

Interim condensed consolidated financial information and review report
National Industries Group Holding – SAK and subsidiaries
Kuwait
31 March 2010 (Unaudited)



Grant Thornton

Al-Qatami, Al-Aiban & Partners

Allied Accountants

Abdullatif Al-Majid & Co.
Certified Public Accountants - Experts

MAZARS
Middle East LLP

Address: (Shareholders' Office) - Kuwait

PO Box 25111 - Kuwait

Tel: 99530000

E-mail: info@alliedaccountants-kw.com

Review report

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

Report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industries Group Holding (A Kuwaiti Shareholding Company) (the “parent company”) and subsidiaries (collectively the “group”), as of 31 March 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The parent company’s directors are 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 requirements

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 or of the articles of association of the parent company, as amended, have occurred during the three-month period ended 31 March 2010 that might have had a material effect on the business of the group or on its financial position.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Abdullatif A.H. Al-Majid
(Licence No. 70-A)
of Allied Accountants - MAZARS

Kuwait
6 May 2010

Interim condensed consolidated statement of income

	Note	Three months ended 31 March 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
Sales		25,458	23,444
Cost of sales		(19,421)	(19,460)
Gross profit		6,037	3,984
Income from investments	3	18,060	4,513
Share of results of associates		1,682	433
Changes in fair value of investment property		487	5,639
Interest and other operating income	4	518	10,539
Distribution costs		(1,024)	(1,108)
General, administrative and other expenses		(4,990)	(4,632)
		20,770	19,368
Finance costs		(9,636)	(14,770)
Impairment in value of available for sale investments	6c	(238)	(29,020)
Impairment in value of wakala investments		-	(500)
Loss on foreign currency exchange		(4,006)	(20,095)
Profit/(loss) before taxation, NLST and Zakat		6,890	(45,017)
Taxation of foreign subsidiaries		9	(85)
Provision for National Labour Support Tax (NLST)		(96)	-
Provision for Zakat		(41)	-
Profit/(loss) for the period		6,762	(45,102)
Attributable to :			
Owners of the parent company		4,712	(36,610)
Non-controlling interests		2,050	(8,492)
		6,762	(45,102)
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company	5	4 Fils	(29) Fils

The notes set out on pages 9 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
Profit/(loss) for the period	6,762	(45,102)
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	1,175	1,860
Available for sale investments:		
- Net changes in fair value arising during the period	43,223	(18,280)
- Transferred to consolidated statement of income on disposals	905	(5,311)
- Transferred to consolidated statement of income on impairment	238	29,020
Share of other comprehensive income of associates	1,516	(4,006)
Total other comprehensive income for the period	47,057	3,283
Total comprehensive income for the period	53,819	(41,819)
Total comprehensive income attributable to:		
Owners of the parent company	45,644	(35,872)
Non-controlling interests	8,175	(5,947)
	53,819	(41,819)

The notes set out on pages 9 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Assets				
Non-current assets				
Goodwill		7,874	8,333	8,682
Property, plant and equipment		48,732	49,421	45,709
Investment in associates		271,209	263,487	300,983
Investment properties		34,229	33,742	34,968
Available for sale investments	6	723,641	703,807	595,915
Deferred tax		-	-	112
Total non-current assets		1,085,685	1,058,790	986,369
Current assets				
Inventories		20,598	22,571	24,502
Available for sale investments – current portion	6	116,898	108,406	162,625
Accounts receivable and other assets		90,964	84,918	88,353
Murabaha and wakala investments	7	1,712	10,201	33,508
Investments at fair value through profit or loss	8	135,649	128,332	127,273
Short-term deposits	12	126,007	131,464	218,205
Bank balances and cash	12	41,819	30,132	47,127
Total current assets		533,647	516,024	701,593
Total assets		1,619,332	1,574,814	1,687,962
Equity and liabilities				
Equity attributable to owners of the parent company				
Share capital	9	129,510	129,510	129,510
Share Premium	9	152,691	152,691	152,691
Treasury shares		(28,064)	(28,064)	(32,927)
Reserves	10	60,715	59,678	55,012
Cumulative changes in fair value		149,767	109,872	43,393
Accumulated losses		(18,475)	(23,187)	(36,610)
Equity attributable to owners of the parent company		446,144	400,500	311,069
Non-controlling interests		152,003	143,828	132,643
Total equity		598,147	544,328	443,712
Non-current liabilities				
Bonds and trust certificates issued		151,865	150,773	167,627
Long-term borrowings		37,717	35,145	138,778
Leasing creditors		630	683	689
Provisions		8,755	9,055	8,699
Total non-current liabilities		198,967	195,656	315,793
Current liabilities				
Accounts payable and other liabilities		42,125	44,440	73,947
Bonds and trust certificates – current portion		14,447	14,306	15,232
Short-term borrowings	11	732,026	732,481	798,828
Due to banks	12	33,620	43,603	40,450
Total current liabilities		822,218	834,830	928,457
Total liabilities		1,021,185	1,030,486	1,244,250
Total equity and liabilities		1,619,332	1,574,814	1,687,962

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

The notes set out on pages 9 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

Equity attributable to owners of the parent company

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

The notes set out on pages 9 to 19 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	Share Premium KD '000	Treasury shares KD '000	Reserves (Note 10) KD '000	Cumulative changes in fair value KD '000	Accumulated losses KD '000	Sub- Total KD '000	Non- controlling interests KD '000	Total KD '000
Balance at 1 January 2009	129,510	152,691	(31,998)	151,451	43,968	(97,752)	347,870	137,927	485,797
Purchase of treasury shares	-	-	(929)	-	-	-	(929)	-	(929)
Investment made by non-controlling interests of subsidiaries	-	-	-	-	-	-	-	663	663
Offset of accumulated losses	-	-	-	(97,752)	-	97,752	-	-	-
Transactions with owners	-	-	(929)	(97,752)	-	97,752	(929)	663	(266)
Loss for the period	-	-	-	-	-	(36,610)	(36,610)	(8,492)	(45,102)
Other comprehensive income for the period	-	-	-	1,313	(575)	-	738	2,545	3,283
Total comprehensive income for the period	-	-	-	1,313	(575)	(36,610)	(35,872)	(5,947)	(41,819)
Balance at 31 March 2009	129,510	152,691	(32,927)	55,012	43,393	(36,610)	311,069	132,643	443,712

The notes set out on pages 9 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
OPERATING ACTIVITIES		
Profit/(loss) before taxation NLST and Zakat	6,890	(45,017)
Adjustments:		
Depreciation of property, plant and equipment	1,436	1,249
Change in fair value of investment properties	(487)	(5,639)
Share of results of associates	(1,682)	(433)
Unrealised loss on interest rate SWAP's	1,083	-
Income from murabaha and wakala investments	(134)	(482)
Dividend income from available for sale investments	(7,537)	(11,250)
Profit on sale of available for sale investments	(1,508)	(11,195)
Impairment in value of available for sale investments and wakala investments	238	29,520
Net provisions (released)/charged	(300)	330
Finance costs	9,636	14,770
Interest income	(1,276)	(3,037)
	6,359	(31,184)
Changes in operating assets and liabilities:		
Inventories	1,973	(1,510)
Accounts receivable and other assets	(6,232)	(8,691)
Investments at fair value through profit or loss	(7,317)	31,543
Accounts payable and other liabilities	(3,016)	(8,731)
Cash used in operations	(8,233)	(18,573)
Taxation refund/(paid)	13	(75)
Net cash used in operating activities	(8,220)	(18,648)

The notes set out on pages 9 to 18 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 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,457)	(5,146)
Additions to investment in associates		(1,567)	(548)
Decrease/(increase) in wakala investments maturing after three months		1,389	(3,709)
Income received from murabaha and wakala investments		397	547
Increase in short term deposits maturing after three months		-	(3,948)
(Increase)/decrease in blocked deposits		(2,850)	460
Purchase of available for sale investments		(4,035)	(6,642)
Proceeds from sale of available for sale investments		18,874	48,984
Dividend income received from available for sale investments		7,537	11,250
Interest income received		1,199	5,948
Net cash from investing activities		19,487	47,196
FINANCING ACTIVITIES			
Net increase in long-term borrowings, bonds and trust certificates		3,805	10,647
Finance lease (payment)/receipt		(115)	107
Net decrease in short-term borrowings		(455)	(8,296)
Dividend paid to the owners of the parent		(202)	(272)
Finance costs paid		(8,031)	(13,656)
Purchase of treasury shares		-	(929)
Increase in non-controlling interests		-	663
Net cash used in financing activities		(4,998)	(11,736)
Net increase in cash and cash equivalents		6,269	16,812
Translation difference		(6)	(23)
Cash and cash equivalents at beginning of the period		6,263	16,789
Cash and cash equivalents at end of the period	12	124,333	145,003
		130,596	161,792

The notes set out on pages 9 to 18 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

31 March 2010 (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 6 May 2010.

The annual consolidated financial statements for the year ended 31 December 2009 were approved by the Board of Directors on 30 March 2010 and were approved by the shareholders at the Annual General Meeting held on 6 May 2010.

2 Significant accounting policies

Basis of presentation

This 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 preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements, for the year ended 31 December 2009, except adoption of new and revised standards and interpretations as discussed below.

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

Results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2010. For further information, refer to the annual consolidated financial statements and notes thereto for the year ended 31 December 2009.

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 2010. 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.

- IFRS 3 Business Combinations (Revised 2008)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008)
- IAS 28 Investments in Associates (Revised 2008)
- IFRIC 17 Distribution of Non Cash Assets to Owners

- IFRS 3 Business Combinations (Revised 2008) and IAS 27 Consolidated and Separate Financial Statements (Revised 2008)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 January 2010. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well.

The changes by IFRS 3 (Revised) and IAS 27 (Revised) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The change in accounting policy was applied prospectively.

- IAS 28 Investments in Associates (Revised 2008)
- The revised standard introduces changes to the accounting requirements for the loss of significant influence of an associate and for changes in the group’s interest in associates. Consequently, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognized in profit or loss. These changes will be applicable for future acquisitions and disposals.

2 Significant accounting policies (continued)

- IFRIC 17 Distribution of Non-Cash Assets to Owners

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its owners. This interpretation will be applicable for future non-cash distributions made to the owners.

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

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

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

- Phase 1: Classification and Measurement
- Phase 2: Impairment methodology
- Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition.

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 24 (Revised) "Related party disclosures" (effective for annual periods beginning from 1 January 2011)
- IAS 32 Financial Instruments: Presentation (effective for annual period beginning from 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual period beginning 1 July 2010).

3 Income from investments

	Three months ended 31 March 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
Dividend income:		
- From investments at fair value through profit or loss	74	359
- From available for sale investments	7,537	11,250
Profit on sale of available for sale investments	1,508	11,195
Realised gain/(loss) on investments at fair value through profit or loss	973	(3,092)
Unrealised gain/(loss) on investments at fair value through profit or loss	7,968	(15,199)
	18,060	4,513

4 Interest and other operating income

	Three months ended 31 March 2010 (Unaudited) KD '000	Three months ended 31 March 2009 (Unaudited) KD '000
Management and placement fees	437	1,274
Interest income on bank balances and short term deposits	1,276	3,037
Realised gain on dealing in foreign currencies	-	694
Net loss from dealing in interest rate SWAPs	(1,837)	-
Income from murabaha and wakala investments	134	482
Income from financing of future trade by customers	56	27
Other income	452	5,025
	518	10,539

5 Basic and diluted earnings/(loss) per share

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

	Three months ended 31 March 2010 (Unaudited)	Three months ended 31 March 2009 (Unaudited)
Profit/(loss) for the period attributable to the owners of the parent company (KD '000)	4,712	(36,610)
Weighted average number of shares outstanding during the period (excluding treasury shares) – shares	1,270,089,044	1,251,619,894
Basic & diluted earnings/(loss) per share	4 Fils	(29) Fils

6 Available for sale investments

	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Non Current			
Managed funds	186,962	186,089	200,911
Unquoted equity participations	218,627	226,382	169,257
Quoted shares	318,052	291,336	225,747
	723,641	703,807	595,915
Current			
Quoted shares (refer note 6a)	116,898	108,406	162,625
	840,539	812,213	758,540

- 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) Managed funds include investments in private equity funds with a carrying value of KD65,573 thousand (31 December 2009: KD61,645 thousand and 31 March 2009: KD72,310 thousand). Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

6 Available for sale investments (continued)

- c) At the end of the period, the group recognised an impairment loss of KD238 thousand for certain local and foreign quoted shares, as the market value of these shares at reporting date declined significantly below their costs (31 March 2009: KD28,057 thousand for local and foreign quoted shares and KD963 thousand against certain unquoted shares, local and foreign funds).
- d) Unquoted investments of KD68,329 thousand (31 December 2009: KD67,630 thousand and 31 March 2009: KD39,083 thousand) are carried at cost less impairment in value if any, since their fair value cannot be reliably determined. The group's management is not aware of any circumstance that would indicate further impairment in value of these investments.
- e) Quoted shares held by a local subsidiary, with a fair value of KD15,746 thousand (31 December 2009: KD13,931 thousand and 31 March 2009: KD15,848 thousand) are secured against a bank loan (refer note 11).

7 Murabaha and wakala investments

	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Murabaha and wakala investments	11,680	20,169	36,493
Provision for impairment in value	(9,968)	(9,968)	(2,985)
	1,712	10,201	33,508

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

8 Investments at fair value through profit or loss

	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Held for trading :			
Quoted shares	64,250	65,310	53,236
Designated on initial recognition :			
Local funds	48,461	41,121	56,900
International managed portfolios and funds	22,938	21,901	17,137
	71,399	63,022	74,037
	135,649	128,332	127,273

- a). During October 2008, a local money market fund, in which the group has investments totaling to KD2,245 thousand as at 31 March 2010 (31 December 2009: KD2,244 thousand and 31 March 2009: KD2,822 thousand), suspended redemption requests. Management has been informed by the managers of the fund that redemptions will be made depending on availability of liquid funds. The group's management considers this to be a situation arising from the current crisis in the global financial market and its impact on the local market. The investment has been fair valued based on the unaudited net asset value reported by the fund manager as of 31 March 2010. The group's management expects to realise these investments at not less than its carrying value.
- b). Quoted shares, held by local subsidiary, with a fair value of KD17,619 thousand (31 December 2009: KD16,770 thousand and 31 March 2009: KD4,873 thousand) are secured against short term borrowings (refer note 11).

9 Share capital and share premium

- a) As of 31 March 2010, the issued and fully paid share capital of the parent company comprised of 1,295,098,167 shares of 100 Fils each (31 December 2009 and 31 March 2009: 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, and it has not been affected up to the date of issuance of these financial information.
- c) Share premium is not available for distribution.

10 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 31 December 2009	41,415	-	18,997	(734)	59,678
<i>Other comprehensive income:</i>					
Currency translation differences	-	-	-	1,037	1,037
Balances at 31 March 2010	41,415	-	18,997	303	60,715
Balances at 31 December 2008	110,459	28,708	14,309	(2,025)	151,451
Offset of accumulated losses	(69,044)	(28,708)	-	-	(97,752)
<i>Other comprehensive income:</i>					
Currency translation differences	-	-	-	1,313	1,313
Balances at 31 March 2009	41,415	-	14,309	(712)	55,012

11 Short-term borrowings

Currency	Security	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Conventional loans				
Kuwaiti Dinars	Unsecured/ Secured	221,212	224,900	354,900
US Dollars	Unsecured	214,035	213,448	307,749
Sterling	Unsecured	13,335	13,987	12,629
Jordanian Dinars	Secured	5,358	-	-
		453,940	452,335	675,278
Current portion of long – term loans	unsecured	167,371	166,431	261
		621,311	618,766	675,539
Islamic financing arrangements				
Murabaha and wakala payables	Unsecured	110,715	113,715	123,289
		110,715	113,715	123,289
Total		732,026	732,481	798,828

- a. A Kuwaiti Dinar loan amounting to KD23,540 thousand (31 December 2009: KD23,700 thousand and 31 March 2009: KD20,000 thousand) of a local subsidiary, is secured by certain investments at fair value through profit or loss (refer note 8), and available for sale investments (refer note 6).
- b. The Jordanian Dinar loan amounting to KD5,358 thousand of a foreign subsidiary are secured by property, plant and equipment of that subsidiary.

12 Cash and cash equivalents

	31 March 2010 (Unaudited) KD '000	31 Dec. 2009 (Audited) KD '000	31 March 2009 (Unaudited) KD '000
Murabaha and wakala investments – maturing within three months	400	7,500	12,000
Short-term deposits	126,007	131,464	218,205
Bank balances and cash	41,819	30,132	47,127
Due to banks	(33,620)	(43,603)	(40,450)
	134,606	125,493	236,882
Less: Short term deposits maturing after 3 months	-	-	(75,050)
: Blocked balances	(4,010)	(1,160)	(40)
Cash and cash equivalents for the purpose of interim condensed consolidated cash flow statement	130,596	124,333	161,792

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 2010 KD '000	31 March 2009 KD '000	31 March 2010 KD '000	31 March 2009 KD '000	31 March 2010 KD '000	31 March 2009 KD '000	31 March 2010 KD '000	31 March 2009 KD '000
Segment revenue	20,747	21,124	10,874	9,682	13,759	12,428	45,380	43,234
Less:								
Income from investments							(18,060)	(4,513)
Share of results of associates							(1,682)	(433)
Change in fair value of investment properties							(487)	(5,639)
Interest and other operating income							(518)	(10,539)
Unallocated sales							825	1,334
Sales, per the interim condensed consolidated statement of income							25,458	23,444
Segment profit/(loss)	17,295	(14,245)	2,564	2,290	643	1,883	20,502	(10,072)
Less:								
Finance costs							(9,636)	(14,770)
Other unallocated expenses							(3,976)	(20,175)
(Loss)/profit for the period before taxation NILST and Zakat as per the interim condensed consolidated statement of income							6,890	(45,017)