

**Interim consolidated financial information and review report**  
**National Industries Group Holding – SAK and subsidiaries**  
**Kuwait**  
**30 September 2007 (Unaudited)**

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## Review report

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

### Report on review of interim consolidated financial information

#### Introduction

We have reviewed the accompanying consolidated balance sheet of National Industries Group Holding (A Kuwaiti Shareholding Company) (“the parent company”) and its subsidiaries (“the group”), as of 30 September 2007 and the related consolidated statements of income, changes in equity and cash flows for the nine-month period then ended. The parent company’s directors are 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, “Interim Financial Reporting”.

### Report on review of other legal and regulatory requirements

Based on our review, the interim 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 nor of the articles of association of the parent company, as amended, have occurred during the period that might have had a material effect on the business of the group or on its financial position.

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Kuwait  
24 October 2007

## Consolidated statement of income

	Note	Three months ended		Nine months ended	
		30 Sept. 2007 (Unaudited) KD '000	30 Sept. 2006 (Unaudited) KD '000	30 Sept. 2007 (Unaudited) KD '000	30 Sept. 2006 (Unaudited) KD '000
Sales		28,320	26,027	88,210	72,960
Cost of sales		(22,302)	(20,482)	(69,646)	(57,417)
<b>Gross profit</b>		<b>6,018</b>	<b>5,545</b>	<b>18,564</b>	<b>15,543</b>
Investments income	3	59,358	37,656	256,809	55,466
Share of profits of associates		5,473	3,362	15,529	7,028
Other operating income		2,572	308	5,075	2,304
Distribution costs		(1,465)	(1,350)	(4,544)	(3,926)
General, administrative and other expenses		(5,802)	(5,197)	(20,333)	(13,726)
<b>Profit from operations</b>		<b>66,154</b>	<b>40,324</b>	<b>271,100</b>	<b>62,687</b>
Finance costs		(12,299)	(8,478)	(33,598)	(21,861)
(Loss)/profit on sale of property, plant and equipment		(4)	939	797	939
Impairment in value of associate		(3,050)	-	(5,800)	-
Impairment in value of goodwill		-	-	(1,250)	-
Profit on partial disposal of subsidiaries		-	-	-	69,179
Profit on partial disposal of associates		-	-	-	559
Gain on foreign exchange		8,102	267	10,554	2,352
<b>Profit for the period before taxation, provision for contribution to KFAS, NLST &amp; directors remuneration</b>		<b>58,903</b>	<b>33,052</b>	<b>241,803</b>	<b>113,855</b>
Taxation		(112)	(77)	(517)	(342)
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(634)	(136)	(2,461)	(1,263)
Provision for National Labour Support Tax (NLST)		(1,068)	(241)	(4,713)	(3,448)
Provision for Directors' remuneration		(50)	(50)	(150)	(150)
<b>Profit for the period</b>		<b>57,039</b>	<b>32,548</b>	<b>233,962</b>	<b>108,652</b>
<b>Attributable to :</b>					
Shareholders of the parent company		49,875	28,554	207,961	103,138
Minority interest		7,164	3,994	26,001	5,514
		<b>57,039</b>	<b>32,548</b>	<b>233,962</b>	<b>108,652</b>
<b>Earnings per share attributable to the shareholders of the parent company</b>	4	<b>43 Fils</b>	<b>26 Fils</b>	<b>184 Fils</b>	<b>105 Fils</b>

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

## Consolidated balance sheet

	Note	30 Sept. 2007 (Unaudited) KD '000	31 Dec. 2006 (Audited) KD '000	30 Sept. 2006 (Unaudited) KD '000
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		12,511	13,586	14,628
Property, plant and equipment		32,572	31,465	31,226
Investment in associates		199,909	125,912	114,418
Investment in joint ventures		-	285	273
Investment properties		-	267	2,450
Available for sale investments	5	701,627	426,399	425,623
Deferred tax		153	151	-
<b>Total non-current assets</b>		<b>946,772</b>	<b>598,065</b>	<b>588,618</b>
<b>Current assets</b>				
Inventories		23,691	23,960	23,090
Accounts receivable and other assets		101,624	56,330	84,237
Murabaha and wakala investments		48,070	57,608	40,000
Investments at fair value through statement of income	6	735,705	456,165	432,090
Short-term deposits		187,853	248,758	181,457
Bank balances and cash		33,683	16,258	15,658
<b>Total current assets</b>		<b>1,130,626</b>	<b>859,079</b>	<b>776,532</b>
<b>Total assets</b>		<b>2,077,398</b>	<b>1,457,144</b>	<b>1,365,150</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to shareholders of the parent company</b>				
Share capital		117,736	107,033	107,033
Treasury shares		(27,870)	(56,378)	(54,300)
Reserves	8	275,705	264,315	237,562
Cumulative changes in fair value		142,812	146,409	161,085
Retained earnings		386,565	260,404	254,584
		894,948	721,783	705,964
<b>Minority interest</b>		<b>166,088</b>	<b>111,057</b>	<b>113,730</b>
<b>Total equity</b>		<b>1,061,036</b>	<b>832,840</b>	<b>819,694</b>
<b>Non-current liabilities</b>				
Bonds and trust certificates	9	175,564	45,857	17,378
Long-term borrowings		165,311	79,710	32,530
Leasing creditors		216	59	159
Deferred tax		-	-	823
Provisions		10,991	11,638	12,613
<b>Total non-current liabilities</b>		<b>352,082</b>	<b>137,264</b>	<b>63,503</b>
<b>Current liabilities</b>				
Accounts payable and other liabilities		74,757	52,203	55,331
Bonds		-	-	35,000
Short-term borrowings		546,490	403,185	356,634
Due to banks		43,033	31,652	34,988
<b>Total current liabilities</b>		<b>664,280</b>	<b>487,040</b>	<b>481,953</b>
<b>Total equity and liabilities</b>		<b>2,077,398</b>	<b>1,457,144</b>	<b>1,365,150</b>

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

## Consolidated statement of changes in equity

	Equity attributable to shareholders of the parent company							Total KD '000
	Share capital KD '000	Treasury shares KD '000	Reserves (Note 8) KD '000	Cumulative changes in fair value KD '000	Retained earnings KD '000	Sub- Total KD '000	Minority interest KD '000	
<b>Balance at 1 January 2007</b>	107,033	(56,378)	264,315	146,409	260,404	721,783	111,057	832,840
Changes in fair value of available for sale investments	-	-	-	8,950	-	8,950	3,065	12,015
Share of fair value adjustment in associates	-	-	-	16,993	-	16,993	-	16,993
Impairment in value of available for sale investments	-	-	-	2,000	-	2,000	-	2,000
Realised on sale of available for sale investments	-	-	-	(31,540)	-	(31,540)	-	(31,540)
Transfer of excess depreciation and realised on disposal	-	-	(324)	-	324	-	-	-
Profit on disposal of treasury shares	-	-	11,743	-	-	11,743	-	11,743
Currency translation differences	-	-	(29)	-	-	(29)	-	(29)
<b>Net income/(expense) recognised directly in equity</b>	-	-	11,390	(3,597)	324	8,117	3,065	11,182
<b>Profit for the period</b>	-	-	-	-	207,961	207,961	26,001	233,962
<b>Total recognised income/(expense) for the period</b>	-	-	11,390	(3,597)	208,285	216,078	29,066	245,144
Issue of bonus shares (refer note 11)	10,703	-	-	-	(10,703)	-	-	-
Issue of staff bonus shares by utilizing treasury shares	-	757	-	-	-	757	-	757
Cash dividend to shareholders of the parent company (refer note 11)	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(20,023)	-	-	(71,421)	(71,421)	-	(71,421)
Disposal of treasury shares	-	47,774	-	-	-	(20,023)	-	(20,023)
Investment made by minority shareholders	-	-	-	-	-	47,774	-	47,774
Dividend paid to minority by the subsidiary	-	-	-	-	-	-	36,982	36,982
	-	-	-	-	-	-	(11,017)	(11,017)
	10,703	28,508	-	-	(82,124)	(42,913)	25,965	(16,948)
<b>Balance at 30 September 2007</b>	<b>117,736</b>	<b>(27,870)</b>	<b>275,705</b>	<b>142,812</b>	<b>366,555</b>	<b>894,948</b>	<b>166,088</b>	<b>1,061,036</b>

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

## Consolidated statement of changes in equity (continued)

### Equity attributable to shareholders of the parent company

	Share capital KD '000	Treasury shares KD '000	Staff bonus shares KD '000	Reserves (Note 8) KD '000	Cumulative changes in fair value KD '000	Retained earnings KD '000	Sub-Total KD '000	Minority interest KD '000	Total KD '000
<b>Balance at 1 January 2006</b>	74,674	(16,800)	-	115,639	202,342	247,777	623,632	49,878	673,510
Changes in fair value of available for sale investments	-	-	-	-	(21,062)	-	(21,062)	3,323	(17,739)
Share of fair value adjustment in associates	-	-	-	-	4,348	(2,583)	1,765	-	1,765
Realised on sale of available for sale investments	-	-	-	-	(23,453)	-	(23,453)	(5,758)	(29,211)
Transfer on partial disposal of associates	-	-	-	-	(141)	-	(141)	-	(141)
Transfer of excess depreciation	-	-	-	(7)	-	7	-	-	-
Profit on disposal of treasury shares	-	-	-	51	-	-	51	-	51
Currency translation differences	-	-	-	(445)	-	-	(445)	6	(439)
Donations for the year 2005	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Net expense recognised directly in equity	-	-	-	(401)	(40,308)	(7,576)	(48,285)	(2,429)	(50,714)
Profit for the period	-	-	-	-	-	103,138	103,138	5,514	108,652
<b>Total recognised (expense)/income for the period</b>	-	-	-	(401)	(40,308)	95,562	54,853	3,085	57,938
Issue of bonus shares	7,467	-	-	-	-	(7,467)	-	-	-
Distributing shares of subsidiary	-	-	-	-	-	(39,577)	(39,577)	-	(39,577)
Cash dividend to shareholders of the parent company	-	-	-	-	-	(43,472)	(43,472)	-	(43,472)
Issue of shares	24,892	-	-	124,457	-	-	149,349	-	149,349
Purchase/acquisition of treasury shares	-	(38,822)	-	-	-	-	(38,822)	-	(38,822)
Transfer on partial disposal of subsidiaries	-	-	-	(2,071)	(949)	2,071	(949)	50,836	49,887
Issue of staff bonus shares by utilizing treasury shares	-	1,059	-	-	-	-	1,059	-	1,059
Loss on issue of staff bonus shares	-	-	-	(62)	-	-	(62)	-	(62)
Disposal of treasury shares	-	263	-	-	-	-	263	-	263
Dividend paid to minority by the subsidiary	-	-	-	-	-	-	-	(1,683)	(1,683)
Investment made by minority shareholders	-	-	-	-	-	-	-	11,724	11,724
Share issue expenses incurred by subsidiary on increase of capital	-	-	-	-	-	(310)	(310)	(110)	(420)
<b>Balance at 30 September 2006</b>	107,033	(54,300)	-	237,562	161,085	254,584	705,964	113,730	819,694
	32,359	(37,500)	-	122,324	(949)	(88,755)	27,479	60,767	88,246

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

## Consolidated statement of cash flows

	Nine months ended 30 Sept. 2007 (Unaudited) KD '000	Nine months ended 30 Sept. 2006 (Unaudited) KD '000
<b>OPERATING ACTIVITIES</b>		
Profit for the period before taxation, provision for contribution to KFAS, NLST & directors remuneration	241,803	113,855
Adjustments for :		
Depreciation of property, plant and equipment	3,763	3,186
Impairment in value of goodwill	1,250	-
Profit on sale of property, plant and equipment	(797)	(939)
Share of profits of associates	(15,529)	(7,026)
Impairment in value of associate	5,800	-
Dividend income from available for sale investments	(8,021)	(4,451)
Impairment in value of available for sale investments	2,000	273
Profit on sale of available for sale investments	(28,438)	(40,391)
Profit on partial disposal of subsidiaries	-	(69,179)
Profit on partial disposal of associates	-	(559)
Net provisions (released)/charged	(647)	1,080
Finance costs	33,598	21,861
Interest income	(8,075)	(5,983)
	<b>226,707</b>	<b>11,727</b>
Changes in operating assets and liabilities:		
Inventories	269	640
Accounts receivable and other assets	(46,567)	85,253
Investments at fair value through statement of income	(294,733)	(35,913)
Accounts payable and other liabilities	11,488	1,858
Cash (used in)/from operations	(102,836)	63,565
Taxation paid	(361)	(141)
KFAS contribution paid	(2,230)	-
National Labour Support Tax paid	(4,936)	-
Directors remunerations paid	(180)	(200)
<b>Net cash (used in)/from operating activities</b>	<b>(110,543)</b>	<b>63,224</b>

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

## Consolidated statement of cash flows (continued)

	Note	Nine months ended 30 Sept. 2007 (Unaudited) KD '000	Nine months ended 30 Sept. 2006 (Unaudited) KD '000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,164)	(4,512)
Proceeds from sale of property, plant and equipment		1,661	1,658
Net cash outflow on acquisition of subsidiary		-	(4,751)
Net cash inflow on partial disposal of subsidiaries		-	63,391
Investment in associated companies		(38,874)	(2,237)
Proceeds from partial disposal of associates		-	914
Dividend received from associates		6,653	5,553
Purchase of available for sale investments		(331,121)	(138,769)
Proceeds from sale of available for sale investments		66,342	50,560
Decrease/(increase) in wakala investments maturing after three months		5,000	(20,000)
Increase in short term deposits maturing after three months		-	(20,000)
Dividend income received from available for sale investments		8,021	4,451
Interest income received		9,348	3,050
<b>Net cash used in investing activities</b>		<b>(276,134)</b>	<b>(60,692)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	141,412
Finance lease receipts/(payments)		190	(1,456)
Proceeds from issue of trust certificates		132,881	-
Net increase/(decrease) in long-term borrowings		98,190	(25,543)
Net increase in short-term borrowings		130,716	104,482
Dividend paid to shareholders of the parent		(70,200)	(43,301)
Finance costs paid		(29,416)	(21,422)
Purchase of treasury shares		(20,023)	(30,962)
Proceeds from sale of treasury shares		58,954	314
Increase in minority interest		25,965	9,430
<b>Net cash from financing activities</b>		<b>327,257</b>	<b>132,954</b>
Net (decrease)/increase in cash and cash equivalents		(59,420)	135,486
Translation difference		20	63
Cash and cash equivalents at beginning of the period		(59,400)	135,549
Cash and cash equivalents at end of the period	7	255,972	26,578
<b>Cash and cash equivalents at end of the period</b>		<b>196,572</b>	<b>162,127</b>

The notes set out on pages 8 to 13 form an integral part of this interim consolidated financial information.

# **Notes to the interim consolidated financial information**

**30 September 2007**

## **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’s shares are traded on the Kuwait Stock Exchange.

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 consolidated financial information for issue on 24 October 2007.

## **2 Significant accounting policies**

### **Basis of presentation**

This interim 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 consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2006.

This interim 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 management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

**2 Significant accounting policies (continued)**

Operating results for the nine months ended 30 September 2007 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2007. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2006.

**3 Investments income**

	Three months ended		Nine months ended	
	30 Sept. 2007 (Unaudited) KD '000	30 Sept. 2006 (Unaudited) KD '000	30 Sept. 2007 (Unaudited) KD '000	30 Sept. 2006 (Unaudited) KD '000
Dividend income:				
- From investments at fair value through statement of income	1,381	1,066	9,927	10,711
- From available for sale investments	753	4	8,021	4,451
Profit on sale of available for sale investments	1,612	19,055	28,438	40,391
Impairment in value of available for sale investments	-	(273)	(2,000)	(273)
Realised gain on investments at fair value through statement of income	13,953	-	81,757	-
Unrealised gain on investments at fair value through statement of income	37,807	14,457	119,193	(5,797)
Income from wakala and murabaha investments	1,036	-	3,398	-
Interest income	2,816	3,347	8,075	5,983
	<b>59,358</b>	<b>37,656</b>	<b>256,809</b>	<b>55,466</b>

**4 Earnings per share attributable to the shareholders of the parent company**

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

	Three months ended		Nine months ended	
	30 Sept. 2007 (Unaudited)	30 Sept. 2006 (Unaudited)	30 Sept. 2007 (Unaudited)	30 Sept. 2006 (Unaudited)
Profit for the period attributable to the shareholders of the parent company (KD '000)	49,875	28,554	207,961	103,138
Weighted average number of shares outstanding during the period (excluding treasury shares)	1,146,616,105	1,116,536,637	1,129,272,518	982,920,086
<b>Earnings per share</b>	<b>43 Fils</b>	<b>26 Fils</b>	<b>184 Fils</b>	<b>105 Fils</b>

The weighted average number of shares outstanding during the previous period has been adjusted to reflect the bonus share issued during the current period.

**5 Available for sale investments**

	30 Sept. 2007 (Unaudited) KD '000	31 Dec. 2006 (Audited) KD '000	30 Sept. 2006 (Unaudited) KD '000
Managed funds	156,776	75,990	67,154
Unquoted equity participations	168,774	141,866	185,294
Quoted shares	376,077	208,543	173,175
	<b>701,627</b>	<b>426,399</b>	<b>425,623</b>

**6 Investments at fair value through statement of income**

	30 Sept. 2007 (Unaudited) KD '000	31 Dec. 2006 (Audited) KD '000	30 Sept. 2006 (Unaudited) KD '000
<b>Held for trading :</b>			
Quoted shares	501,364	268,924	229,944
<b>Designated on initial recognition :</b>			
Local funds	198,797	153,305	169,673
International managed portfolios and funds	35,544	33,936	32,473
	<b>234,341</b>	<b>187,241</b>	<b>202,146</b>
	<b>735,705</b>	<b>456,165</b>	<b>432,090</b>

**7 Cash and cash equivalents**

	30 Sept. 2007 (Unaudited) KD '000	31 Dec. 2006 (Audited) KD '000	30 Sept. 2006 (Unaudited) KD '000
Murabaha and wakala investments – maturing within three months	18,069	22,608	20,000
Short-term deposits	187,853	248,758	161,457
Bank balances and cash	33,683	16,258	15,658
Due to banks	(43,033)	(31,652)	(34,988)
	<b>196,572</b>	<b>255,972</b>	<b>162,127</b>

**8 Reserves**

	Share premium KD '000	Statutory reserve KD '000	General reserve KD '000	Revaluation reserve KD '000	Gain on Sale of treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balance at 31 December 2006	152,691	85,334	25,621	350	800	(481)	264,315
Transfer of excess depreciation and realised on disposal	-	-	-	(324)	-	-	(324)
Profit on disposal of treasury shares	-	-	-	-	11,743	-	11,743
Currency translation differences	-	-	-	4	-	(33)	(29)
<b>Balances at 30 September 2007</b>	<b>152,691</b>	<b>85,334</b>	<b>25,621</b>	<b>30</b>	<b>12,543</b>	<b>(514)</b>	<b>275,705</b>
<b>Balance at 31 December 2005</b>	<b>28,234</b>	<b>61,270</b>	<b>25,159</b>	<b>322</b>	<b>236</b>	<b>418</b>	<b>115,639</b>
Transfer of excess depreciation	-	-	-	(7)	-	-	(7)
Profit on disposal of treasury shares	-	-	-	-	51	-	51
Currency translation differences	-	-	-	26	-	(471)	(445)
Issue of shares	124,457	-	-	-	-	-	124,457
Transfer on partial disposal of subsidiaries	-	(1,329)	(742)	-	-	-	(2,071)
Loss on issue of staff bonus shares	-	-	-	-	(62)	-	(62)
<b>Balances at 30 September 2006</b>	<b>152,691</b>	<b>59,941</b>	<b>24,417</b>	<b>341</b>	<b>225</b>	<b>(53)</b>	<b>237,562</b>

**9 Bonds and trust certificates**

During August 2007 the parent company entered into an Islamic financing arrangement whereby the parent company issued through a special purpose vehicle Trust certificates (Mudaraba sukuk) of US Dollars 475,000 thousand (equivalent to KD132,881 thousand) at an issue price of 100% of their principal amount which are due at the end of 5 years from the date of issue. The certificate holders will be entitled to a quarterly profit distribution at the rate of 3 months LIBOR plus 1.05% per annum.



**11 Dividends**

The annual general assembly held on 4 April 2007 approved the consolidated financial statements and cash dividends of 70 Fils cash per share and 10% bonus shares for the year ended 31 December 2006.

**12 Related party transactions**

Related party transactions are entered on terms approved by the group's management. Significant related party transactions and balances included in the interim consolidated financial information are as follows:

	Nine months ended 30 Sept. 2007 (Unaudited) KD '000	Nine months ended 30 Sept. 2006 (Unaudited) KD '000
<b>Consolidated balance sheet</b>		
Due from associates and joint ventures	5,347	1,073
Due from Key management personnel	313	310
Purchase of raw materials	5,963	6,056
<b>Consolidated income statement</b>		
Profit on partial disposal of subsidiaries	-	2,904
<b>Compensation of key management personnel of the group</b>		
Short term employee benefits	5,787	2,509
End of service benefits	384	462
	<u>6,171</u>	<u>2,971</u>

**13 Contingent liabilities**

At 30 September 2007 the group had contingent liabilities in respect of outstanding bank guarantees amounting to KD5,154 thousand (31 December 2006: KD1,774 thousand and 30 September 2006: KD10 thousand).

**14 Fiduciary assets**

One of the subsidiaries of the group manages portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the group's balance sheet. Assets under management at 30 September 2007 amounted to KD65,501 thousand (31 December 2006: KD10,974 thousand and 30 September 2006: KD15,848 thousand) of which assets managed on behalf of related parties amounted to KD7,134 thousand (31 December 2006: KD5,438 thousand 30 September 2006: KD5,354 thousand).

**15 Capital commitments**

At the balance sheet date the group had commitments for the purchase of investments and the acquisition of property, plant and equipment totalling KD62,731 thousand (31 December 2006: KD57,092 thousand and 30 September 2006: KD45,998 thousand).