

**AL MAZAYA HOLDING COMPANY K.S.C.
AND ITS SUBSIDIARIES**



**MAZAYA
AIM TO LEAD**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE PERIOD FROM 1 JANUARY TO
30 JUNE 2011
(UNAUDITED)**

AL MAZAYA HOLDING COMPANY K.S.C AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)



For the period from 1 January to 30 June 2011

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Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
Al Mazaya Holding Company K.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C. ("the Company") and its subsidiaries (together referred to as "the Group") at 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. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standard, IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. Financial statements for the year ended 31 December 2010 were audited by another auditor whose report dated 30 March 2011 expressed an unqualified opinion.

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

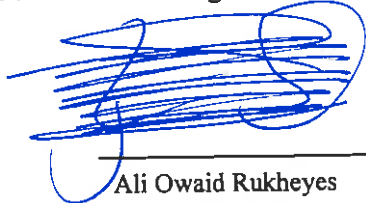
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed consolidated financial information is in agreement with the accounting records 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, nor of the Articles of Association of the Parent Company have occurred during the six-month period ended 30 June 2011 that might have a material effect on the Group's business activities or its financial position.



Jassim Ahmad Al-Fahad
License No. 53-A



Ali Owaid Rukheyas
License No.72-A

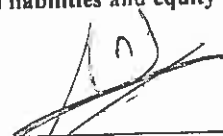
16 August 2011

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (UNAUDITED)



At 30 June 2011

		30 June 2011	(Audited) 31 December 2010	30 June 2010
	Notes	KD	KD	KD
ASSETS				
Cash and cash equivalents	5	21,541,153	20,483,961	33,426,084
Accounts receivable and other debit balances	6	18,573,055	9,685,383	13,570,629
Murabaha receivable		2,609,309	2,609,309	3,209,352
Properties held for trading	7	137,368,644	138,972,881	140,232,342
Available for sale investments	8	18,267,242	18,406,908	30,004,493
Investment in associates	9	12,842,187	13,263,803	4,266,466
Investment in joint ventures	10	3,638,812	11,525,814	11,606,685
Investment properties	11	115,900,771	115,374,019	106,891,687
Property and equipment		193,385	294,720	24,973,085
Leasehold land		1,511,381	1,547,470	1,584,158
Goodwill		3,091,732	3,091,732	3,091,732
Total assets		335,537,671	335,256,000	372,856,713
LIABILITIES AND EQUITY				
Liabilities				
Bank overdraft		5,031,748	4,971,120	4,978,027
Accounts payable and other credit balances	12	111,933,382	125,823,543	110,743,652
Term loans		40,500,000	42,000,000	44,970,000
Wakala and Murabaha payables		8,500,000	8,500,000	8,500,000
Deferred consideration on acquisition properties		29,729,146	30,070,031	31,799,591
Provision for end of service indemnity		265,393	257,276	329,271
Total liabilities		195,959,669	211,621,970	201,320,541
Equity				
Share capital	21	64,931,977	49,947,675	49,947,675
Share premium		79,760,732	75,714,971	75,714,971
Other reserves	13	15,640,071	15,989,497	16,263,841
Fair value reserve		185,282	(202,370)	89,620
Foreign currency translation reserve		2,156	981,425	2,348,585
Accumulated losses / retained earnings		(11,742,260)	(8,609,811)	2,564,755
		148,777,958	133,821,387	146,929,447
Treasury shares	14	(18,113,786)	(18,113,786)	(17,354,505)
Equity attributable to shareholders of the Parent Company		130,664,172	115,707,601	129,574,942
Non-controlling interests		8,913,830	7,926,429	41,961,230
Total equity		139,578,002	123,634,030	171,536,172
Total liabilities and equity		335,537,671	335,256,000	372,856,713


 Rashid Y. Al-Nafisi
 Chairman

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed financial information.

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)



For the period from 1 January to 30 June 2011

	Notes	Three-month period ended		Six-month period ended	
		30 June 2011 KD	30 June 2010 KD	30 June 2011 KD	30 June 2010 KD
INCOME					
Revenue from sale of properties held for trading		35,878	7,510,863	35,878	16,568,577
Cost of sale of properties held for trading		(479,531)	(5,384,179)	(479,531)	(12,218,667)
Gross (loss) / profit		(443,653)	2,126,684	(443,653)	4,349,910
Management fees, commission and consultancy income		(118,252)	90,080	385,880	305,941
Rental income		179,795	87,623	331,728	136,333
Net investment income	15	160,873	375,545	112,707	2,531,953
Share of results of associates	9	(134,611)	43,451	(140,015)	(503,292)
Share of results of joint ventures		(367,081)	(68,118)	(381,748)	(271,148)
Gain on disposal of an associate		-	546,743	-	546,743
Loss on disposal of a joint venture	10	(18,061)	-	(18,061)	-
Impairment losses on available for sale investments		(14,641)	(2,348,761)	(14,641)	(2,348,761)
Dilution gain		-	134,620	-	134,620
Provision no longer required		-	349,901	-	349,901
Foreign currency exchange gain		178,279	97,751	343,080	92,648
Other (loss) / income		(52,653)	117,318	(29,049)	271,318
Murabaha income		25,548	35,273	57,682	94,704
Interest income		26,983	89,654	59,849	217,239
		<u>(577,474)</u>	<u>1,677,764</u>	<u>263,759</u>	<u>5,908,109</u>
EXPENSES					
Marketing expenses		(34,350)	(35,765)	(64,450)	(113,826)
General and administrative expenses		(605,651)	(878,853)	(1,347,701)	(1,750,267)
Depreciation and amortization		(72,054)	(97,829)	(149,649)	(198,398)
Expenses on completed projects		(3,762)	(22,399)	(4,618)	(31,390)
Professional Services Fees		(17,000)	-	(17,000)	-
Finance charges		(807,043)	(668,665)	(1,725,778)	(1,306,778)
		<u>(1,539,860)</u>	<u>(1,703,511)</u>	<u>(3,309,196)</u>	<u>(3,400,659)</u>
(Loss) / profit for the period		<u>(2,117,334)</u>	<u>(25,747)</u>	<u>(3,045,437)</u>	<u>2,507,450</u>
Attributable to:					
Equity holders of the Parent Company		(2,164,505)	444,248	(3,132,449)	2,564,755
Non-controlling interests		47,171	(469,995)	87,012	(57,305)
(Loss) / profit for the period		<u>(2,117,334)</u>	<u>(25,747)</u>	<u>(3,045,437)</u>	<u>2,507,450</u>
(Loss) / earnings per share attributable to equity holders of the Parent Company - Fils	16	<u>(3.53)</u>	<u>0.95</u>	<u>(5.65)</u>	<u>5.50</u>

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period from 1 January to 30 June 2011

	Three-month period ended		Six-month period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	KD	KD	KD	KD
(LOSS) / PROFIT FOR THE PERIOD	(2,117,334)	(25,747)	(3,045,437)	2,507,450
Other comprehensive income:				
Foreign currency translation adjustments	(555,027)	365,041	(979,269)	869,883
Change in fair value of available for sale investments	936,652	(16,484)	444,004	33,565
Transferred to the statement of income on disposal of available for sale investments	(67,683)	-	(67,683)	-
Other comprehensive income / (loss) for the period	313,942	348,557	(602,948)	903,448
Total comprehensive (loss) / income for the period	(1,803,392)	322,810	(3,648,385)	3,410,898
Attributable to:				
Equity holders of the Parent Company	(2,048,565)	807,262	(3,724,066)	3,468,203
Non-controlling interests	245,173	(484,452)	75,681	(57,305)
Total comprehensive (loss) / income for the period	(1,803,392)	322,810	(3,648,385)	3,410,898

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)



AL MAZAYA
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For the period from 1 January to 30 June 2011

	Share capital	Share premium	Other reserves	Fair value reserve	Foreign currency translation reserve	(Accumulated losses) / retained earnings	Treasury shares	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance as at 1 January 2011	49,947,675	75,714,971	15,989,497	(202,370)	981,425	(8,609,811)	(18,113,786)	115,707,601	7,926,429	123,634,030
Issuance of share capital (See note 21)	14,984,302	4,045,761	-	-	-	-	-	19,030,063	-	19,030,063
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	(29,853)	(29,853)
Arising on disposal of a subsidiary (See note 7)	-	-	(349,426)	-	-	-	-	(349,426)	941,573	592,147
Total comprehensive income / (loss) for the period	-	-	-	387,652	(979,269)	(3,132,449)	-	(3,724,066)	75,681	(3,648,385)
Balance as at 30 June 2011	64,931,977	79,760,732	15,640,071	185,282	2,156	(11,742,260)	(18,113,786)	130,664,172	8,913,830	139,578,002
Balance as at 1 January 2010	49,947,675	75,714,971	19,899,838	56,055	1,478,702	4,220,515	(27,189,284)	124,128,472	42,072,691	166,201,163
Sale of treasury shares	-	-	(3,635,997)	-	-	(4,220,515)	9,834,779	1,978,267	-	1,978,267
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	(54,156)	(54,156)
Total comprehensive income / (loss) for the period	-	-	-	33,565	869,883	2,564,755	-	3,468,203	(57,305)	3,410,898
Balance as at 30 June 2010	49,947,675	75,714,971	16,263,841	89,620	2,348,585	2,564,755	(17,354,505)	129,574,942	41,961,230	171,536,172

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**

For the period from 1 January to 30 June 2011

	Notes	Six-month period ended	
		30 June	30 June
		2011	2010
		KD	KD
OPERATING ACTIVITIES			
(Loss) / profit for the period		(3,045,437)	2,507,450
Adjustments for:			
Net investment income	15	(112,707)	(2,531,953)
Share of results of associates	9	140,015	503,292
Share of results of joint ventures		381,748	271,148
Gain on disposal of an associate		-	(546,743)
Loss on disposal of a joint venture	10	18,061	-
Impairment losses on available for sale investments		14,641	2,348,761
Dilution gain		-	(134,620)
Provision no longer required		-	(349,901)
Depreciation and amortization		149,649	198,398
Foreign currency exchange gain		(343,080)	(92,648)
Murabaha income		(57,682)	(94,704)
Interest income		(59,849)	(217,239)
Finance charges		1,725,778	1,306,778
Provision for end of service indemnity		38,937	65,256
		<u>(1,149,926)</u>	<u>3,233,275</u>
Movements in working capital			
Accounts receivable and other debit balances		(6,778,405)	14,292,150
Properties held for trading		(174,455)	(13,010,449)
Investment properties		(570,502)	(1,901,572)
Accounts payable and other credit balances		5,827,637	3,158,636
Deferred consideration on acquisition of properties		-	(65,026)
End of service indemnity paid		(30,820)	(22,103)
Net cash (used in) / generated by operating activities		<u>(2,876,475)</u>	<u>5,684,911</u>
INVESTING ACTIVITIES			
Purchase of available for sale investments		-	(10,666,481)
Proceeds from disposal of available for sale investments		708,438	4,649,409
Proceed from disposal of investment in an associate		-	6,676,330
Proceeds from disposal of investment in a joint venture		6,000,000	-
Interest income received		12,138	382,064
Dividends received		5,500	85,940
Purchase of property and equipment		(12,225)	(1,931,649)
Net cash generated by / (used in) investing activities		<u>6,713,851</u>	<u>(804,387)</u>

(Continued)

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period from 1 January to 30 June 2011

(Continued)

	Notes	Six-month period ended	
		30 June 2011	30 June 2010
		KD	KD
FINANCING ACTIVITIES			
Bank overdrafts		60,628	(95,909)
Term loan		(1,500,000)	-
Finance charges paid		(1,270,905)	(1,517,102)
Dividend paid		(69,907)	-
Proceeds from disposal of treasury shares		-	1,978,267
Net cash (used in) / generated from financing activities		(2,780,184)	365,256
Net increase in cash and cash equivalents		1,057,192	5,245,780
Cash and cash equivalents at the beginning of the period		20,483,961	28,180,304
Cash and cash equivalents at the end of the period	5	21,541,153	33,426,084
NON-CASH TRANSACTIONS			
INVESTING ACTIVITIES			
Deferred consideration on disposal of a subsidiary	17	592,147	-
Deferred consideration on disposal of a joint venture		1,411,727	-
		<u>2,003,874</u>	<u>-</u>
FINANCING ACTIVITIES			
Increase in share capital against advance subscriptions received		14,984,302	-
Increase in share premium against advance subscriptions received		4,045,761	-
		<u>19,030,063</u>	<u>-</u>

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January to 30 June 2011

1. FORMATION AND PRINCIPAL ACTIVITIES

Al Mazaya Holding Company - K.S.C. (Holding) was incorporated on 7 November 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto.

The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered Head Office of the Parent Company is at Salhiya complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 16 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". This interim condensed consolidated financial information does not contain all information and disclosures required for complete set of 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 fair presentation have been included.

Operating results for the six-month period are not necessarily indicative of the results that may be expected for the year ending 31 December 2011. For further information, refer to the annual audited financial statements included in the Group's annual report for the year ended 31 December 2010.

The interim condensed consolidated financial information include the financial information of Al Mazaya Holding Company K.S.C. ("the Parent Company") and the following subsidiaries (together referred to as "the Group"):

Subsidiaries	Country of incorporation	Percentage of ownership		
		30 June 2011	(Audited) 31 December 2010	30 June 2010
Al Mazaya Real Estate Development Company – K.S.C. (Closed)	Kuwait	100	100	100
Al Mazaya Real Estate FZ/LLC	U.A.E	100	100	100
Al Dana Real Estate Limited	U.A.E	100	100	100
Al Rayhan Real Estate Limited	U.A.E	100	100	100
Advantage General Trading Co. W.L.L.	U.A.E	100	100	100
Spectrum FZ / LLC	U.A.E	100	100	100
Mazaya Investments (DIFC) Limited	U.A.E	100	100	100
Al Mazaya Al Khalijia General Trading and Contracting – Khalid S. Esbaitah and Partners – W.L.L.	Kuwait	100	100	100
Al Mazaya Arabian Real Estate Company, Khalid S. Esbaitah and Partners W.L.L.	Kuwait	100	100	100
Al Mazaya International Projects Management Company, Khalid S. Esbaitah and Partners W.L.L.	Kuwait	100	100	100
Mazaya Lamartien – S.A.L.	Lebanon	100	100	100

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**

For the period from 1 January to 30 June 2011

2. BASIS OF PREPARATION (CONTINUED)

<u>Subsidiaries (Continued)</u>	<u>Country of incorporation</u>	<u>30 June 2011</u>	<u>31 December 2010 (Audited)</u>	<u>30 June 2010</u>
Mazaya Lebanon Company - S.A.L. (Holding) and its subsidiary:	Lebanon	100	100	100
Seven Zones Real Estate Company K.S.C. (Closed)	Kuwait	100	100	100
First Dubai Real Estate Development Company - K.S.C. (Closed)	Kuwait	92.23	92.23	63.98
Future International Project Management – W.L.L.	Kuwait	100	78.15	78.15
Waterfront Real Estate Company K.S.C. (Closed)	Kuwait	83.44	86.43	76.42
Mezzan Combined For General Trading - W.L.L. Company	Kuwait	100	100	-

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the most recent annual audited financial statements for the year ended 31 December 2010. The Group has adopted all of the new and revised standards issued by the International Accounting Standard Board (“IASB”) that are relevant to its operation and effective for accounting periods beginning on or after 1 January 2010. The adoption of these new and revised standards had no material impact on the interim condensed financial information of the Group.

4. JUDGEMENTS AND ESTIMATES

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recent annual audited financial statements for the year ended 31 December 2010.

5. CASH AND CASH EQUIVALENTS

	<u>30 June 2011</u>	<u>(Audited) 31 December 2010</u>	<u>30 June 2010</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Cash on hand and at banks	15,218,359	14,819,256	21,768,041
Short term bank deposits	6,303,272	5,600,000	11,617,760
Cash in investment portfolios	19,522	64,705	40,283
	<u>21,541,153</u>	<u>20,483,961</u>	<u>33,426,084</u>

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**

For the period from 1 January to 30 June 2011

5. CASH AND CASH EQUIVALENTS (Continued)

The average effective interest rate on short term bank deposits was 1.27% (31 December 2010: 1.75% and 30 June 2010: 1.627%) per annum. These deposits have an average maturity of 55 days (31 December 2010: 68 days, 31 December 2010: 30 days and 30 June 2010: 55 days).

Cash on hand and at banks include an amount of KD 14,206,125 (31 December 2010: KD 11,999,716 and 30 June 2010: KD 15,786,882) representing restricted cash to be used only against construction work.

6. ACCOUNTS RECEIVABLE AND OTHE DEBIT BALANCES

	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Trade receivables	10,008,225	6,058,934	2,632,352
Advance payments	1,693,639	2,302,053	5,115,207
Advance for investments	5,769,265	931,865	931,865
Advances for capital subscription	19,094	-	-
Due from related parties (See note 19)	1,243,293	887,114	4,751,372
Prepayments	240,585	-	-
Staff receivables	11,629	8,951	-
Other receivables	546,779	455,920	940,722
	<u>19,532,509</u>	<u>10,644,837</u>	<u>14,371,518</u>
Allowance for doubtful debts	<u>(959,454)</u>	<u>(959,454)</u>	<u>(800,889)</u>
	<u>18,573,055</u>	<u>9,685,383</u>	<u>13,570,629</u>

7. PROPERTIES HELD FOR TRADING

	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Balance at the beginning of the period / year	138,972,881	126,122,141	126,122,141
Additions	1,227,245	32,882,984	24,684,435
Disposals	(479,531)	(13,251,380)	(12,218,667)
Transferred to investment properties (See note 11)	-	(3,174,783)	-
Foreign currency translation adjustments	(2,351,951)	(1,694,081)	1,644,433
Impairment losses	-	(1,912,000)	-
Balance at the end of the period / year	<u>137,368,644</u>	<u>138,972,881</u>	<u>140,232,342</u>

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January to 30 June 2011

8. AVAILABLE FOR SALE INVESTMENTS

	30 June 2011	(Audited) 31 December 2010	30 June 2010
Quoted:			
Equity securities	1,731,430	2,496,543	3,016,712
Unquoted:			
Equity securities	3,966,209	4,419,702	14,564,378
Funds & Portfolios	12,569,603	11,490,663	12,423,403
	<u>18,267,242</u>	<u>18,406,908</u>	<u>30,004,493</u>

Available for sale investments with a fair value of KD 16,954,158 (31 December 2010: KD 2,525,102, 30 June 2010: KD 6,778,307) are pledged against a loan.

Available for sale investments with a fair value of KD 2,694,599 (31 December 2010: 13,340,787, 30 June 2010: Nil) are pledged against a related party balance.

It was not possible to reliably measure the fair value of certain available for sale investments due to lack of reliable measures to determine the fair value of such investments. Accordingly they are stated at cost less impairment losses, if any.

9. INVESTMENT IN ASSOCIATES

Summarised financial information in respect of the Group's associates is set out below:

Group's share of associates' statement of financial position:	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Total assets	135,001,348	203,735,915	74,978,745
Total liabilities	<u>13,060,948</u>	<u>27,981,171</u>	<u>985,225</u>
Net assets	<u>121,940,400</u>	<u>175,754,744</u>	<u>73,993,520</u>
Group's share of net assets	<u>12,842,187</u>	<u>13,263,803</u>	<u>4,266,466</u>

The associates' statement of income is summarised as follows:

	Six-month period ended	
	30 June 2011	30 June 2010
	KD	KD
Total revenue	<u>1,758,400</u>	<u>1,409,110</u>
Total profit for the period	<u>228,845</u>	<u>836,201</u>
Group's share of results of associates	<u>(140,015)</u>	<u>(503,292)</u>

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10. INVESTMENT IN JOINT VENTURES

During the period, the Group disposed of interest in a joint venture. The group's share of net assets disposed of amounted to KD 7,429,788 against a sale consideration of KD 7,411,727, resulting in a loss on disposal amounting KD 18,061.

11. INVESTMENT PROPERTIES

	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Balance at the beginning of the period / year	115,374,019	100,232,287	100,232,287
Additions	570,502	1,089,036	6,206,490
Transferred from properties held for trading (See note 7)	-	3,174,783	-
Transferred from fixed assets	-	20,816,119	-
Reversal of revaluation surplus	-	(519,366)	-
Changes in fair value	-	(8,863,029)	-
Foreign currency translation adjustments	(43,750)	(555,811)	452,910
Balance at the end of the period / year	<u>115,900,771</u>	<u>115,374,019</u>	<u>106,891,687</u>

12. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Trade payables	23,602,606	24,101,675	18,149,332
Amounts received in advance for capital subscription	-	14,810,686	-
Advances received from customers	73,758,719	69,981,443	67,605,671
Amounts due to related parties (See note 19)	3,653,585	8,296,943	9,364,956
Retentions payable	5,227,811	5,349,684	9,339,840
Accrued development costs	2,780,659	1,497,835	99,385
Dividends payable	656,214	726,121	740,443
Other payables and accrued expenses	<u>2,253,788</u>	<u>1,059,156</u>	<u>5,444,025</u>
	<u>111,933,382</u>	<u>125,823,543</u>	<u>110,743,652</u>

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13. OTHER RESERVES

	Voluntary reserve	Statutory reserve	Asset revaluation surplus	Effect of changes in subsidiary's equity	Effect of changes in subsidiary's treasury shares	Total
	KD	KD	KD	KD	KD	KD
Balance as at 30 June 2011	<u>6,711,805</u>	<u>9,646,725</u>	<u>-</u>	<u>(260,814)</u>	<u>(457,645)</u>	<u>15,640,071</u>
Balance as at 31 December 2010	<u>6,711,805</u>	<u>9,646,725</u>	<u>-</u>	<u>88,612</u>	<u>(457,645)</u>	<u>15,989,497</u>
Balance as at 30 June 2010	<u>6,711,805</u>	<u>9,646,725</u>	<u>519,366</u>	<u>(156,410)</u>	<u>(457,645)</u>	<u>16,263,841</u>

14. TREASURY SHARES

	30 June 2011	(Audited) 31 December 2010	30 June 2010
Number of shares (shares)	35,869,869	35,869,869	32,289,869
Percentage of issued shares (%)	5.52%	7.18%	6.51%
Market value (Kuwaiti Dinar)	2,690,240	4,232,644	2,873,798
Cost (Kuwaiti Dinar)	18,113,786	18,113,786	17,354,505

15. NET INVESTMENT INCOME

	Three-month period ended 30 June		Six-month period ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
Realized gain on disposal of available for sale investments	160,873	-	107,207	2,113,088
Dividend income	-	375,545	5,500	418,865
	<u>160,873</u>	<u>375,545</u>	<u>112,707</u>	<u>2,531,953</u>

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16. (LOSS) / EARNINGS PER SHARE

	Three- months period ended 30 June		Six-month period ended 30 June	
	2011	2010	2011	2010
	KD	KD	KD	KD
(Loss) /profit for the period attributable to equity holders of the Parent Company	<u>(2,164,505)</u>	<u>444,248</u>	<u>(3,132,449)</u>	<u>2,564,755</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of issued and fully paid-up shares	649,319,770	499,476,780	590,541,581	499,476,780
Less: weighted average number of treasury shares	<u>(35,869,869)</u>	<u>(32,289,869)</u>	<u>(35,869,869)</u>	<u>(33,168,322)</u>
Weighted average number of shares outstanding	<u>613,449,901</u>	<u>467,186,911</u>	<u>554,671,712</u>	<u>466,308,458</u>
(Loss) / earnings per share attributable to equity holders of the Parent Company -Fils	<u>(3.53)</u>	<u>0.95</u>	<u>(5.65)</u>	<u>5.50</u>

17. DISPOSAL OF A SUBSIDIARY

On 31 January 2011, the Parent Company disposed of its 92.23% wholly owned subsidiary United Circle General Contracting and Building Company.

The details of the disposal are as follows:

	30 June 2011 Six-month period ended
	KD
Net assets disposed off	-
Increase in Non Controlling Interests due to the disposal	941,573
Deferred consideration	592,147
Difference arising on decrease in ownership of subsidiary without losing control	<u>(349,426)</u>

As a consequence of the disposal, the Group's effective share in its subsidiary Waterfront Real Estate Company K.S.C. (Closed) decreased from 86.43% to 82.43% resulting in increase of minority interests.

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18. SEGMENT INFORMATION

For management purposes, the Group is divided into three geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA) and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Six-month period ended 30 June 2011					Six-month period ended 30 June 2010				
	Kuwait	UAE	KSA	Others	Total	Kuwait	UAE	KSA	Others	Total
Segment income	(399,048)	347,086	128,087	187,634	263,759	471,456	2,948,181	1,815,987	672,485	5,908,109
Segment (loss) / profit	(3,000,636)	(324,432)	128,087	151,544	(3,045,437)	(1,999,423)	2,054,492	1,815,987	636,394	2,507,450
	At June 30, 2011									
	Kuwait	UAE	KSA	Others	Total	Kuwait	UAE	KSA	Others	Total
Total segment assets	72,224,338	237,640,638	6,364,996	19,307,699	335,537,671	77,997,590	235,475,055	6,364,996	15,418,359	335,256,000
Total segment liabilities	86,899,590	109,058,741	-	1,338	195,959,669	101,992,236	109,628,396	-	1,338	211,621,970
	At December 31, 2010									

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19. RELATED PARTY DISCLOSURES

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related parties' balances and transactions are as follows:

	Joint ventures KD	Other related parties KD	30 June 2011 KD	(Audited)	
				31 December 2010 KD	30 June 2010 KD
a) Balances included in the interim condensed consolidated statement of financial position:					
Cash and cash equivalents	-	43,080	43,080	-	40,283
Accounts receivable and other debit balances (See note 6)	-	1,243,293	1,243,293	887,114	4,751,372
Accounts payable and other credit balances (See note 12)	1,673,562	1,980,023	3,653,585	8,296,943	9,364,956
			Three-month period ended	Six-month period ended	
			30 June 2011 KD	30 June 2011 KD	30 June 2010 KD
b) Transactions included in the interim condensed consolidated statement of income:					
Management fees, commission and consultancy income		70,083	4,643	141,569	63,050
Rental income		62,810	68,680	128,087	249,760
Finance charges		(19,947)	-	(40,575)	-
a) Key management compensation:					
Salaries and other short term benefits		55,717	88,332	113,781	164,985
Terminal benefits		3,483	3,792	6,981	7,493
		59,200	92,124	120,762	172,478

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20. CAPITAL COMMITMENTS

	30 June 2011	(Audited) 31 December 2010	30 June 2010
	KD	KD	KD
Letters of guarantee	-	-	23,478,000
Capital commitments	57,084,288	35,880,362	92,719,039
	<u>57,084,288</u>	<u>35,880,362</u>	<u>116,197,039</u>

21. ISSUANCE OF SHARE CAPITAL

During the period, the Parent Company completed the issuance of shares pertaining to the subscriptions received in advance during the year 2010.

22. GENERAL ASSEMBLY

On 9 June 2011, the Shareholders' Annual General Assembly approved not to distribute any dividends for the year ended 31 December 2010.