Ekttitab Holding Company
K.S.C. Holding
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
For the six months ended 30 June 2011
With Review Report

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Contents	**Pages**
Review Report	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6 – 10

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Ekttitab Holding Company - K.S.C. Holding
Kuwait

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ekttitab Holding Company K.S.C. Holding "the Parent Company" and its subsidiaries "the Group" as of 30 June 2011 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. The Parent Company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with IAS (34) - "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim condensed consolidated Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) – "Interim Financial Reporting".

Report on Review of Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company and to the extent of information made available to us, nothing has come to our attention causes us to believe that there are contraventions of the Commercial Companies Law of year 1960, as amended or of the Parent Company's Articles of Association during the six-month period ended 30 June 2011 that might have had a material effect on the business of the Group or on its financial position.

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Kuwait
8 August 2011

Ekttitab Holding Company
K.S.C. Holding
And its subsidiaries

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2011 (Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	30 June 2011	31 December 2010 (Audited)	30 June 2010
Assets				
Cash and cash equivalents		2,102,667	2,263,626	3,839,647
Investments at fair value through profit or loss	3	8,178,227	11,392,659	10,802,531
Available for sale investments	4	2,329,535	5,475,051	5,403,407
Murabaha investments	5	11,740,453	10,999,161	18,904,941
Receivables and other debit balances		256,001	266,097	223,495
Due from related parties	11	5,236,757	3,458,650	637,010
Properties held for trading		-	-	2,447,959
Fixed assets		12,933	15,904	17,025
Total assets		29,856,573	33,871,148	42,276,015
Liabilities and equity				
Liabilities				
Murabaha payables	6	7,778,711	7,736,257	7,475,787
Payables and other credit balances		734,260	1,602,113	1,546,482
Due to related parties	11	92	92	3,894,719
Total liabilities		8,513,063	9,338,462	12,916,988
Equity				
Equity attributable to the shareholders of the Parent Company				
Share capital		51,700,000	51,700,000	51,700,000
Treasury shares	7	(158,156)	(386,827)	-
Statutory reserve		1,545,914	1,545,914	1,545,914
Voluntary reserve		1,545,914	1,545,914	1,545,914
Change in fair value reserve		(1,360,757)	(922,966)	(3,891,049)
Accumulated losses		(31,929,405)	(28,949,349)	(27,259,604)
		21,343,510	24,532,686	23,641,175
Non-controlling interest		-	-	5,717,852
Total equity		21,343,510	24,532,686	29,359,027
Total liabilities and equity		29,856,573	33,871,148	42,276,015

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

Emad Hossen Naema
Chairman & Managing Director

Dr. Ali Darweesh Al-Shamali
Vice Chairman

Ekttitab Holding Company
K.S.C. Holding
And its subsidiaries

Interim Condensed Consolidated Statement of Income for the six months ended 30 June 2011 (Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2011	**2010**	**2011**	**2010**
Revenues					
Losses from investments	8	(312,099)	(4,675,159)	(2,874,483)	(4,399,820)
Murabaha income		170,289	309,254	327,258	615,111
Other (losses)/ income		(4,789)	(15,622)	(27,905)	108,584
		(146,599)	(4,381,527)	(2,575,130)	(3,676,125)
Expenses and other charges					
Finance cost		(89,344)	(122,162)	(183,082)	(254,387)
General and administrative expenses		(68,617)	(166,985)	(146,454)	(318,265)
		(157,961)	(289,147)	(329,536)	(572,652)
Loss before deductions		(304,560)	(4,670,674)	(2,904,666)	(4,248,777)
Kuwait Foundation for Advancement of Science (KFAS)		-	3,509	-	-
National Labor Support Tax		-	8,648	-	-
Zakat expense		-	3,459	-	-
Net loss for the period		(304,560)	(4,655,058)	(2,904,666)	(4,248,777)
Attributable to:					
Shareholders of the Parent Company		(304,560)	(4,592,865)	(2,904,666)	(4,257,577)
Non-controlling interest		-	(62,193)	-	8,800
		(304,560)	(4,655,058)	(2,904,666)	(4,248,777)
Loss per share (fils)	10	(0.59)	(8.88)	(5.71)	(8.23)

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

Ekttitab Holding Company
K.S.C. Holding
And its subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2011 (Unaudited)
(All amounts are in Kuwaiti Dinars)

	Three months ended 30 June		Six months ended 30 June	
	2011	**2010**	**2011**	**2010**
Net loss for the period	(304,560)	(4,655,058)	(2,904,666)	(4,248,777)
Other comprehensive income / (loss)				
Change in fair value of available for sale investments	317,275	(2,603,086)	(856,659)	(2,936,483)
Transferred to statement of income in result of sale of available for sale investments	231,385	31,420	418,868	400,187
Other comprehensive income / (loss)	548,660	(2,571,666)	(437,791)	(2,536,296)
Total comprehensive income / (loss) for the period	244,100	(7,226,724)	(3,342,457)	(6,785,073)
Attributable to:				
Shareholders of the Parent Company	244,100	(7,164,531)	(3,342,457)	(6,793,873)
Non controlling interest	-	(62,193)	-	8,800
	244,100	(7,226,724)	(3,342,457)	(6,785,073)

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

Ekttitab Holding Company
K.S.C. Holding
And its subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2011 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company							Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Change in fair value reserve	Accumulated losses	Total		
Balance at 1 January 2010	51,700,000	-	1,545,914	1,545,914	(1,354,753)	(23,001,413)	30,435,662	5,709,052	36,144,714
Total comprehensive (loss) / income for the period	-	-	-	-	(2,536,296)	(4,257,577)	(6,793,873)	8,800	(6,785,073)
Purchase of treasury shares	-	(784,552)	-	-	-	-	(784,552)	-	(784,552)
Sale of treasury shares	-	784,552	-	-	-	(614)	783,938	-	783,938
Balance at 30 June 2010	51,700,000	-	1,545,914	1,545,914	(3,891,049)	(27,259,604)	23,641,175	5,717,852	29,359,027
Balance at 1 January 2011	51,700,000	(386,827)	1,545,914	1,545,914	(922,966)	(28,949,349)	24,532,686	-	24,532,686
Total comprehensive loss for the period	-	-	-	-	(437,791)	(2,904,666)	(3,342,457)	-	(3,342,457)
Purchase of treasury shares	-	(1,346,793)	-	-	-	-	(1,346,793)	-	(1,346,793)
Sale of treasury shares	-	1,575,464	-	-	-	(75,390)	1,500,074	-	1,500,074
Balance at 30 June 2011	51,700,000	(158,156)	1,545,914	1,545,914	(1,360,757)	(31,929,405)	21,343,510	-	21,343,510

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

Ektitab Holding Company
K.S.C. Holding
And its subsidiaries

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2011 (Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Six months ended 30 June 2011	Six months ended 30 June 2010
Cash flows from operating activities			
Net loss for the period		(2,904,666)	(4,248,777)
Adjustments:			
Losses from investments		2,874,483	4,399,820
Depreciation		2,971	2,052
Murabaha income		(327,258)	(615,111)
Finance Cost		183,082	254,387
Operating loss before changes in the operating assets and liabilities		(171,388)	(207,629)
Investments at fair value through profit or loss		1,443,790	(1,144,770)
Receivables and other debit balances		10,096	(39,707)
Due from related parties		457,233	402,630
Payables and other credit balances		(865,312)	(449,178)
Due to related parties		(1,744,121)	574,234
Net cash used in operating activities		(869,702)	(864,420)
Cash flows from investing activities			
Paid for purchase of available for sale investments		(1,385,238)	(4,637,679)
Proceeds from sale of available for sale investments		2,984,094	8,549,428
Cash dividends received		5,028	60,882
Murabaha investments		(931,396)	-
Cash disposed in result of sale of a subsidiary	9	23,602	-
Net cash generated from investing activities		696,090	3,972,631
Cash flows from financing activities			
Purchase of treasury shares		(1,346,793)	(784,552)
Sale of treasury shares		1,500,074	783,938
Finance cost paid		(140,628)	(139,184)
Paid for Murabaha payables		-	(197,941)
Net cash generated from/ (used in) financing activities		12,653	(337,739)
Change in cash and cash equivalent		(160,959)	2,770,472
Cash and cash equivalent at the beginning of the period		2,263,626	1,069,175
Cash and cash equivalents at the end of the period		2,102,667	3,839,647

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

1. Overview

Ekttitab Holding Company K.S.C.C.H (The Parent Company) is a Kuwaiti Shareholding Company established in 1999. The Parent Company is registered in the Commercial register under No. 105414, and listed on Kuwait Stock Exchange on 19 December 2005.

The Parent Company's office is located at Jassim Al Asfour Building – Sharq – Kuwait city, P. O. Box 2799 Safat 13028 State of Kuwait.

The Parent Company and its subsidiaries (together referred to as "The Group") are engaged principally in incorporating and acquiring Kuwaiti and foreign companies, extending borrowings and acting as grantor for such companies. All activities are conducted in accordance with the Nobel Islamic Shariaa principles.

This interim condensed consolidated financial information includes the financial information of the Parent Company and its following subsidiaries (together referred to as "the Group"):

Company's name	Legal form	Incorporation country	Ownership % 30 June 2011	31 December 2010 (Audited)	30 June 2010
India Holding Company	K.S.C.H.	Kuwait	-	66.67	66.67
Aswaq Al-Madina Holding Company	K.S.C.H.	Kuwait	-	100	100
Petrol Market for Central Markets Co.	K.S.C.C.	Kuwait	100	100	100

Management accounts of the subsidiaries have been used in the consolidated financial information as of 30 June 2011, the total assets of these subsidiaries amounted to KD 3,940,102 (KD 3,012,052 as of 31 December 2010) and their net loss is KD 64,706 for the period ended 30 June 2011 (income of KD 78,193 for the period ended 30 June 2010).

The Group was sold Aswaq Al-Madina Holding Company during the period ended 30 June 2011 (note 9).

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 8 August 2011.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34) "Interim financial reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with the 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 in the interim financial information. The operation results for the three months period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For further information, refer to the financial statements and its related disclosures for the year ended 31 December 2010.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2010 except for the amendments to standards as below which are applicable for the Group from 1 January 2011.

IAS 24 Related party disclosures (Revised)

The amended Standard clarified the definition of a related party and laid down additional requirement for disclosure of outstanding commitments to related parties. The adoption of the amendment did not have any impact on the financial position or performance of the Group, but gave rise to additional disclosures in the interim consolidated financial information.

IAS 34 Interim Financial Reporting (Revised)

The amended standard provided clarification about significant events and transactions to be disclosed in the interim financial report and clarifies how to apply this principal in respect of financial instruments and their fair values. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

3. Investments at fair value through profit or loss

	30 June 2011	31 December 2010 (Audited)	30 June 2010
Investments held for trading	3,382,781	6,538,751	6,071,668
Investments at fair value through profit and loss at inception	4,795,446	4,853,908	4,730,863
	8,178,227	11,392,659	10,802,531
Investments in local shares – quoted	2,811,274	3,625,295	4,017,371
Investments in local shares – unquoted	3,412,439	3,416,578	3,425,028
Investments in foreign shares – quoted	571,507	2,913,456	2,054,297
Investments in foreign shares –unquoted	219,736	217,894	219,524
Investments in local funds – unquoted	1,163,271	1,219,436	1,086,311
	8,178,227	11,392,659	10,802,531

3.1 The fair value of the quoted investments is determined using the last bid prices. The fair value of unquoted investments are determined based on the latest deals that took place on those investments, discounted cash flows and by using other valuation techniques as of 31 December 2010. The fair value of the investments in funds is determined using the net assets value of those funds.

3.2 Investments in local quoted and unquoted shares include KD 87,474 as of 30 June 2011 (KD 111,464 as of 31 December 2010 – KD 117,306 as of 30 June 2010) registered in the name of related parties and they provided a letters of assignment of the ownership of these investments in favor of the Group.

4. Available for sale investments

	30 June 2011	31 December 2010 (Audited)	30 June 2010
Local quoted shares	2,144,535	5,290,051	4,742,187
Foreign quoted shares	-	-	451,220
Foreign unquoted shares	185,000	185,000	210,000
	2,329,535	5,475,051	5,403,407

5. Murabaha investments

5.1 All Murabaha investments granted to related parties are dominated in Kuwait Dinars, the average effective rate of return is 7.35% as of 30 June 2011 (7.35% as of 31 December 2010, 7.35% as of 30 June 2010). All Murabaha investments matured during 2011.

5.2 The Murabaha and the amount due from related parties are granted to the related parties against the pledge of unquoted local shares owned by those related parties which their carrying value amounted to KD 13,060,700 as of 30 June 2011 (KD 13,060,700 as of 31 December 2010).

5.3 During the period, the Group settled an amount of KD 732,293 due from related parties and signed a Murabaha contract with the same amount. This transaction was eliminated from the statements of cash flow for the period ended 30 June 2011, as it is non-cash transaction.

6. Murabaha payables

6.1 This item represents the amounts received from local and foreign financial institutions in accordance with Murabaha contracts. These Murabaha carry a fixed finance cost rate. The average effective cost rate is 7.94% as of 30 June 2011 (7.94% as of 31 December 2010, 7.94% as of 30 June 2010).

6.2 Murabaha payables are secured against investments at fair value through Profit and loss amounted to KD 4,239,002 as of 30 June 2011 (KD 2,100,081 as of 31 December 2010, KD 1,488,344 as of 30 June 2010).

6.3 A Murabaha payable of KD 2,400,215 due to a foreign entity is matured to and not paid; there is a lawsuit from this party in order to settle this Murabaha and an arbitration verdict has been issued to oblige the Company to pay £ 5,365,273 and the Company intends to file a lawsuit in Kuwait. The case is still in the primary phase in the foreign court, and these Murabaha are jointly secured from a related party.

7. Treasury shares

	30 June 2011	31 December 2010 (Audited)	30 June 2010
Number of treasury shares	5,120,000	10,684,850	-
Percentage to the total share capital (%)	0.99	2.1	-
Market value	140,800	363,285	-

8. Losses from investments

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
Investment at fair value through profit or loss				
Realized losses	(278,573)	(499,050)	(556,170)	(615,722)
Gain / (loss) from change in fair value	388,582	(3,638,466)	(1,214,472)	(3,560,178)
Dividends income	3,111	47,383	5,028	60,882
	113,120	(4,090,133)	(1,765,614)	(4,115,018)
Available for sale investments				
Realized losses	(425,219)	(585,026)	(1,108,869)	(284,802)
	(425,219)	(585,026)	(1,108,869)	(284,802)
Investments losses	(312,099)	(4,675,159)	(2,874,483)	(4,399,820)

9. Disposal of investment in subsidiary

During the period, the Group sold its full share in Al-Madina Market Holding Company to a related party by its carrying value as of the disposal date. The following is the net assets of the subsidiary as at the disposal date:

	Amount
Assets	
Cash and cash equivalent	27
Investment in Murabaha with related party	1,249,655
Due from parent company	1,744,121
Due from related parties	54,279
Liabilities	
Trade and other payables	(1,793)
Due to related parties	(55,027)
Net assets	2,991,262
The selling price due was settled as follow:	2,991,262
The carrying amount due from the Parent Company to the disposed subsidiary allocated to the buyer	(1,744,121)
The remaining amount recorded as due from related party	(1,223,512)
Cash collected	23,629
Less: cash and cash equivalent as at the disposal date	(27)
Cash resulted from disposal	23,602

The non-cash portion from this transaction was eliminated from the statements of cash flow for the period ended 30 June 2011.

10. Loss per share

Loss per share is calculated by dividing net loss for the period by the weighted average number of outstanding shares during the period as follows the calculation of loss per share:

	Three months ended 30 June		Six months ended 30 June	
	2011	**2010**	**2011**	**2010**
Net loss for the period	(304,560)	(4,592,865)	(2,904,666)	(4,257,577)
Weighted average number of outstanding shares during the period	514,043,135	516,996,464	509,026,747	516,995,580
Loss per share (fils)	(0.59)	(8.88)	(5.71)	(8.23)

11. Related party transactions

Related parties are the Parent Company's shareholders who have representation in the Board of Directors, members of the Board of Directors and major shareholders. In the normal course of business, subject to the Parent Company's management approval, there were transactions with related parties, the existing major shareholder, its subsidiaries, the significant transactions and outstanding balances with related parties, other than what disclosed in other notes, were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2011	**2010**	**2011**	**2010**
Transactions				
Murabaha income	170,289	309,254	327,258	615,111
Sale of investments at fair value through profit or loss	-	2,220,616	-	2,220,616
Purchase of investments at fair value through profit or loss	-	2,282,896	-	2,282,896

	30 June 2011	31 December 2010 (Audited)	30 June 2010
Balances			
Murabaha investments	11,740,453	10,999,161	18,904,941
Due from related parties	5,236,757	3,458,650	637,010
Due to related parties	92	92	3,894,719
Cash at investment portfolios	12,345	1,062,094	2,240,995

Available for sale investments include investment portfolio with fair value of KD 500,320 as of 30 June 2011 pledged against Murabaha payable in favor of related party.

Related parties' transactions are subject to the approval of shareholders in the General Assembly.

12. Dividends

On 30 May 2011, the board of shareholders of the Company approved the financial statements for the year ended 31 December 2010 and proposed not to distribute profit for the year ended 31 December 2010 (Nil for the year ended 31 December 2009).

13. Segment distribution

Segment information

The Group carries out only in investment segment which represents in owed investment through profit and loss, available for sale investments.

A financial analysis of activities for the six moths ended 30 June 2011:

	Investment activities				
	Kuwait	UAE	Egypt	Other	Total
Revenues	(309,497)	(1,724,236)	(539,555)	(1,842)	(2,575,130)
Loss of the period	(617,522)	(1,745,747)	(539,555)	(1,842)	(2,904,666)
Assets	27,151,030	1,860,057	625,749	219,737	29,856,573
Liabilities	5,826,456	286,391	-	2,400,216	8,513,063

A financial analysis of activities for the six months ended 30 June 2010:

	Investment activities				
	Kuwait	UAE	Egypt	Other	Total
Revenues	(1,668,025)	(1,513,234)	(483,682)	(11,184)	(3,676,125)
Loss of the period	(2,195,973)	(1,557,104)	(484,516)	(11,184)	(4,248,777)
Assets	34,114,210	6,476,328	1,465,954	219,523	42,276,015
Liabilities	9,620,603	994,845	-	2,301,540	12,916,988