



شركة دار الاستثمار شركة مساهمة كويتية (مقفلة)
وشركاتها التابعة
دولة الكويت

The Investment Dar Company K.S.C. (Closed)
and its Subsidiaries
State of Kuwait



المعلومات المالية المرحلية المجمعة المكثفة

للتسعة أشهر المنتهية في 30 سبتمبر 2007
مع تقرير مراجعة مراقبي الحسابات المستقلين
(غير مدققة)

Interim Condensed Consolidated
Financial Information
For the Nine Months Ended 30 September 2007
with Independent Auditors' Review Report
(Unaudited)

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ
وَقُلْ اَعْمَلُوا فِیْ سَبِیْلِ اللّٰهِ عَمَلِكُمْ وَرِسَالَاتِ اللّٰهِ وَالْمُؤْمِنُونَ

صدق الله العظيم

سورة التوبة (آية 105)

In The Name of Allah, The Most Gracious, The Most Merciful

“And Say, Work and God and His Messenger and Believers will see your work.”

The Holy Qu’ran, Al-tawba (105)

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The Investment Dar Company K.S.C. (Closed)
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 balance sheet of The Investment Dar Company – (K.S.C.C.) “Parent Company” and its subsidiaries (“the Group”) as of 30 September 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the nine months 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.

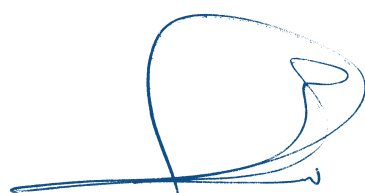
Conclusion

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 are in agreement with the books of the Parent Company. To the best of our knowledge, nothing has come to our attention indicating any violations of the Commercial Companies Law of 1960, as amended, or of the Parent Company’s Articles of Association have occurred during the period ended 30 September 2007 that might have materially affected the business of the Group or its 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 period ended 30 September 2007.



Bader A. Al Wazzan
License No. 62A
PricewaterhouseCoopers

Kuwait, 2 August 2007



Safi A. Al-Mutawa
License No. 138 “A”
of KPMG Safi Al-Mutawa & Partners
Member firm of KPMG International

Interim Condensed Consolidated Balance Sheet

as at 30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars)

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	Note	30 September 2007	31 December 2006 (Audited)	30 September 2006
Assets				
Cash and cash equivalents		33,096,119	114,211,308	115,668,761
Murabaha investments		179,022,035	64,156,540	20,257,009
Financial investments at fair value through profit or loss	3	87,795,593	131,484,579	103,370,459
Investments available for sale	4	292,126,620	221,414,014	210,668,962
Finance receivables and forward deals debits	5	121,580,243	197,927,050	186,872,602
Other debit balances	6	154,028,647	54,157,786	71,296,380
Land and real estate held for trading		-	320,135	320,135
Investments properties	7	75,938,299	80,830,463	89,833,812
Land and real estate under development	8	33,637,583	38,252,437	38,555,700
Investments in associates	9	295,954,873	138,815,614	105,403,913
Intangible assets		12,557,765	12,702,954	10,230,212
Property and equipment		7,368,082	6,506,352	6,554,374
Total assets		1,293,105,859	1,060,779,232	959,032,319
Liabilities and Equity				
Liabilities				
Payables and other credit balances	10	65,284,696	21,105,455	34,799,047
Murabaha and Wakala payables	11	728,789,031	598,400,915	494,619,882
Islamic Sukuk		61,418,351	66,196,382	68,899,304
Employees' end of service indemnity		1,257,806	1,449,193	1,421,156
Total liabilities		856,749,884	687,151,945	599,739,389
Equity				
Equity attributable to the shareholders of the Parent Company				
Share capital	12	76,332,088	71,006,593	71,006,593
Share premium		116,968,443	116,968,443	116,968,443
Treasury shares	13	(2,259,752)	(9,794,002)	(3,931,832)
Reserves	14	65,151,856	75,440,099	47,522,880
Retained earnings		143,382,277	55,518,993	78,898,386
Total equity attributable to the shareholders of the Parent Company		399,574,912	309,140,126	310,464,470
Minority interest		36,781,063	64,487,161	48,828,460
Total equity		436,355,975	373,627,287	359,292,930
Total liabilities and equity		1,293,105,859	1,060,779,232	959,032,319

The accompanying notes from (1) to (27) form an integral part of this interim condensed consolidated financial information.

Adnan A. Al-Musallam
Chairman and Managing Director

**Interim Condensed Consolidated
Statement of Income**
for the Nine Months ended 30 September 2007
(Unaudited)
(All amounts in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2007	2006	2007	2006
Revenue					
Finance income		8,057,306	10,402,821	20,954,869	21,856,756
Investments income	15	2,630,148	1,370,634	62,709,327	27,462,649
Group's share in results of associates	9	31,886,419	1,447,020	67,985,375	3,875,336
Investment services revenues	16	963,658	6,653,431	2,863,239	15,972,709
Land and real estate revenues	17	9,768,723	18,932,458	29,335,576	47,888,364
Other income		1,717,845	(29,105)	4,343,986	1,884,737
		<u>55,024,099</u>	<u>38,777,259</u>	<u>188,192,372</u>	<u>118,940,551</u>
Expenses and other charges					
Finance charges		16,893,374	9,530,015	44,842,000	25,043,821
General and administrative expenses		4,715,384	3,800,987	14,277,174	12,319,847
Provision for doubtful debts		1,168,507	805,182	1,302,753	2,663,650
Depreciation and amortization		365,914	435,362	1,102,374	931,483
Contribution to Kuwait Foundation for the Advancement of Sciences "KFAS"		252,940	146,559	939,957	452,264
National Labor Support Tax "NLST"		785,977	534,129	3,071,806	1,592,021
		<u>24,182,096</u>	<u>15,252,234</u>	<u>65,536,064</u>	<u>43,003,086</u>
Net profit for the period		<u>30,842,003</u>	<u>23,525,025</u>	<u>122,656,308</u>	<u>75,937,465</u>
Attributable to:					
Shareholders of the Parent Company		30,571,939	23,000,744	122,099,476	73,706,391
Minority interest		270,064	524,281	556,832	2,231,074
		<u>30,842,003</u>	<u>23,525,025</u>	<u>122,656,308</u>	<u>75,937,465</u>
Earnings per share attributable to the shareholders of the Parent company (fils)	18	<u>40.25</u>	<u>34.60</u>	<u>161.59</u>	<u>113.11</u>

The accompanying notes from (1) to (27) form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement
of Changes in Equity**

for the Nine Months ended 30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company					Total equity attributable to the shareholders of the Parent Company	Minority interest	Total equity
	Share capital (Note 12)	Share premium	Treasury shares (Note 13)	Reserves (Note 14)	Retained earnings			
Balance as of 1 January 2007	71,006,593	116,968,443	(9,794,002)	75,440,099	55,518,993	309,140,126	64,487,161	373,627,287
Change in fair value of investment available for sale	-	-	-	4,524,365	-	4,524,365	-	4,524,365
Foreign currency translation reserve	-	-	-	(1,029,307)	-	(1,029,307)	-	(1,029,307)
Effect of acquisition of associate (Note 9)	-	-	-	(11,863,288)	6,038,140	(5,825,148)	-	(5,825,148)
Gain on sale of treasury shares	-	-	-	2,068,011	-	2,068,011	-	2,068,011
Zakat for 2006	-	-	-	(3,988,024)	-	(3,988,024)	-	(3,988,024)
Total income recognized directly in equity	-	-	-	(10,288,243)	6,038,140	(4,250,103)	-	(4,250,103)
Net income for the period	-	-	-	-	122,099,476	122,099,476	556,832	122,656,308
Total income recognized during the period	-	-	-	(10,288,243)	128,137,616	117,849,373	556,832	118,406,205
Cash dividends for year 2006	-	-	-	-	(34,948,837)	(34,948,837)	-	(34,948,837)
Dividends of bonus shares for year 2006	5,325,495	-	-	-	(5,325,495)	-	-	-
Purchase of treasury shares	-	-	(15,359,149)	-	-	(15,359,149)	-	(15,359,149)
Sale of treasury shares	-	-	22,893,399	-	-	22,893,399	-	22,893,399
Net movement on investments in subsidiaries	-	-	-	-	-	-	(28,262,930)	(28,262,930)
Balance as of 30 September 2007	76,332,088	116,968,443	(2,259,752)	65,151,856	143,382,277	399,574,912	36,781,063	436,355,975

**Interim Condensed Consolidated Statement
of Changes in Equity**

for the Nine Months ended 30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars)

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	Equity attributable to the shareholders of the Parent Company					Total equity attributable to the shareholders of the Parent Company	Minority interest	Total equity
	Share capital (Note 12)	Share premium	Treasury shares (Note 13)	Reserves (Note 14)	Retained earnings			
Balance as of 1 January 2006	50,718,995	25,674,252	(2,936,352)	40,227,190	63,331,317	177,015,402	16,819,875	193,835,277
Change in fair value of investment available for sale	-	-	-	10,715,278	-	10,715,278	-	10,715,278
Financial statements translation reserve	-	-	-	61,930	-	61,930	-	61,930
Effect of acquisition of associate (note 9)	-	-	-	-	842,732	842,732	-	842,732
Transfer to Zakat for year 2005	-	-	-	(2,684,329)	-	(2,684,329)	-	(2,684,329)
Total income recognized directly in equity	-	-	-	8,092,879	842,732	8,935,611	-	8,935,611
Net profit for the period	-	-	-	-	73,706,391	73,706,391	2,231,074	75,937,465
Total income recognized during the period	-	-	-	8,092,879	74,549,123	82,642,002	2,231,074	84,873,076
Cash dividends for year 2005	-	-	-	-	(17,595,355)	(17,595,355)	-	(17,595,355)
Distribution of bonus shares for year 2005	10,143,799	-	-	-	(10,143,799)	-	-	-
Dividends in kind for year 2005	-	-	-	-	(31,242,900)	(31,242,900)	-	(31,242,900)
Purchase of treasury shares	-	-	(995,480)	-	-	(995,480)	-	(995,480)
Transferred as a result of sale of investments during the period	-	-	-	(797,189)	-	(797,189)	-	(797,189)
Proceeds from increase in share capital-cash	10,143,799	91,294,191	-	-	-	101,437,990	-	101,437,990
Net movement of investments in subsidiaries	-	-	-	-	-	-	29,777,511	29,777,511
Balance as of 30 September 2006	71,006,593	116,968,443	(3,931,832)	47,522,880	78,898,386	310,464,470	48,828,460	359,292,930

The accompanying notes from (1) to (27) 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 2007

(Unaudited)

(All amounts in Kuwaiti Dinars)

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	For the Nine months ended 30 September	
	2007	2006
Cash flows from operating activities		
Net profit for the period	122,656,308	75,937,465
Adjustments:		
Depreciation and amortization	1,102,374	931,483
Provision for doubtful debts	1,302,753	2,663,650
(Gain) / loss on sale of financial investments at fair value through profit or loss	(2,681,924)	45,311
Gain on sale of subsidiaries	(50,630,563)	-
Gain on sale of investments available for sale	(1,085,279)	(6,892,643)
Gain on sale of associates	(888,328)	(1,623)
Group's share in results of associates	(67,985,375)	(3,875,336)
Gain on sale of Land and real estates	(17,940,053)	(38,440,846)
Dividends	(1,872,168)	(979,938)
Change in fair value of investments at fair value through profit or loss	(5,622,769)	5,361,026
Change in fair value of investments properties	(10,932,606)	(9,390,655)
Finance costs	44,842,000	25,043,821
Employees' end of service's indemnity	461,623	686,967
Contribution to "KFAS"	939,957	452,264
National Labor Support Tax	3,071,806	1,592,021
Operating income before changes in operating assets or liabilities	14,737,756	53,132,967
Net paid for purchase of investments at fair value through profit and loss	201,511	(38,152,369)
Finance receivables	(27,220,208)	(27,734,448)
Other debit balances	(107,778,222)	(49,368,729)
Land and real estate held for trading	-	(3,191)
Payables and other credit balances	136,826,580	(34,221,676)
Payment of end of services indemnity	(31,991)	(54,873)
Payment of KFAS	(552,313)	(393,500)
Payment of NLST	(1,591,839)	-
Remuneration paid for Members of Board Directors	(150,000)	(150,000)
Net cash generating from / (used in) operating activities	14,441,274	(96,945,819)

The accompanying notes from (1) to (27) 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 2007

(Unaudited)

(All amounts in Kuwaiti Dinars)

	For the Nine months ended 30 September	
	2007	2006
Cash flows from investing activities		
Investments in Murabaha	(118,400,873)	(5,252,697)
Dividends received	1,872,168	979,938
Proceeds from sale of subsidiary	91,490,053	-
Effect of sale of subsidiary	(10,868,136)	-
Payment for purchase of investment in associate	(74,137,426)	(35,018,809)
Net payment for purchase of investments available for sale	(86,815,777)	(66,513,014)
Net payment for purchase of investments in unconsolidated subsidiary	-	84,885
Net proceeds from sale of/(payment for purchase) investment properties	54,053,186	(27,516,340)
Net (payment for purchase)/proceeds from sale of land and real estate under development	(21,359,831)	38,073,142
Payment for purchase of property and equipment	(2,023,669)	(1,617,064)
Net change in intangible assets	(141,510)	(1,637,942)
Net cash used in investing activities	(166,331,815)	(98,417,901)
Cash flows from financing activities		
Net proceeds from Murabaha and Wakala payable	143,808,055	162,823,859
Net (payment for)/proceed from Islamic Sukuk	(4,778,031)	40,326,049
Payment of finance costs	(44,842,000)	(25,043,821)
Proceeds from increase in share capital	-	101,437,990
Purchase of treasury shares	(15,359,149)	(995,480)
Sale of treasury shares	24,961,410	-
Payment of cash dividends	(34,789,599)	(17,408,351)
Net cash from financing activities	69,000,686	261,140,246
Net change in minority interest	1,774,666	22,540,471
Net (decrease) / increase in cash and cash equivalents	(81,115,189)	88,316,997
Cash and cash equivalents at the beginning of the period	114,211,308	27,351,764
Cash and cash equivalents at the end of the period	33,096,119	115,668,761

The accompanying notes from (1) to (27) form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Financial Information

30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars unless otherwise stated)

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1. Background

The Investment Dar Company ("The Parent Company") is a Closed Kuwaiti Shareholding Company established in Kuwait in 1994 and is registered as an investment company with the Central Bank of Kuwait on 27 August 1995. The shares of the Parent Company were listed on Kuwait Stock Exchange in April 1999.

The Parent Company's headquarter office is domiciled in Sharq, Block 5, Building 2, Kuwait Reinsurance Tower, Kuwait.

The interim condensed consolidated financial information consists of the financial information of the Parent Company and its subsidiaries, (together referred to as "the Group"). The principal activities of the Group are selling and leasing of motor vehicles and real estate properties to consumers based on Musawama, Murabaha, Ijara and Wakala contracts. The Group is also engaged in Murabaha investments with local Islamic financial institutions, trading in land and real estate and managing financial portfolios and investment funds for others. The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

The Interim condensed consolidated financial information was authorized for issue by the Board of Directors on 5 November 2007.

2. Basis of preparation

This interim condensed financial information has been prepared in accordance with International Accounting Standard (34), applicable to Interim Financial Reporting and the Kuwait Stock Exchange instruction No.2 of 1998.

The 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 regulated by the Central Bank of Kuwait.

The provision for impairment in finance receivable, with respect to specific provision, is determined according to the requirements of the Central Bank of Kuwait. Furthermore, the Central Bank of Kuwait requires a general provision for all credit facilities that are not subject to specific provision net of certain categories of collateral set by the Central Bank of Kuwait.

On 1 January 2007, the general provision was decreased to 1% as a minimum for cash investment operation and finance, 0.5% as a minimum for non cash investment operation and finance instead of 2% without affecting the general provision surplus in Company records as of 31 December 2006, unless there is prior approval from the Central Bank of Kuwait.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the Interim condensed consolidated financial information.

The operating results for the period ended 30 September 2007 are not necessarily indicative of the results that may be expected for the year ending 31 December 2007. For further information, refer to the consolidated financial information and notes thereto for the year ended 31 December 2006.

The accounting policies and methods of computation used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements which were prepared in accordance with International Financial Reporting Standards as adopted in the State of Kuwait.

Interim Condensed Consolidated Financial Information

30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars unless otherwise stated)

The Group has adopted all applicable revisions to IFRSs and new IFRSs that came into effect from 1 January 2007.

IFRS 7 *Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures* require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Group's 2007 consolidated financial statements, will require extensive additional disclosures with respect to Group's financial instruments.

IFRIC 9 *Reassessment of Embedded Derivatives* requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9, which becomes mandatory for the Group's 2007 financial statements, is not expected to have any impact on the financial statements.

IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*, IFRIC 8 *Scope of IFRS 2 Share-based Payment* and IFRIC 10 *Interim Financial Reporting and Impairment* are not expected to have any impact on the financial statements.

3. Financial investments at fair value through profit or loss

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Held for trading investments	7,113,212	31,600,140	14,111,450
Investments designated at fair value through profit or loss at inception	80,682,381	99,884,439	89,259,009
	<u>87,795,593</u>	<u>131,484,579</u>	<u>103,370,459</u>
Investments in local shares - quoted	16,261,159	18,031,552	39,022,336
Investments in local shares - unquoted	12,848,890	43,304,322	43,430,032
Investments in foreign shares - quoted	-	77,574	67,157
Investments in foreign shares - unquoted	634,980	19,741,632	2,500,128
Investments in local funds – quoted	-	856,308	858,499
Investments in local funds - unquoted	58,050,564	47,418,291	17,492,307
Investments in foreign funds - unquoted	-	2,054,900	-
	<u>87,795,593</u>	<u>131,484,579</u>	<u>103,370,459</u>

Interim Condensed Consolidated Financial Information

30 September 2007

(Unaudited)

(All amounts in Kuwaiti Dinars unless otherwise stated)

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4. Investments available for sale

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Investments in local shares - quoted	149,875,528	29,467,573	30,675,719
Investments in local shares - unquoted	125,767,255	173,501,645	177,168,878
Investments in foreign shares - unquoted	2,893,497	4,946,933	2,576,434
Investment in local funds – unquoted	2,468,225	1,701,997	247,931
Investments in local portfolios	11,122,115	11,795,866	-
	<u>292,126,620</u>	<u>221,414,014</u>	<u>210,668,962</u>

4.1 Investments in local quoted shares include an amount of KD 149,314,570 which represents the Group's share in a local bank's capital by 20%. At the present time, the Group does not exercise any significant influence on the financial and operating policies of the bank and therefore it has been classified as an investment available for sale.

4.2 Investments available for sale include an amount of KD 128,382,051 as of 30 September 2007 (KD 143,977,016 as of 31 December 2006 and KD 132,693,943 as of 30 September 2006) which represent investments in unquoted shares carried at cost as it was not possible to determine their fair values. The company management does not have any indication of impairment in investment value.

4.3 Investments in unquoted local shares include an amount of KD 78,750,000 which represents the Group's share in the capital of a company with percentage more than 20%. Since the Group does not have significant influence on the financial and operating policies of this company, this investment has been classified as investment available for sale.

5. Finance receivables and forward deals debits

The average yield rate on finance receivables is 13.60% as of 30 September 2007 (14.25% as of 31 December 2006 and 12.01% as of 30 September 2006).

The Group has made an assignment of debt to finance receivables as well as to properties and leased vehicles amounting to KD 66,473,187 and KD 22,734,194 respectively as of 30 September 2007 against issuance of Islamic Sukuk.

6. Other debit balances

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Suppliers – advance payments	2,164,539	287,901	899,894
Advance payments for purchase of investments and real estate	128,795,115	2,311,946	2,654,877
Receivables from investment deals	13,400,741	36,321,745	16,235,166
Due from related parties	3,170,755	8,963,680	33,660,598
Forward contracts	-	-	1,485,551
Letters of guarantee	1,492,034	1,940,034	-
Accrued income	1,787,547	1,052,580	202,500
Miscellaneous debit balances	3,217,916	3,279,900	16,157,794
	<u>154,028,647</u>	<u>54,157,786</u>	<u>71,296,380</u>

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6.1 During the period, the Group together with an alliance has signed a purchasing contract to buy 87.5% of Aston Martin shares at a preliminary amount of GBP 500 million. The final amount of this purchase and allocation of the acquired shares on the partners in the alliance will be finally determined when satisfying the conditions to close the deal. During the period the Group has settled an amount of GBP 240 million and it has been classified as advance payments for purchasing of investments and real estates. It is expected to finalize the deal price and then allocating the shares over the partners during the fourth quarter of this year.

The Company has, on behalf of the alliance offered an obligation of GBP 60 million for one of the creditor banks to increase the capital of Aston Martin whenever needed.

6.2 Due from related parties represents amounts paid on behalf of related parties on investment deals.

6.3 Receivables from investment deals represent the accrued balance from sale of some investments.

7. Investment properties

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Opening balance of the period / year	80,830,463	66,918,658	66,918,658
Additions	96,877,844	31,084,634	35,687,434
Disposals	(118,241,770)	(12,708,169)	(7,674,447)
Transfer from/ (to) land and real estate under development	19,248,435	(14,488,488)	(14,488,488)
Change in fair value	10,932,606	10,023,828	9,390,655
Effect of sale of subsidiary	(13,709,279)	-	-
Ending balance of the period / year	<u>75,938,299</u>	<u>80,830,463</u>	<u>89,833,812</u>

8. Land and real estate under development

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Opening balance of the period / year	38,252,437	24,196,155	24,196,155
Additions	32,693,776	25,136,561	29,038,235
Disposals	(10,641,257)	(25,568,767)	(29,167,178)
Effect of sale of subsidiary	(19,248,435)	14,488,488	14,488,488
Transfer (to) / from investment properties	(7,418,938)	-	-
Ending balance of the period / year	<u>33,637,583</u>	<u>38,252,437</u>	<u>38,555,700</u>

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9. Investments in associates

9.1 During the period ended 31 March 2007, the Group had acquired an additional share in Oqyana Real Estate Company, where the Group's share reached 22.05% as of 31 March 2007. This resulted in reclassifying the investment from investment available for sale and investment at fair value through profit or loss to investment in associate amounting to KD 78,881,931 as of 31 March 2007. This includes goodwill amounting to KD 8,790,097 which has been calculated based on International Financial Reporting Standards No. (3) "Business Combinations". The effect of reclassification is represented in the increase in retained earnings by an amount of KD 6,038,140 which represents the Group's share in results of this associate less change in fair value charged to profit and loss in previous years, and the decrease in the fair value reserve by an amount of KD 11,863,288.

After that, and as a result of the sale of one of its subsidiaries (note 20), the Group's share in Oqyana Real Estate Company has been decreased to 18.43% and is still classified under investments in associates. However, the Group maintains significant influence over the financial and operational policies of the company.

9.2 During the period ended 30 September 2007, the Group has participated in the incorporating Credit Rating and Collection Company (A.S.C.) by an amount of KD 2,131,650 as of 30 September 2007 which equals 38.54 % of its capital.

9.3 During the period ended 30 September 2007, the Group has recorded an amount of KD 67,985,374 which represents its share in operation of some associates based on unaudited financial statements approved from auditors as of 30 September 2007 out of which KD 64,669,637 represents the Group's share in the result of operations of Al-Bilad Real Estate Company (Bahraini Limited Liability Company) – an associate through 32.5% ownership. This resulted from the revaluation of its investment properties as of 30 September 2007 based on independent valuers, as stated in the approved financial statements of the company and its auditor.

9.4 During the period ended on September 30th 2007, Bahrain Islamic Bank increased its share capital by 100% at 300 Bahraini fils per share. The company has fully underwritten its share in this increase by an amount of KD 25,268,798.

10. Payables and Other Credit Balances

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Trade payables	7,667,800	7,606,026	11,577,641
Accrued expenses	1,559,064	1,718,532	1,122,497
Accrued Zakat	4,287,296	1,342,028	1,625,994
Kuwait Foundation for the Advancement of Sciences	939,957	552,313	452,264
National Labour Support Tax	5,265,778	3,785,811	3,164,126
Board of Director's Remuneration	3,000	150,000	-
Advances under option contracts	-	-	9,550,599
Accrued dividends	159,238	182,132	-
Due for purchase of land	15,021,611	-	4,026,544
Advance payments for investment transactions	14,498,790	-	-
Due to related parties	12,812,115	-	-
Others	3,070,047	5,768,613	3,279,382
	<u>65,284,696</u>	<u>21,105,455</u>	<u>34,799,047</u>

11. Murabaha and Wakala payables

This represents Murabaha and Wakala investment contracts which mature over a period of three months to four years.

The average effective yield rate is 8.20% as of 30 September 2007 (7.93% as of 31 December 2006 and 7.63% as of 30 September 2006).

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12. Share capital

The general assembly meeting held on 26 March 2007 approved the proposal of the Board of Directors of the Parent company to increase the Parent company's capital by issuing bonus shares of 7.5%. Accordingly, the issued and paid up capital amounts to KD 76,332,088 distributed over 763,320,876 shares as of 30 September 2007 (KD 71,006,593 distributed over 710,065,932 shares as of 31 December 2006 and KD 71,006,593 distributed over 710,065,930 shares as of 30 September 2006).

On 3 April 2007, the share capital increase has been registered in the commercial register.

13. Treasury shares

	30 September 2007	31 December 2006 (Audited)	30 September 2006
Number of treasury shares (Share)	3,803,176	10,979,200	6,314,200
Ownership percentage (%)	0.50	1.55	0.89
Market value	4,031,367	13,833,792	6,945,620

All the treasury shares are owned by subsidiaries of the parent company.

14. Reserves

	Statutory Reserve	Voluntary Reserve	General Reserve	Change in fair value reserve	Gain on sale of treasury shares	Foreign currency translation reserve	Total
Balance as of 1 January 2007	24,019,950	24,019,950	15,000,000	11,536,921	188,135	675,143	75,440,099
Transfer to Zakat for the year ended 2006	-	(3,988,024)	-	-	-	-	(3,988,024)
Change in fair value	-	-	-	4,524,365	-	-	4,524,365
Effect of acquisition of associate company (Note 9)	-	-	-	(11,863,288)	-	-	(11,863,288)
Gain on sale of treasury shares	-	-	-	-	2,068,011	-	2,068,011
Foreign currency translation reserve	-	-	-	-	-	(1,029,307)	(1,029,307)
Balance as of 30 September 2007	<u>24,019,950</u>	<u>20,031,926</u>	<u>15,000,000</u>	<u>4,197,998</u>	<u>2,256,146</u>	<u>(354,164)</u>	<u>65,151,856</u>
Balance as of 1 January 2006	14,527,648	13,430,755	9,026,178	3,235,348	-	7,261	40,227,190
Transfer to Zakat for the year ended 2005	-	(2,684,329)	-	-	-	-	(2,684,329)
Change in fair value	-	-	-	10,715,278	-	-	(2,684,329)
Transferred as a result of sale of investment during the period	-	-	-	(797,189)	-	-	(797,189)
Foreign currency translation reserve	-	-	-	-	-	61,930	61,930
Balance as of 30 September 2006	<u>14,527,648</u>	<u>10,746,426</u>	<u>9,026,178</u>	<u>13,153,437</u>	<u>-</u>	<u>69,191</u>	<u>47,522,880</u>

The change in fair value reserve includes unrealized loss on investments available for sale amounting to KD 1,085,900 as of 30 September 2007, which represents the Group's share in the associate's change in reserve.

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15. Investments income

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Profit/ (loss) from sale of investments at fair value through profit or loss	817,705	87,755	2,681,924	(45,311)
Change in fair value of investments at fair value through profit or loss *	522,241	476,612	5,622,769	(5,361,026)
Profit from sale of investments available for sale	95,221	741,748	1,085,279	6,892,643
Gain on disposal of a subsidiary **	194,591	54,178	50,630,563	24,994,782
Gain on disposal of an associate	-	1,623	888,328	1,623
Dividends	1,072,094	8,718	1,872,168	979,938
Investment Impairment Loss	(71,704)	-	(71,704)	-
	<u>2,630,148</u>	<u>1,370,634</u>	<u>62,709,327</u>	<u>27,462,649</u>

* Change in fair value of investments at fair value through profit or loss includes an amount of KD 4,800,665 pertaining to unquoted funds.

** The profits of disposing a subsidiary represent the profit of selling shares of Al Madar for Finance and Investment Co. in the three month ended 30 September 2007 (note20).

16. Investment services revenues

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Management fees on portfolios and investments	256,384	122,954	914,676	533,013
Fund's management fees	414,290	316,650	1,321,398	1,088,044
Sales commissions	-	5,963,180	31,671	13,934,519
Research and consultancy	292,984	250,647	595,494	417,133
	<u>963,658</u>	<u>6,653,431</u>	<u>2,863,239</u>	<u>15,972,709</u>

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17. Land and real estate revenues

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Gain on sale of investment properties	2,703,224	17,964	16,621,149	581,282
Gain on sale of real estate under development	-	15,079,256	1,318,904	37,859,564
Change in fair value for investment properties	7,063,079	3,778,375	10,932,606	9,390,655
Rent income	2,420	56,863	224,855	56,863
Effect of sale of subsidiary	-	-	238,062	-
	<u>9,768,723</u>	<u>18,932,458</u>	<u>29,335,576</u>	<u>47,888,364</u>

18. Earnings per share attributable to the shareholders of the Parent Company

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Net profit for the period attributable to shareholders of the Parent company	30,571,939	23,000,744	122,099,476	73,706,391
Weighted average No. of issued and outstanding shares during the period/ (share)	759,517,700	664,669,466	755,627,979	651,646,079
Earnings per share (fils)	<u>40.25</u>	<u>34.60</u>	<u>161.59</u>	<u>113.11</u>

Issued bonus shares (Note 19) have been accounted for while calculating the weighted average number of issued, and outstanding shares for the periods ended 30 September 2007/2006, since beginning of both periods.

19. Dividends

Dividends for 2006

The General Assembly meeting held on 26 March 2007 approved the financial statements for the year ended 31 December 2006, and cash dividends of 50 fils per share for the year ended 31 December 2006.

The General Assembly also approved the dividends of bonus shares of 7.5% of the paid up capital which is 7.5 shares for every 100 shares of The Investment Dar Company's shares.

Dividends for 2005

The General Assembly meeting for the shareholders held on 29 March 2006 approved cash dividends of 35 fils per share for the year ended 31 December 2005, in addition to 70 shares of the subsidiary's owned shares (Al-Madar for Investment and Finance Company K.S.C.C.) for every 1,000 shares of The Investment Dar Company's shares.

The General Assembly also approved the dividends of bonus shares with 20% of the paid up capital which is 20 shares for every 100 shares of The Investment Dar Company's shares.

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20. Subsidiaries

(A) De-recognition of a Subsidiary

During the period ended 30 September 2007, the Group sold its share in Al-Madar for Finance and Investment Co. (K.S.C.C) through a public auction in the Kuwait Stock Exchange. The selling price was KD 91,490,053, where the realized gain was KD 50,630,563.

The cash generated from the sale of the subsidiary on the selling date, 26 September 2007 is as follows:

Assets	
Cash and cash equivalents	10,868,137
Murabaha investment	3,942,158
Financial investment at fair value through profit or loss	49,183,705
Investment available for sale	3,338,693
Finance receivables, forward deals and other debit balances	95,171,623
Land and investment property	21,006,456
Other assets	346,264
Total Assets	<u>183,857,036</u>
Liabilities	
Payables and other credit balances	98,512,212
Murabaha and Wakala payables	13,826,719
Other liabilities	621,019
Total liabilities	<u>112,959,950</u>
Net assets	70,897,086
(Subtract)	
Minority interest	<u>30,037,596</u>
The Group's net share in Al Madar for Finance and Investment Company	40,859,490
(Add)	
Gain on sale	50,630,563
(Subtract)	
Cash and cash equivalents of the subsidiaries	<u>10,868,137</u>
Net cash generated from sale of the subsidiary	<u>80,621,916</u>

The financial statements of Al Madar for Finance and Investment are not consolidated as of 30 September 2007, because the Parent Company does not have a control over the financial and operating policies of the subsidiary. The general assembly meeting was held and arrangements to change the Board of Directors have been made.

(B) Establishing of subsidiary

During the period ended on September 30th 2007, the company established the Investment Dar Bank in the Kingdom of Bahrain, with an ownership percentage of 79%.

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21. Related parties transactions

Related parties represent the Group's shareholders who have representation in the Board of Directors, members of the Board of Directors, Senior Management and associate. In the normal course of business and on approval of the Group's management, the Group entered into transactions with related parties during the period ended 30 September 2007. The significant related party transactions and outstanding balances relating to these related parties are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
Transactions				
Finance income	(1,559,253)	(565,067)	(1,559,253)	(792,052)
Cash Dividend	(862,577)	-	(862,577)	(53,000)
Finance cost	1,538,541	250,825	2,022,292	697,310
Purchases for resale	2,318,346	2,603,453	3,187,438	-
Key management benefits	50,277	48,913	812,522	741,334
			30 September 2007	31 December 2006 (Audited)
Balances				
Investments at fair value through profit or loss		55,155,855	8,927,896	16,772,810
Other debit balances		3,170,755	8,963,680	31,736,746
Murabaha payables		(45,852,369)	(14,929,527)	(13,820,000)
Trade payables		(88,072)	(1,055,002)	(38,384)
Creditors and other credit balances		(10,443,195)	-	-

All related parties transactions are subject to the approval of the shareholders in the general assembly meeting.

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22. Segment distribution

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

- Financing segment: represented in financing consumers and companies with all of their miscellaneous needs according to contracts complying with Noble Islamic Sharia principles.
- Real estate segment: represents in selling land and properties for trading or after development in cash or under Istisna'a contracts.
- 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 information according to segments for the nine-month period ended 30 September is as follows:

	Finance		Real Estate		Investment		Unallocated items		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Segment revenues	23,935,858	20,835,363	29,335,576	47,888,364	134,920,938	50,216,824	-	-	188,192,372	118,940,551
Segment expenses	(8,723,861)	(9,208,816)	(9,095,244)	(15,043,523)	(42,602,821)	(15,774,979)	(5,114,138)	(2,975,768)	(65,536,064)	(43,003,086)
Segment results	15,211,997	11,626,547	20,240,332	32,844,841	92,318,117	34,441,845	(5,114,138)	(2,975,768)	122,656,308	75,937,465
Segment assets	126,281,004	187,772,496	109,575,882	128,709,647	1,004,034,899	508,830,097	53,214,074	133,720,079	1,293,105,859	959,032,319
Segment liabilities	-	-	-	-	-	-	856,749,884	599,739,389	856,749,884	599,739,389

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Analysis of the information according to segments for the three-month period ended 30 September is as follows:

	Finance		Real Estate		Investment		Unallocated items		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Segment revenues	11,474,028	7,725,301	9,768,723	18,932,458	33,781,348	12,119,500	-	-	55,024,099	38,777,259
Segment expenses	(5,079,406)	(3,419,999)	(3,583,715)	(6,362,647)	(14,114,143)	(4,353,538)	(1,404,832)	(1,116,050)	(24,182,096)	(15,252,234)
Segment results	6,394,622	4,305,302	6,185,008	12,569,811	19,667,205	7,765,962	(1,404,832)	(1,116,050)	30,842,003	23,525,025

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23. Geographical concentration of assets and liabilities

	Assets			Liabilities		
	30 September 2007	31 December 2006	30 September 2006	30 September 2007	31 December 2006	30 September 2006
Kuwait	906,539,753	909,648,959	884,248,214	667,435,795	463,710,575	530,850,085
Other GCC	227,551,247	126,268,290	69,232,562	96,749,202	180,129,593	25,907,547
Europe	156,444,533	17,645,377	634,299	92,564,887	43,311,777	42,981,757
North America	-	2,087,925	1,939,855	-	-	-
Others	2,570,326	5,128,681	2,977,389	-	-	-
	<u>1,293,105,859</u>	<u>1,060,779,232</u>	<u>959,032,319</u>	<u>856,749,884</u>	<u>687,151,945</u>	<u>599,739,389</u>

24. Capital Commitments

	30 September 2007	31 December 2006	30 September 2006
New Group's headquarters project	-	1,919,540	3,669,891
Uncalled capital installments of investment in securities	240,000	3,337,988	43,000
	<u>240,000</u>	<u>5,257,528</u>	<u>3,712,891</u>

25. Off balance sheet items

The Group manages portfolios on behalf of others, which are not included in the balance sheet of the Group. The net assets managed on behalf of others amounted to KD 268,732,342 as of 30 September 2007 (KD 375,577,881 as of 31 December 2006 and KD 352,800,000 as of 30 September 2006), out of which an amount of KD 55,374,375 as of 30 September 2007 for related parties (KD 18,913,264 as at 31 December 2006, KD 70,171,000 as of 30 September 2006).

26. Zakat

The General Assembly of the shareholders held on 26 March 2007 approved the proposal of the Board of Directors to deduct Zakat amounting KD 3,988,024 for the year ended 31 December 2006 (KD 2,684,329 for the year ended 31 December 2005) from the voluntary reserve account.

27. Comparative figures

Certain comparative figures have been reclassified to conform to the current presentation of the interim condensed consolidated financial information as at 30 September 2007.