Interim condensed consolidated financial information and review report

National Industries Group Holding – SAK and subsidiaries

Kuwait

31 March 2011 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
National Industries Group Holding – SAK
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated financial position of National Industries Group Holding (A Kuwaiti Shareholding Company) and its subsidiaries as of 31 March 2011 and the related interim condensed consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory matters

Based on our review, the interim condensed consolidated 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, or of the articles of association of the Company, as amended, have occurred during the three-month period ended 31 March 2011 that might have had a material effect on the business or financial position of the Company.

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Kuwait
15 May 2011

National Industries Group Holding – SAK and subsidiaries
Kuwait

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Interim condensed consolidated statement of income

	Note	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
		KD '000	KD '000
Sales		**24,132**	25,458
Cost of sales		**(19,315)**	(19,421)
Gross profit		**4,817**	6,037
Income from investments	3	**4,497**	18,060
Share of results of associates		**2,698**	1,682
Changes in fair value of investment properties		**-**	487
Interest and other operating income	4	**1,650**	518
Distribution costs		**(1,094)**	(1,024)
General, administrative and other expenses		**(5,025)**	(4,990)
		7,543	20,770
Finance costs		**(10,929)**	(9,636)
Impairment in value of available for sale investments	6	**(397)**	(238)
Gain/(loss) on foreign currency exchange		**3,972**	(4,006)
Profit before taxation, NLST and Zakat		**189**	6,890
Taxation of foreign subsidiaries		**(3)**	9
Provision for National Labour Support Tax (NLST)		**-**	(96)
Provision for Zakat		**-**	(41)
Profit for the period		**186**	6,762
Attributable to :			
Owners of the parent company		**1,941**	4,712
Non-controlling interests		**(1,755)**	2,050
		186	6,762
Basic and diluted earnings per share attributable to the owners of the parent	5	**2 Fils**	4 Fils

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
	KD '000	KD '000
Profit for the period	**186**	6,762
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**(797)**	1,175
Available for sale investments:		
- Net changes in fair value arising during the period	**(30,366)**	43,223
- Transferred to consolidated statement of income on disposals	**(2,594)**	905
- Transferred to consolidated statement of income on impairment	**397**	238
Share of other comprehensive income of associates	**(7,210)**	1,516
Total other comprehensive income for the period	**(40,570)**	47,057
Total comprehensive income for the period	**(40,384)**	53,819
Total comprehensive income attributable to:		
Owners of the parent	**(34,437)**	45,644
Non-controlling interests	**(5,947)**	8,175
	(40,384)	53,819

Interim condensed consolidated statement of financial position

	Note	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Assets				
Non-current assets				
Goodwill		**6,888**	6,718	7,874
Property, plant and equipment		**66,111**	67,201	48,732
Investment in associates		**268,218**	272,494	271,209
Investment properties		**38,827**	36,642	34,229
Available for sale investments	6	**775,042**	790,353	723,641
Total non-current assets		**1,155,086**	1,173,408	1,085,685
Current assets				
Inventories		**19,633**	20,053	20,598
Available for sale investments	6	**98,157**	104,514	116,898
Accounts receivable and other assets		**57,623**	59,182	90,964
Murabaha and wakala investments	7	**20,630**	15,263	1,712
Investments at fair value through profit or loss	8	**109,974**	119,118	135,649
Short-term deposits	12	**93,888**	104,565	126,007
Bank balances and cash	12	**35,634**	38,002	41,819
Total current assets		**435,539**	460,697	533,647
Total assets		**1,590,625**	1,634,105	1,619,332
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	9	**129,510**	129,510	129,510
Treasury shares		**(30,375)**	(30,804)	(28,064)
Share Premium	9	**152,691**	152,691	152,691
Cumulative changes in fair value		**160,129**	195,732	149,767
Other reserves	10	**57,686**	59,081	60,715
Accumulated losses		**(41,024)**	(42,965)	(18,475)
Equity attributable to owners of the parent		**428,617**	463,245	446,144
Non-controlling interests		**168,656**	174,216	152,003
Total equity		**597,273**	637,461	598,147
Non-current liabilities				
Trust certificates issued		**131,908**	133,523	151,865
Long-term borrowings	11	**148,344**	165,688	37,717
Leasing creditors		**384**	446	630
Provisions		**10,207**	11,364	8,755
Total non-current liabilities		**290,843**	311,021	198,967
Current liabilities				
Accounts payable and other liabilities		**46,377**	43,387	42,125
Trust certificates issued – current portion		**13,870**	14,010	14,447
Short-term borrowings	11	**606,938**	594,948	732,026
Due to banks	12	**35,324**	33,278	33,620
Total current liabilities		**702,509**	685,623	822,218
Total liabilities		**993,352**	996,644	1,021,185
Total equity and liabilities		**1,590,625**	1,634,105	1,619,332

مجموعة الصناعات الوطنية (القابضة) ش.م.ك.
NI Group
National Industries Group (Holding) (S.A.K.)

Mr. Sa'ad Mohammed Al-Sa'ad
Chairman & Managing Director

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the parent company								
	Share Capital KD '000	Treasury shares KD '000	Share Premium KD '000	Cumulative changes in fair value KD '000	Other reserves (Note 10) KD '000	Accumulated losses KD '000	Sub-Total KD '000	Non-controlling interests KD '000	Total KD '000
Balance at 1 January 2011	129,510	(30,804)	152,691	195,732	59,081	(42,965)	463,245	174,216	637,461
Transactions with owners									
Purchase of treasury shares	-	(728)	-	-	-	-	(728)	-	(728)
Disposal of treasury shares	-	1,157	-	-	-	-	1,157	-	1,157
Loss on disposal of treasury shares	-	-	-	-	(620)	-	(620)	-	(620)
Net change in non-controlling interests	-	-	-	-	-	-	-	387	387
Total transactions with owners	-	429	-	-	(620)	-	(191)	387	196
Comprehensive income									
Profit/(loss) for the period	-	-	-	-	-	1,941	1,941	(1,755)	186
Other comprehensive income for the period	-	-	-	(35,603)	(775)	-	(36,378)	(4,192)	(40,570)
Total comprehensive income for the period	-	-	-	(35,603)	(775)	1,941	(34,437)	(5,947)	(40,384)
Balance at 31 March 2011	**129,510**	**(30,375)**	**152,691**	**160,129**	**57,686**	**(41,024)**	**428,617**	**168,656**	**597,273**

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to owners of the parent company								
	Share Capital KD '000	Treasury shares KD '000	Share Premium KD '000	Cumulative changes in fair value KD '000	Other reserves (Note 10) KD '000	Accumulated losses KD '000	Sub-Total KD '000	Non-controlling interests KD '000	Total KD '000
Balance at 1 January 2010	129,510	(28,064)	152,691	109,872	59,678	(23,187)	400,500	143,828	544,328
Comprehensive income									
Profit for the period	-	-	-	-	-	4,712	4,712	2,050	6,762
Other comprehensive income for the period	-	-	-	39,895	1,037	-	40,932	6,125	47,057
Total comprehensive income for the period	-	-	-	39,895	1,037	4,712	45,644	8,175	53,819
Balance at 31 March 2010	129,510	(28,064)	152,691	149,767	60,715	(18,475)	446,144	152,003	598,147

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2011 (Unaudited) KD '000	Three months ended 31 March 2010 (Unaudited) KD '000
OPERATING ACTIVITIES		
Profit before taxation	**189**	6,890
Adjustments for :		
Depreciation of property, plant and equipment	**1,711**	1,436
Change in fair value of investment properties	**-**	(487)
Share of results of associates	**(2,698)**	(1,682)
Dividend income from available for sale investments	**(6,975)**	(7,537)
Unrealised loss on interest rate SWAPs	**51**	1,083
Impairment in value of available for sale investments	**397**	238
Profit on sale of available for sale investments	**(5,029)**	(1,508)
Net provisions released	**(1,157)**	(300)
Finance costs	**10,929**	9,636
Interest/profit on bank balances, short-term deposits, wakala and murabaha investments	**(1,439)**	(1,410)
	(4,021)	6,359
Changes in operating assets and liabilities:		
Inventories	**420**	1,973
Accounts receivable and other assets	**1,465**	(6,232)
Investments at fair value through profit or loss	**9,144**	(7,317)
Accounts payable and other liabilities	**2,581**	(3,016)
Cash from operations	**9,589**	(8,233)
Taxation paid	**(85)**	13
Net cash from/(used in) operating activities	**9,504**	(8,220)

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (continued)

	Note	Three months ended 31 March 2011 (Unaudited) KD '000	Three months ended 31 March 2010 (Unaudited) KD '000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(927)**	(1,457)
Additions to investment in associates		**(436)**	(1,567)
Purchase of investment properties		**(2,185)**	-
Purchase of available for sale investments		**(16,534)**	(4,035)
Proceeds from sale of available for sale investments		**10,876**	18,874
Decrease in wakala investments maturing after three months		**1,819**	1,389
Proceeds from realisation of term deposits		**150**	-
Increase in block balances		**-**	(2,850)
Dividend income received from available for sale investments		**6,975**	7,537
Interest/profit received from bank balances, short-term deposits, wakala and murabaha investments		**1,533**	1,596
Net cash from investing activities		**1,271**	19,487
FINANCING ACTIVITIES			
Finance lease payment		**(55)**	(115)
Net (decrease)/increase in long-term borrowings and trust certificates		**(1,785)**	3,805
Net decrease in short-term borrowings		**(5,324)**	(455)
Dividend paid to owners of the parent		**(218)**	(202)
Finance costs paid		**(11,388)**	(8,031)
Purchase of treasury shares		**(728)**	-
Proceeds from disposal of treasury shares		**537**	-
Increase in non-controlling interests		**387**	-
Net cash used in financing activities		**(18,574)**	(4,998)
Net (decrease)/increase in cash and cash equivalents		**(7,799)**	6,269
Translation difference		**44**	(6)
		(7,755)	6,263
Cash and cash equivalents at beginning of the period		**109,629**	124,333
Cash and cash equivalents at end of the period	12	**101,874**	130,596

The notes set out on pages 9 to 17 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

31 March 2011 (Unaudited)

1 Incorporation and activities

National Industries Group Holding – SAK ('the parent company') was incorporated in 1961 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law in the State of Kuwait and in April 2003, its status was transformed to a 'Holding Company'. The parent company along with its subsidiaries are jointly referred to as "the group". The parent company's shares are traded on the Kuwait Stock Exchange and Dubai Financial Market.

The main objectives of the parent company are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns 20% or more of the capital of the borrowing company, along with acting as guarantor on behalf of these companies.
- Owning industrial equities such as patents, industrial trade marks, royalties, or any other related rights, and franchising them to other companies or using them within or outside the State of Kuwait.
- Owning real estate and moveable property to conduct its operations within the limits as stipulated by law.
- Employing excess funds available with the company by investing them in investment and real estate portfolios managed by specialised companies.

The address of the parent company's registered office is PO Box 417, Safat 13005, State of Kuwait.

The board of directors of the parent company approved this interim condensed consolidated financial information for issue on 15 May 2011.

The annual consolidated financial statements for the year ended 31 December 2010 were approved by the shareholders at the Annual General Meeting held on 12 May 2011.

2 Summary of significant accounting policies

Basis of presentation
The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in preparation of annual consolidated financial statements for the year ended 31 December 2010 except for the adoption of new and revised International Financial Reporting Standards discussed below:

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the parent company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Results for the three months period ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For further details, refer to the annual consolidated financial statements and its related disclosures for the year ended 31 December 2010.

Adoption of new and revised International Financial Reporting Standards
During the period, the group adopted the following new standards, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the group's financial statements for the annual period beginning on 1 January 2011. Certain other amendments to standards have been made and certain new standards and interpretations have been issued but they are not expected to have a material impact on the group's financial statements.

Annual Improvements 2010
The IASB issued in May 2010 Improvements to IFRS. Most of these amendments became effective in annual periods beginning on or after 1 July 2010 and 1 January 2011. The 2010 Improvements amended certain provisions of IFRS 3, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The adoption did not have any impact on the financial position or performance of the group.

IAS 24 Related party (Revised)
The amended standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The adoption did not have any impact on the financial position or performance of the group.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual period beginning 1 July 2010).
The Interpretation provides guidance on the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability. The Interpretation is required to be applied retrospectively. The adoption did not have any impact on the financial position or performance of the group.

Following revised standards have been issued but not yet effective and have not been adopted by the group in the current period:

- IFRS 7 Financial Instruments: Disclosures (effective date from 1 July 2011)

- IFRS 9 Financial Instruments (effective from 1 January 2013)

Although early application of this standard is permitted, the Technical Committee of the Ministry of Commerce and Industry of Kuwait decided during December 2009, to postpone this allowed early application until further notice.

- IAS 12 Income Taxes (effective date from 1 January 2012)

3 Income from investments

	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
	KD '000	KD '000
Dividend income:		
- From investments at fair value through profit or loss	100	74
- From available for sale investments	6,975	7,537
Profit on sale of available for sale investments	5,029	1,508
Realised gain on investments at fair value through profit or loss	423	973
Unrealised (loss)/gain on investments at fair value through profit or loss	(8,030)	7,968
	4,497	18,060

4 Interest and other operating income

	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
	KD '000	KD '000
Interest/profit on bank balances, short term deposits, wakala and murabaha investments	1,439	1,410
Net loss from dealing in interest rate SWAPs	(51)	(1,837)
Others	262	945
	1,650	518

5 Basic and diluted earnings per share attributable to the owners of the parent

Earnings per share is calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the period as follows:

	Three months ended 31 March 2011 (Unaudited)	Three months ended 31 March 2010 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD '000)	1,941	4,712
Weighted average number of shares outstanding during the period (excluding treasury shares) – shares	1,262,549,044	1,270,089,044
Basic & diluted earnings per share	2 Fils	4 Fils

6 Available for sale investments

	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Non Current			
Managed funds	**209,715**	193,967	186,962
Unquoted equity participations	**201,812**	197,473	218,627
Quoted shares	**363,515**	398,913	318,052
	775,042	790,353	723,641
Current			
Quoted shares	**98,157**	104,514	116,898
	873,199	894,867	840,539

a) The quoted shares classified as current represents the remaining investments from those which were transferred from investments at fair value through profit or loss as of 1 July 2008.

b) At the end of the period, the group recognised a total impairment loss of KD397 thousand (31 March 2010: KD238 thousand) for certain quoted and unquoted shares.

c) Quoted shares with a fair value of KD27,797 thousand (31 December 2010: KD34,996 thousand and 31 March 2010: KD28,412 thousand) are secured against a short term borrowing (refer note 11).

7 Murabaha and wakala investments

	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Murabaha and wakala investments	**35,598**	30,231	11,680
Provision for impairment in value	**(14,968)**	(14,968)	(9,968)
	20,630	15,263	1,712

No profit was recognised on impaired wakala investment during the current period.

8 Investments at fair value through profit or loss

	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Held for trading :			
Quoted shares	**51,536**	60,955	64,250
Designated on initial recognition :			
Local funds	**30,003**	33,666	48,461
International managed portfolios and funds	**28,435**	24,497	22,938
	58,438	58,163	71,399
	109,974	119,118	135,649

Quoted shares, held by local subsidiary, with a fair value of KD15,602 thousand (31 December 2010: KD17,458 thousand and 31 March 2010: KD17,619 thousand) are secured against short term borrowings (refer note 11).

9 Share capital and share premium

a) As of 31 March 2011, authorized share capital of the parent company is 1,589,438,660 shares while, the issued and fully paid share capital of the parent company comprised of 1,295,098,167 shares of 100 Fils each (31 December 2010 and 31 March 2010: 1,295,098,167 shares).

b) At the extraordinary general assembly held on 21 May 2009, the shareholders of the parent company approved to increase the paid up share capital by 25% by way of issuing shares at par value of 100 Fils per share and premium of 350 Fils per share. However, the shareholders of the parent company at the Annual General Assembly held on 12 May 2011, cancelled the proposed increase in share capital and approved to reduce the authorised share capital to 1,295,098,167 shares of 100 Fils each.

c) Further the shareholders of the parent company approved at the shareholders Annual General Assembly held on 12 May 2011, to offset the accumulated losses as at 31 December 2010, amounting to KD 42,965 thousand against general reserve, statuary reserve and then share premium.

d) Share premium is not available for distribution.

10 Others reserves

	Statutory reserve KD '000	General reserve KD '000	Gain on Sale of treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances at 1 January 2011	41,704	289	19,072	(1,984)	59,081
Loss on disposal of treasury shares	-	-	(620)	-	(620)
Other comprehensive income:					
Currency translation differences	-	-	-	(775)	(775)
Balances at 31 March 2011	**41,704**	**289**	**18,452**	**(2,759)**	**57,686**
Balances at 1 January 2010	41,415	-	18,997	(734)	59,678
Other comprehensive income:					
Currency translation differences	-	-	-	1,037	1,037
Balances at 31 March 2010	41,415	-	18,997	303	60,715

11 Short term borrowings

a. During the period, the group has reclassified Kuwaiti Dinar denomination loans amounting to KD13,275 thousand and US Dollars denominated loan amounting to KD4,039 thousand to short term borrowings from long term borrowings as these loans are maturing within one year.

b. Kuwaiti Dinar loans amounting to KD31,540 thousand (31 December 2010: KD34,540 thousand and 31 March 2010: KD31,700 thousand) of the group, are secured by certain investments at fair value through profit or loss (refer note 8), and available for sale investments (refer note 6).

c. The Jordanian Dinar loan amounting to KD3,842 thousand of a foreign subsidiary is secured by property, plant and equipment of that foreign subsidiary.

12 Cash and cash equivalents

	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Murabaha and wakala investments – maturing within three months	**7,686**	500	400
Short-term deposits	**93,888**	104,565	126,007
Bank balances and cash	**35,634**	38,002	41,819
Due to banks	**(35,324)**	(33,278)	(33,620)
	101,884	109,789	134,606
Less: Short term deposits maturing after 3 months	**-**	(150)	-
Blocked balances	**(10)**	(10)	(4,010)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	**101,874**	109,629	130,596

13 Segmental analysis

The group's format for reporting segment information is business segments; which conforms to the internal reporting presented to management:

	Investment		Building materials		Specialist engineering		Total	
	31 March 2011 KD '000	31 March 2010 KD '000	**31 March 2011 KD '000**	31 March 2010 KD '000	**31 March 2011 KD '000**	31 March 2010 KD '000	**31 March 2011 KD '000**	31 March 2010 KD '000
Segment revenue	**8,845**	20,747	**10,099**	10,874	**14,033**	13,759	**32,977**	45,380
Less:								
Income from investments							**(4,497)**	(18,060)
Share of results of associates							**(2,698)**	(1,682)
Change in fair value of investment properties							**-**	(487)
Interest and other operating income							**(1,650)**	(518)
Unallocated sales							**-**	825
Sales, per the interim condensed consolidated statement of income							**24,132**	25,458
Segment profit/(loss)	**4,982**	17,295	**2,326**	2,564	**(162)**	643	**7,146**	20,502
Less:								
Finance costs							**(10,929)**	(9,636)
Other unallocated income/(expenses)							**3,972**	(3,976)
Profit for the period before taxation NLST and Zakat as per the interim condensed consolidated statement of income							**189**	6,890

14 Related party transactions

Related parties represent associates, directors and key management personnel of the group, and other related parties such as major shareholders and companies in which directors and key management personnel of the group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the group's management.

Details of significant related party transactions and balances are as follows:

	31 March 2011 (Unaudited) KD '000	31 Dec. 2010 (Audited) KD '000	31 March 2010 (Unaudited) KD '000
Balances included in interim condensed consolidated statement of financial position			
Due from related parties (included in accounts receivable and other assets)			
- Due from associate companies	**6,493**	5,612	15,761
- Due from other related parties	**2,083**	2,945	454
- Due from key management personnel	**313**	313	313
Due to related parties (included in accounts payable and other liabilities)			
- Due to associate company	**917**	2,816	250
Short term borrowings	**-**	-	19,716

	Three months ended 31 March 2011 (Unaudited) KD '000	Three months ended 31 March 2010 (Unaudited) KD '000
Transactions included in interim condensed consolidated statement of income		
Purchase of raw materials – from associates	**1,510**	2,908
Finance costs	**-**	170
Compensation of key management personnel of the group		
Short term employee benefits	**614**	533
End of service benefits	**104**	30
Cost of share based payment	**68**	49
	786	612

15 Dividend distribution

The general assembly of shareholders held on 12 May 2011, approved the consolidated financial statements for the year ended 31 December 2010 and the directors' proposal not to distribute any dividends for the year then ended.

16 Contingent liabilities

At 31 March 2011, the group had contingent liabilities in respect of outstanding bank guarantees amounting to KD13,340 thousand (31 December 2010: KD13,679 thousand and 31 March 2010: KD7,016 thousand).

17 Fiduciary assets

One of the subsidiaries of the group manages mutual funds, portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 31 March 2011 amounted to KD44,107 thousand (31 December 2010: KD62,396 thousand and 31 March 2010: KD228,550 thousand) of which assets managed on behalf of related parties amounted to KD9,592 thousand (31 December 2010: KD11,196 thousand and 31 March 2010: KD181,762 thousand).

18 Capital commitments

At the reporting date the group had commitments for the purchase of investments and the acquisition of property, plant and equipment totalling to KD36,649 thousand (31 December 2010: KD53,609 thousand and 31 March 2010: KD69,698 thousand).

19 Comparative information

Certain comparative amounts for the previous period have been reclassified to be consistent with the presentation for the current period. Such classifications did not affect previously reported results, total assets and equity.