Al Madina for Finance and Investment - KSCC
And its subsidiaries
State of Kuwait

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

Al Madina for Finance and Investment - KSCC
And its subsidiaries
State of Kuwait

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Al Madina for Finance and Investment Company - KSCC
State of Kuwait

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of Al Madina for Finance and Investment Company – KSCC "the Parent Company" and its subsidiaries ("the Group") as of 30 September 2011 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation as disclosed in note (2). 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 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 the basis of preparation as disclosed in note (2).

Report on Review of Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent 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 Parent Company have occurred during the nine-month period ended 30 September 2011 that might have had a material effect on the business of the Group or on its consolidated 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, the organization of banking business and its related regulations during the nine-month period ended 30 September 2011, except what has been disclosed in note (8.3) to the interim condensed consolidated financial information.

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Kuwait
28 November 2011

Al Madina for Finance and Investment – KSCC
And its subsidiaries

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

	Note	30 September 2011	31 December 2010 (Audited)	30 September 2010
Assets				
Cash and cash equivalent		1,960,888	602,997	522,478
Murabaha and Mudaraba investments	3	11,960,757	11,835,437	11,835,436
Investments at fair value through profit or loss	4	8,389,473	12,499,982	12,764,046
Receivable and other debit balances	5	12,774,313	14,620,995	24,676,914
Real estate held for trading		2,099,337	2,232,258	474,454
Lands and real estates under development		2,506,277	2,951,982	4,436,460
Investments property	6	51,026,553	50,855,903	43,365,398
Investments in associates	7	45,114,936	50,246,981	50,849,076
Property and equipment		5,401,764	5,712,087	5,805,284
Total assets		141,234,298	151,558,622	154,729,546
Liabilities and equity				
Liabilities				
Payables and other credit balances		10,941,878	12,117,447	11,484,723
Wakala payables	8	57,610,103	64,759,046	64,510,151
End of service indemnity		209,412	291,186	288,187
Total Liabilities		68,761,393	77,167,679	76,283,061
Equity				
Equity attributable to shareholders of the Parent Company				
Share capital		40,706,523	40,706,523	40,706,523
Share premium		33,803,510	33,803,510	33,803,510
Statutory reserve		3,507,676	3,507,676	3,507,676
Voluntary reserve		3,409,102	3,409,102	3,409,102
Treasury shares		(5,028,120)	(5,028,120)	(5,010,415)
Other reserves	9	(1,035,411)	(289,650)	911,675
Accumulated losses		(10,023,758)	(9,019,810)	(6,595,850)
Total equity attributable to shareholders of the Parent Company		65,339,522	67,089,231	70,732,221
Non-controlling interest		7,133,383	7,301,712	7,714,264
Total equity		72,472,905	74,390,943	78,446,485
Total liabilities and equity		141,234,298	151,558,622	154,729,546

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

Khalid Yacoub Al Mutawa
Chairman & Managing Director

Al Madina for Finance and Investment – KSCC
And its subsidiaries

Interim Condensed Consolidated Statement of Income For the nine months ended 30 September 2011
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2011	2010	2011	2010
Revenues					
Gain / (losses) from investment	10	534,974	(88,911)	260,019	163,148
Group's share of associates' results	7.1	(112,030)	848,284	(1,155,548)	(780,839)
Gain / (losses) from trading on associate shares	7.2	311,034	-	517,336	(7,447)
Income from properties	11	375,323	546,335	544,859	442,816
Gross profit from oilfield and other service		524,388	224,356	1,120,906	723,026
Other income	14	89,647	31,157	1,017,249	103,916
(Loss) / gain from currency exchange		(40,470)	264,647	31,275	(42,196)
		1,682, 866	1,825,868	2,336,096	602,424
Expenses and other charges					
Finance charges		(534,546)	(907,795)	(1,968,927)	(2,323,629)
General and administrative expenses		(418,133)	(449,726)	(1,394,278)	(1,407,905)
Provisions		-	(3,040,418)	-	(4,540,418)
		(952,679)	(4,397,939)	(3,363,205)	(8,271,952)
Net profit / (loss) for the period		730,187	(2,572,071)	(1,027,109)	(7,669,528)
Attributable to:					
Shareholders of the Parent Company		613,832	(2,173,560)	(983,211)	(5,818,893)
Non-controlling interest		116,355	(398,511)	(43,898)	(1,850,635)
Net profit / (loss) for the period		730,187	(2,572,071)	(1,027,109)	(7,669,528)
Earnings / (loss) per share (fils)	12	1.60	(5.65)	(2.56)	(15.87)

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

Al Madina for Finance and Investment – KSCC
And its Subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income For the nine months ended 30 September 2011
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2011	**2010**	**2011**	**2010**
Net gain / (loss) for the period	730,187	(2,572,071)	(1,027,109)	(7,669,528)
Other comprehensive income				
Group's share of associate's reserves	(346,760)	(966,903)	(638,921)	(1,173,768)
Group's share from the gain / (loss) resulted from sale of the associate treasury share	454	-	(20,737)	4,162
Foreign currency translation reserve	8,844	24,960	(106,840)	88,656
Other comprehensive loss	(337,462)	(941,943)	(766,498)	(1,080,950)
Total comprehensive income / (loss) for the period	392,725	(3,514,014)	(1,793,607)	(8,750,478)
Attributable to:				
Shareholders of the Parent Company	276,370	(3,115,503)	(1,749,709)	(6,899,843)
Non-controlling interest	116,355	(398,511)	(43,898)	(1,850,635)
	392,725	(3,514,014)	(1,793,607)	(8,750,478)

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

Al Madina for Finance and Investment – KSCC
And its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity For the nine months ended 30 September 2011
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company								Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Other reserves (Note 9)	Accumulated losses	Total equity attributable to the Parent Company's shareholders		
Balance as of 1 January 2010	37,780,875	30,936,375	3,507,676	3,409,102	(5,007,330)	1,996,787	(4,874,749)	67,748,736	19,451,312	87,200,048
Total comprehensive losses for the period	-	-	-	-	-	(1,085,112)	(5,814,731)	(6,899,843)	(1,850,635)	(8,750,478)
Share capital increase	2,925,648	2,867,135	-	-	-	-	-	5,792,783	-	5,792,783
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	4,093,630	4,093,630	(9,886,413)	(5,792,783)
Purchase of treasury shares	-	-	-	-	(3,085)	-	-	(3,085)	-	(3,085)
Balance as of 30 September 2010	40,706,523	33,803,510	3,507,676	3,409,102	(5,010,415)	911,675	(6,595,850)	70,732,221	7,714,264	78,446,485
Balance as of 1 January 2011	40,706,523	33,803,510	3,507,676	3,409,102	(5,028,120)	(289,650)	(9,019,810)	67,089,231	7,301,712	74,390,943
Total comprehensive loss for the period	-	-	-	-	-	(745,761)	(1,003,948)	(1,749,709)	(43,898)	(1,793,607)
Dividends distribution from a subsidiary	-	-	-	-	-	-	-	-	(124,431)	(124,431)
Balance as of 30 September 2011	40,706,523	33,803,510	3,507,676	3,409,102	(5,028,120)	(1,035,411)	(10,023,758)	65,339,522	7,133,383	72,472,905

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

Interim Condensed Consolidated Statement of Cash Flows For the nine months ended 30 September 2011 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Nine months ended 30 September 2011	2010
Cash flows from operating activities			
Net loss for the period		(1,027,109)	(7,669,528)
Adjustments:			
Gain from investments		(260,019)	(163,148)
Group's share of associates' results		1,155,548	780,839
Gain from properties		(299,396)	(293,644)
Finance charges		1,968,927	2,323,629
(Gain) / losses from trading shares in associates		(517,336)	7,447
Reversal of provision for claim	14	(736,493)	-
Provisions		-	4,540,418
Depreciation and amortization		151,104	330,606
Employees' end of service's indemnity		(81,774)	42,130
Operating profit / (losses) before changing in the working capital		353,452	(101,251)
Investments at fair value through profit or loss		5,657,998	464,126
Receivables and other debit balances		1,846,681	(975,939)
Payables and other credit balances		(1,099,090)	(37,122)
Net cash generated from / (used in) operating activities		6,759,041	(650,186)
Cash flows from investing activities			
Proceeds from sale of land under development		1,217,885	1,922,683
Paid for purchase of investments in associates		-	(4,532,616)
Proceeds from sale of investments in associates		2,421,386	4,496,171
Paid for lands under development		(339,863)	-
Cash paid for acquisition of additional shares in a subsidiary		-	(5,792,783)
Paid for purchase of investment properties		(170,650)	(340,764)
Paid for purchase of property and equipment		(24,100)	(680,369)
Net cash generated from /(used in) investing activities		3,104,658	(4,927,678)
Cash flows from financing activities			
Wakala payables		(7,813,819)	592,639
Paid from finance charges		(567,558)	(1,015,799)
Purchase of treasury shares		-	(3,085)
Cash dividend of subsidiary		(124,431)	-
Proceeds from capital increase		-	5,792,783
Net cash (used in) /generated from financing activities		(8,505,808)	5,366,538
Net increase /(decrease) in cash and cash equivalent		1,357,891	(211,326)
Cash and cash equivalent at the beginning of the period		602,997	733,804
Cash and cash equivalent at the end of the period		1,960,888	522,478

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

1. Incorporation of the Group

Al Madina for Finance and Investment Company is a Closed Kuwaiti Shareholding Company ("The Parent Company") established in Kuwait in 1980, and is registered as an investment company with the Central Bank of Kuwait on 27 April 2005. The shares of the Parent Company were listed on Kuwait Stock Exchange in 24 April 2006.

The Parent Company's head office is domiciled at Ahmed Al-Jaber Street, Sharq, Kuwait.

The interim condensed consolidated financial information include subsidiaries controlled by the Parent Company (Together referred to "the Group"). The principle activities of the Group are represented in all investment's activities, finance and management of movable and unmovable funds and rights. Also trading, leasing and selling of lands and real estate to customers. The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

This interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries.

Subsidiaries' management accounts have been used for the consolidation purposes. The total assets of such subsidiaries amounting to KD 66,582,812 as of 30 September 2011 (KD 85,696,621 as of 31 December 2010), and their net profit amounting to KD 1,917,779 for the period ended 30 September 2011 (losses amount of KD 2,866,674 for the period ended 30 September 2010).

The interim condensed consolidated financial information was authorized for issuance by the Board of Directors on 28 November 2011.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34), applicable to Interim Financial Reporting.

Interim condensed consolidated financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards as adopted in the State of Kuwait for financial institutions that are under supervision of Central Bank of Kuwait.

In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been include in the condensed consolidation financial information.

The operating results for the period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the year ending 31 December 2011. For further information, refer to the consolidated financial statements for the year ended 31 December 2010 and its related disclosures.

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. Murabaha and Mudaraba investments

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Murabaha	491,500	491,500	491,500
Mudaraba	12,234,181	12,108,861	12,108,860
	12,725,681	12,600,361	12,600,360
Impairment in value provision	(764,924)	(764,924)	(764,924)
	11,960,757	11,835,437	11,835,436

3.1 The average effective rate of return on this agreement is 6% to 7% as of 30 September 2011 (6 to 7% as of 31 December 2010 and 6 to 7% as of 30 September 2010). Mudaraba will mature during 2012.

3.2 This item includes an amount of KD 12,234,181 granted to related party as of 30 September 2011 (KD 12,108,861 as of 31 December 2010 and KD 12,108,860 as of 30 September 2010). The following assets are pledged from these parties:

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Quoted shares in a portfolio managed by the Group	6,509,382	8,201,439	9,703,735
Local unquoted shares	2,991,262	-	-
Quoted shares pledged against Wakala payables granted to the Group	809,900	982,800	1,164,800

4. Investments at fair value through profit or loss

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Held for trading investments	977,306	1,310,565	1,329,499
Investments acquired at fair value through profit or loss	7,412,167	11,189,417	11,434,547
	8,389,473	12,499,982	12,764,046
Investments in local shares – quoted	977,306	1,310,565	1,329,499
Investments in local shares – unquoted	5,932,780	4,533,228	4,533,228
Investments in foreign shares – unquoted	-	3,556,567	3,556,567
Investments in local funds – unquoted	1,479,387	1,804,609	1,974,521
Investments in foreign funds – unquoted	-	1,295,013	1,370,231
	8,389,473	12,499,982	12,764,046

4.1 The local and foreign unquoted shares were valued using valuation models based on the latest available information of the financial position, results of operation of investee companies, and the expected future profits for these companies as of 31 December 2010, and the fair value of the investments in local unquoted funds is determined based on the net assets value as of 30 September 2011.

4.2 The Group has pledged investment at fair value through profit or loss with carrying value amounted to KD 770,322 as of 30 September 2011 (KD 1,074,643 - 31 December 2010) and investments in associate with carrying value amounted to KD 926,381 as of 30 September 2011 (KD 961,901 – 31 December 2010) against payables from purchase of investments amounted to KD 3,977,707 as of 30 September 2011.

5. Receivable and other debit balances

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Receivables from sale of real estate	7,563,752	10,433,895	10,788,052
Advance payments for purchase of real estate	14,933,680	14,933,680	14,933,680
Purchase of properties receivables	1,814,174	1,814,174	1,843,899
Due from related parties (note 13)	2,083,132	1,484,710	837,647
Cash blocked against letters of guarantee	1,470,954	1,489,284	1,286,486
Accrued rents	491,210	491,210	491,210
Services contracts receivable	527,454	22,875	109,167
Rig lease receivables	-	254,496	713,437
Other debit balances	1,245,755	1,052,469	555,498
	30,130,111	31,976,793	31,559,076
Less: provisions	(17,355,798)	(17,355,798)	(6,882,162)
	12,774,313	14,620,995	24,676,914

6. Investment property

6.1 Investment properties are valuated annually by external valuer. According to the management estimates, the fair value of investments properties is not significantly different from its book value as of 30 September 2011.

6.2 Investments properties include a property recorded in the name of the Company, the carrying value amounted to KD 3,060,000 as of 31 December 2010. The Group acquired this property based on a purchase contract which was partially cancelled accordingly a final settlement of the purchase amount was not agreed upon. The amounts paid for this deal amounted to KD 2,278,750 were used as a part of settling the property's price and the remaining was estimated based on external valuator and was recorded in payables. The seller party has filed a lawsuit to mandate an expert for the liquidation of the account and it has been rejected in the first class court. The seller party appealed the verdict and it has been transferred to the experts.

6.3 Investment properties include a plot of land amounted to KD 4,100,626 as of 30 September 2011 is located in one of the GCC countries. The ownership of this land will be transferred upon the settlement of the unpaid purchase price of KD 2,010,628 which has been recorded in payables from purchase of investment properties. The Group has pledged investment in associates with carrying value of KD 1,943,118 as of 30 September 2011 and treasury shares of KD 1,756,424 as of 30 September 2011 (KD 3,733,621 – 31 December 2010) against payables from purchase of investment properties.

7. Investments in associates

	Ownership %	30 September 2011	Ownership %	31 December 2010 (Audited)	Ownership %	30 September 2010
Ekttitab Holding Co. KSCC	22.76	4,692,207	22.53	4,849,949	22.53	5,151,206
Hits Telecom Co.	40.61	40,422,729	40.61	42,094,400	40.61	42,391,421
Amlak Capital Holding Co.		-	35.24	3,302,632	35.24	3,306,449
		45,114,936		50,246,981		50,849,076

7.1 The Group has recorded its shares from Ektitab Holding Company and Hits Telecom results using the unaudited financial statement as of 30 June 2011.

7.2 During the period, the Group sold a stake from Amlak Capital Holding investments which resulted a gain amounted to KD 531,534 recorded in the consolidated statement of income for the period ended 30 September 2011.

The outstanding balance of investment in Amlak Capital Holding investments has been transferred from investment in associate to investments at fair value by its carrying value amounted to KD 1,412,780 as of the transfer date as the ownership % decreased to 15%.

8. Wakala payables

8.1 The balance of Wakala investments represent contracts due from three months to three years. The average effective yield rate ranged from 4.5% to 6% as of 30 September 2011 (from 4.5% to 6% as of 31 December 2010 and from 4% to 7.5% of 30 September 2010).

8.2 Wakala payable are guarantee against pledging the following assets:

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Investments in associates	32,194,657	33,497,640	33,814,946
Investments at fair value through profit or loss	1,036,116	2,351,431	2,384,166
Land and real estate under development	-	-	4,436,460
Investments property	4,717,163	4,572,540	4,412,242
	37,947,936	40,421,611	45,047,814

8.3 Wakala payables include an amount of KD 2,522,653 as of 30 September 2011 (KD 2,522,653 as of 31 December 2010) granted from funds.

8.4 Certain Wakala payables matured with an amount of KD 12,156,908 as of 30 September 2011 (KD 12,069,598 as of 31 December 2010, KD 12,069,698 as of 30 September 2010), this Wakala was not renewed, or paid. There is a legal dispute with certain parties regarding the amounts which should be paid. The cases are still pending in the primary phase, an arbitration verdict was issued in favor of a party to commit the group to pay one of these Wakala agreements.

8.5 Except for the due and unpaid amounts from Wakala payable are as follows:-

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Short term installments	8,146,076	11,756,575	14,850,553
Long term installments	37,307,119	40,932,873	37,589,900
	45,453,195	52,689,448	52,440,453

9. Other reserves

	Employees stock option plan	Groups shares in associates reserve	Foreign currency translation reserve	Total
Balance as of 1 January 2010	490,500	888,006	618,281	1,996,787
Total comprehensive (loss) / income for the period	-	(1,173,768)	88,656	(1,085,112)
Balance as of 30 September 2010	490,500	(285,762)	706,937	911,675
Balance as of 1 January 2011	490,500	(829,577)	49,427	(289,650)
Total comprehensive loss for the period	-	(638,921)	(106,840)	(745,761)
Balance as of 30 September 2011	490,500	(1,468,498)	(57,413)	(1,035,411)

10. Income / (losses) of investment

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Change in fair value	(80,988)	(112,752)	(746,842)	(994,690)
Gain for sale	490,642	23,841	881,541	276,298
Murabaha and Mudaraba income	125,320	-	125,320	881,540
	534,974	(88,911)	260,019	163,148

11. Income from properties

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Loss from sale of investment properties	-	-	-	(82,135)
Gain from lease of investment properties	86,742	117,172	245,463	149,172
Gain from sale of lands and real estate under development	288,581	429,163	299,396	375,779
	375,323	546,335	544,859	442,816

12. Earnings / (loss) per share

Earnings / (loss) per share is calculated by dividing net profit / (loss) for the period by the weighted average number of outstanding shares during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Net profit / (loss) for the period attributable to shareholders of the Parent Company	613,832	(2,173,560)	(983,211)	(5,818,893)
Weighted average number of issued and outstanding shares during the period (share)	384,163,606	384,565,230	384,163,606	366,735,001
Earnings / (loss) per share (fils)	1.60	(5.65)	(2.56)	(15.87)

13. Related parties' transactions

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

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Transactions				
Murabaha and Mudaraba income	125,320	-	125,320	881,540
High and executive management remunerations	38,817	44,375	116,451	133,125

	30 September 2011	31 December 2010 (Audited)	30 September 2010
Financial position			
Investments in Murabaha and Mudaraba	11,960,757	11,835,437	11,835,436
Receivables and other debit balances	2,083,132	1,484,710	3,285,607
Payables and other credit balances	1,395,249	2,089,444	1,188,389

The Group manages portfolios on behalf of related parties, the net assets of those portfolios amounted to KD 8,974,726 as of 30 September 2011 (KD 9,336,889 as of 31 December 2010 and KD 10,331,487 as of 30 September 2010) which is recognized as off consolidated balance sheet items.

A related party has pledged quoted investments of KD 308,434 as of 30 September 2011 against Wakala payables granted to the Group.

Land and real estate under development and held for trading are recorded in the name of related parties and there is letter of assignment for the Group.

All related parties transactions are subject to the approval of the General Assembly of the shareholders.

14. Contingent liabilities

During the previous years, an arbitration verdict was issued in favor of a third party in a case of exercising the option to reverse the purchasing of foreign investment; the company should pay US $ 10,011,255 along with US $ 300,000 as compensation against receiving the investments shares. Subsequently, a verdict was issued in favor of the Group to cancel the attachment and nullifying the arbitration verdict and to transfer the case to the Expert Department at the Ministry of Justice. As per the Company's lawyer opinion, the Company's legal status is good taking into consideration the rare circumstances of the global market. Accordingly the Group management believes that no need to provide a provision for such case.

During the period ended 30 September 2011, the Group reversed a claim provision amounted to KD 736,493, based on the Group's legal consultant opinion and taking into consideration the initial verdict issued for the claim.

The Parent Company provided a joint security against Murabaha payable granted to party amounted to KD 2,400,512 as of 30 September 2011.

15. Segment distribution

The Group carries out the majority of its activities in the State of Kuwait through two major segments:

- Real estate segment: represents in develop and sell land and properties.
- Investment segment: represents in management of real estate portfolios and investment funds on behalf of third parties and management of the Group's investments.

Analysis of the financial information according to segments for the nine months period ended 30 September is as follows:

	Real Estate		Investment finance		Total	
	2011	2010	2011	2010	2011	2010
Segment revenue	544,859	442,816	(378,193)	(625,138)	166,666	(182,322)
Segment results	544,859	(4,043,920)	(2,347,120)	(3,002,449)	(1,802,261)	(7,046,369)
Segment assets	63,270,917	69,459,781	65,465,166	75,448,558	128,736,083	144,908,339

	2011	2010
Total segment result	(1,802,261)	(7,046,369)
Other income	1,017,249	103,916
Foreign exchange income / (losses)	31,275	(42,196)
Gross profit from oilfield services and others	1,120,906	723,026
General and administrative expenses	(1,394,278)	(1,407,905)
Net loss for the period	(1,027,109)	(7,669,528)
Total segment assets	128,736,083	144,908,339
Cash and cash equivalent	1,960,888	522,478
Receivables and other debit balances	5,135,563	3,493,445
Property and equipment	5,401,764	5,805,284
Total assets	141,234,298	154,729,546

16. Off statement of financial position items

The Group manages funds and portfolios on behalf of others, which are not included in the interim consolidated financial information of the Group. The net assets of these portfolios amounted to KD 24,295,683 as of 30 September 2011 (KD 26,945,515 as of 31 December 2010 and KD 30,228,680 as of 30 September 2010).

There are mutual claims between the Group and one of the portfolio's customers regarding the liquidation of this party's account.