Abdul Rahman Al Qaoud & Partners

Member of msi International

Public Accountants

P.O. Box 26111 Safat
13122 – State of Kuwait
Tel.: 22467851/2 – 2434083/4
Fax: 22467853

e-mail : al_qaoud@hotmail.com

RSM Albazie & Co.

Public Accountants

Kuwait Airways Building, 7th Floor
Shuhada Street, P.O. Box 2115 Safat
13022 – State of Kuwait
T + 965 22410010
T + 965 22961000
F + 965 22412761
www.albazie.com

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, 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. 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.

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 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, 2011 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

Dr. Shuaib A. Shuaib
RSM Albazie & Co.
Licence No. 33-A

State of Kuwait
August 14, 2011

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2011
(All amounts are in Kuwaiti Dinars)

ASSETS	Note	June 30, 2011	December 31, 2010 (Audited)	June 30, 2010
Cash and cash equivalents		1,064,093	2,437,639	3,305,476
Accounts receivable and other debit balances		9,053,370	8,591,743	5,544,564
Gross amount due from customers for contract work		86,144	33,978	16,186
Due from related parties	3	5,076,921	4,564,661	5,856,670
Inventories		4,271,202	5,993,340	6,024,921
Investments available for sale		2,551,862	2,551,862	2,882,674
Investment in associates		12,990,826	13,039,429	13,390,336
Investment properties		171,191,946	169,914,248	157,556,129
Right of utilization of leasehold		560,091	588,819	694,336
Fixed assets		31,552,559	31,781,630	31,418,223
Goodwill		1,500,000	1,500,000	2,000,000
Total assets		239,899,014	240,997,349	228,689,515
LIABILITIES AND EQUITY				
Liabilities:				
Loans and due to banks	4	138,230,313	137,304,185	128,260,946
Accounts payable and other credit balances		11,652,826	11,720,482	7,669,258
Gross amount due to customers for contract work		1,466,465	1,625,447	982,491
Due to related parties	3	3,918,488	5,822,112	5,511,289
Dividends payable to shareholders		2,219,896	1,338,860	1,669,380
Provision for end of service indemnity		1,041,982	990,276	1,022,185
Total liabilities		158,529,970	158,801,362	145,115,549
Equity:				
Share capital		23,694,122	22,565,831	22,565,831
Share premium		24,426,446	24,426,446	24,426,446
Statutory reserve		8,468,516	8,468,516	8,076,099
Treasury shares	5	(432,774)	(432,774)	(432,774)
Treasury shares reserve		2,589,875	2,589,875	2,589,875
Cumulative changes in fair value		(71,143)	(71,143)	(71,143)
Foreign currency translation adjustments		(694,555)	(504,215)	17,474
Effect of change in other comprehensive income of an associate		(289,530)	(289,530)	(378,020)
Retained earnings		19,368,842	21,267,405	22,353,539
Total equity attributable to parent company's shareholders		77,059,799	78,020,411	79,147,327
Non-controlling interests		4,309,245	4,175,576	4,426,639
Total equity		81,369,044	82,195,987	83,573,966
Total liabilities and equity		239,899,014	240,997,349	228,689,515

The accompanying notes (1) to (9) form an integral part of the interim consolidated financial information

Ghassan Al – Khaled
Vice Chairman