-	-
			15,329,247	13,283,638	9,187,959

The movement of the investment in associates during the period was as follows:

	June 30, 2009	December 31, 2008 (Audited)	June 30, 2008
Balance at the beginning of the period / year	**13,283,638**	8,872,959	8,872,959
Additions	**780,000**	-	-
Transferred from investment in subsidiary	**1,090,097**	-	-
Transfer from investment available for sale	**-**	2,362,500	
Transfer from projects under construction	**175,512**	1,848,590	-
Group's share of result from associate	**-**	436,292	315,000
Group's share from cumulative change in fair value for associate company	**-**	(259,149)	-
Other movement	**-**	22,446	-
Balance at the end of the period / year	**15,329,247**	13,283,638	9,187,959

6. Investment properties

During the period, the parent company sold an investment property amounting to KD 3,700,000 resulting in a loss amounting to KD 450,000.

7. Projects under construction

The movement of projects under construction during the period was as follows:

	June 30, 2009	December 31, 2008 (Audited)	June 30, 2008
Balance at the beginning of the period / year	**69,781,267**	59,315,822	59,315,822
Additions	**17,281,714**	31,382,328	11,496,524
Finance charges capitalized	**1,666,897**	2,765,078	-
Transfer to investment properties	**-**	(14,829,256)	-
Transfer to investment in associate	**(175,512)**	(1,848,590)	-
Transfer to fixed assets	**-**	(6,855,577)	(5,321,592)
Transfer to inventories	**-**	(148,538)	(77,859)
Balance at the end of the period / year	**88,554,366**	69,781,267	65,412,895

Projects under construction represent different projects in the GCC countries.

8. Loans and due to banks

During the period ended June 30, 2009 the parent company obtained new loans from local and foreign banks for an amount of KD 13,635,002 guaranteed by promissory notes and projects under construction carrying an interest rate ranging from 1% to 2.5% per annum over the Central Bank of Kuwait discount rate, and Dubai Inter Bank Rate (DIBOR). The Parent Company also settled loans for an amount of KD 6,907,801.

9. Treasury shares

	June 30, 2009	December 31, 2008 (Audited)	June 30, 2008
Number of shares	**837,349**	1,471,286	822,062
Percentage of issued shares	**0.39%**	0.72%	0.41%
Market value (KD)	**401,928**	684,148	567,223
Cost (KD)	**432,774**	731,539	429,419

10. Other income

	For the three months ended June 30		For the six months ended June 30	
	2009	2008	**2009**	2008
Interest income	**-**	105,485	**-**	535,324
Supervision income	**-**	-	**130,000**	-
Gain on sale of fixed assets	**-**	449,193	**32,454**	447,562
Foreign exchange gain	**99,473**	536,211	**46,127**	958,943
Other income	**110,985**	51,090	**165,783**	87,264
	210,458	1,141,979	**374,364**	2,029,093

11. Earnings per share attributable to parent company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2009	2008	**2009**	2008
Net profit for the period attributable to parent company's shareholders	**2,065,065**	2,162,191	**4,211,169**	6,268,606
Number of shares outstanding				
	Shares	Shares	**Shares**	Shares
Weighted average number of issued shares	**204,678,738**	204,678,738	**204,678,738**	204,678,738
Bonus shares	**10,233,940**	10,233,940	**10,233,940**	10,233,940
Weighted average number of treasury shares	**(879,216)**	(812,083)	**(1,194,434)**	(885,165)
Weighted average number of shares outstanding	**214,033,462**	214,100,595	**213,718,244**	214,027,513
	Fils	Fils	**Fils**	Fils
Earnings per share attributable to parent company's shareholders from continuing operations	**9.65**	(6.43)	**19.70**	9.48
Earnings per share attributable to parent company's shareholders from discontinued operations	**-**	16.53	**-**	19.81
Earnings per share attributable to parent company's shareholders From continuing and discontinuing operations	**9.65**	10.10	**19.70**	29.29

Earnings per share attributable to parent company's shareholders for the 6 months ended June 30, 2008 was 30.75 before retroactive adjustment relating to the issue of bonus shares (Note 12).

12. Cash dividend and bonus shares

The shareholders' general assembly meeting held on June 4, 2009 approved the distribution of cash dividend of 5 fils per share and 5 bonus shares for every 100 shares held (5%) for the year ended December 31, 2008.

The shareholders' general assembly meeting held on May 8, 2008 approved the distribution of cash dividend of 55 fils per share (55%) and 5 bonus shares for every 100 shares held (5%) for the year ended December 31, 2007.

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13. Contingent liabilities

	June 30, 2009	December 31, 2008 (Audited)	June 30, 2008
Letters of guarantee	**1,232,239**	1,698,587	393,302
Letters of credit	**10,830,000**	2,017,779	2,181,269
	12,062,239	3,716,366	2,574,571

14. Segment information

	June 30, 2009					
	Industry	**Real estates and hotels**	**Contracting**	**Total**	**Inter segment transactions**	**Total**
Operating income	**19,332,285**	**2,229,940**	**11,254,259**	**32,816,484**	**(2,847,651)**	**29,968,833**
Segment gross profit	**5,679,610**	**2,229,940**	**(279,602)**	**7,629,948**	**(2,229,940)**	**5,400,008**
Total assets	**39,498,244**	**169,556,582**	**6,566,573**	**215,621,399**	**(7,787,932)**	**207,833,467**
Total liabilities	**27,313,969**	**93,650,057**	**5,334,872**	**126,298,898**	**3,702,377**	**130,001,275**

	June 30, 2008					
	Industry	Real estates and hotels	Contracting	Total	Inter segment transactions	Total
Operating income	9,631,911	-	16,667,339	26,299,250	(11,202,909)	15,096,341
Segment gross profit	4,288,441	-	486,850	4,775,291	(2,772,002)	2,003,289
Total assets	244,651,470	905,264	31,963,578	277,520,312	(93,820,093)	183,700,219
Total liabilities	176,155,015	908,697	27,329,552	204,393,264	(93,489,148)	110,904,116

15. Comparative figures

Certain of the prior period / year amounts have been reclassified to conform to the current period presentation.