Interim condensed consolidated financial information and review report

Gulf Cable and Electrical Industries Company – KSC and Subsidiary

Kuwait

31 March 2012 (Unaudited)

Contents

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Report on review of interim condensed consolidated financial information

To the board of directors of
Gulf Cable and Electrical Industries Company – KSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Cable and Electrical Industries Company (A Kuwaiti Shareholding Company) and its subsidiary as of 31 March 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is 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 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 Company, as amended, have occurred during the three-month period ended 31 March 2012 that might have had a material effect on the business or financial position of the Company.

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Kuwait
14 May 2012

Interim condensed consolidated statement of income

	Note	Three months ended 31 March 2012 (Unaudited)	Three months ended 31 March 2011 (Unaudited)
		KD	KD
Revenue			
Sales		**21,468,226**	29,579,897
Cost of sales		**(18,177,830)**	(20,669,216)
Gross profit		**3,290,396**	8,910,681
Dividend income		**8,438,613**	792,127
Other investment income		**29,906**	29,235
Loss on sale of available for sale investments		**(28,478)**	(369,112)
Interest income		**4,085**	5,903
Other revenue		**-**	1,180
Gain/(loss) on foreign exchange		**40,024**	(90,527)
		11,774,546	9,279,487
Expenses and other charges			
Administrative expenses		**861,822**	909,016
Commercial expenses		**827,626**	826,571
Impairment of available for sale investments		**676,008**	-
Provision for doubtful debts		**-**	249,022
Provision for obsolete inventories		**-**	355
Finance costs		**506,328**	1,009,699
		2,871,784	2,994,663
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration		**8,902,762**	6,284,824
Contribution to KFAS		**(88,784)**	(62,529)
NLST		**(24,443)**	(162,794)
Zakat		**(9,777)**	(65,117)
Directors' remuneration		**(77,500)**	(77,500)
Profit for the period		**8,702,258**	5,916,884
Profit for the period attributable to:			
Owners of the parent company		**8,677,950**	5,884,999
Non-controlling interests		**24,308**	31,885
Profit for the period		**8,702,258**	5,916,884
Basic and diluted earnings per share attributable to the owners of the parent company	3	**41 Fils**	28 Fils

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2012 (Unaudited) KD	Three months ended 31 March 2011 (Unaudited) KD
Profit for the period	**8,702,258**	5,916,884
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**(10,403)**	(68,783)
Available for sale investments:		
-Net loss arising during the period	**(246,740)**	(28,921,995)
-Transferred to interim condensed consolidated statement of income on sale	**(38,662)**	287,475
-Transferred to interim condensed consolidated statement of income on impairment	**676,008**	-
Total other comprehensive income/(loss)	**380,203**	(28,703,303)
Total comprehensive income/(loss) for the period	**9,082,461**	(22,786,419)
Total comprehensive income/(loss) attributable to:		
Owners of the parent company	**9,058,725**	(22,814,521)
Non-controlling interests	**23,736**	28,102
	9,082,461	(22,786,419)

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	31 March 2012 (Unaudited)	31 Dec. 2011 (Audited)	(Restated) 31 March 2011 (Unaudited)
		KD	KD	KD
Assets				
Non-current assets				
Property, plant and equipment		**11,558,935**	12,050,190	13,413,927
Available for sale investments	4	**144,741,980**	142,985,404	202,739,927
		156,300,915	155,035,594	216,153,854
Current assets				
Inventories	5	**35,593,329**	37,362,022	47,253,500
Trade accounts receivable		**26,665,201**	30,373,319	31,781,656
Other receivables and prepayments		**8,496,509**	814,257	1,516,910
Fixed deposit	6	**-**	402,411	397,006
Cash and bank balances	6	**10,465,581**	10,429,185	7,483,838
		81,220,620	79,381,194	88,432,910
Total assets		**237,521,535**	234,416,788	304,586,764
Equity and liabilities				
Equity attributable to the owners of the parent company				
Share capital		**20,993,131**	20,993,131	20,993,131
Share premium		**29,160,075**	29,160,075	29,160,075
Legal reserve		**20,993,131**	20,993,131	18,088,033
Voluntary reserve		**20,993,131**	20,993,131	18,088,033
General reserve		**20,532,256**	20,532,256	16,788,145
Other components of equity	7	**23,090,616**	22,709,841	80,796,622
Retained earnings		**31,106,111**	37,753,148	16,892,237
		166,868,451	173,134,713	200,806,276
Non-controlling interests		**433,299**	409,563	270,856
Total equity		**167,301,750**	173,544,276	201,077,132
Non-current liabilities				
Provision for staff indemnity		**1,764,964**	1,715,052	1,576,924
Long term loans	8	**25,949,620**	1,229,140	10,364,436
		27,714,584	2,944,192	11,941,360
Current liabilities				
Trade accounts payable		**2,640,300**	2,521,086	3,528,500
Other payables and accruals	9	**24,223,092**	9,744,319	10,575,609
Murabaha payable		**-**	-	3,000,000
Current portion of long term loans	8	**13,311,700**	5,507,186	5,364,738
Short term loans	8	**-**	40,000,000	69,000,000
Due to banks	6	**2,330,109**	155,729	99,425
		42,505,201	57,928,320	91,568,272
Total liabilities		**70,219,785**	60,872,512	103,509,632
Total equity and liabilities		**237,521,535**	234,416,788	304,586,764

GULF CABLE & ELECTRICAL INDUSTRIES CO. K.S.C. KUWAIT

Bader Naser Al-Khorafi
Chairman and Managing Director

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Attributable to the owners of the parent company								Non-controlling interest	Total
	Share capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	General reserve KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 1 January 2012	20,993,131	29,160,075	20,993,131	20,993,131	20,532,256	22,709,841	37,753,148	173,134,713	409,563	173,544,276
Payment of cash dividends (Note 9)	-	-	-	-	-	-	(15,324,987)	(15,324,987)	-	(15,324,987)
Transactions with owners	-	-	-	-	-	-	(15,324,987)	(15,324,987)	-	(15,324,987)
Total comprehensive income for the period	-	-	-	-	-	380,775	8,677,950	9,058,725	23,736	9,082,461
Balance at 31 March 2012	**20,993,131**	**29,160,075**	**20,993,131**	**20,993,131**	**20,532,256**	**23,090,616**	**31,106,111**	**166,868,451**	**433,299**	**167,301,750**

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

	Attributable to the owners of the parent company								Non-controlling interests	Total
	Share capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	General reserve KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 31 December 2010 (as reported)	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	109,496,142	25,259,364	237,872,923	278,058	238,150,981
Prior year adjustment by subsidiary (Note 14)	-	-	-	-	-	-	(606,591)	(606,591)	(35,304)	(641,895)
Balance at 1 January 2011(as restated)	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	109,496,142	24,652,773	237,266,332	242,754	237,509,086
Payment of cash dividends	-	-	-	-	-	-	(13,645,535)	(13,645,535)	-	(13,645,535)
Transactions with owners	-	-	-	-	-	-	(13,645,535)	(13,645,535)	-	(13,645,535)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(28,699,520)	5,884,999	(22,814,521)	28,102	(22,786,419)
Balance at 31 March 2011	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	80,796,622	16,892,237	200,806,276	270,856	201,077,132

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2012 (Unaudited) KD	Three months ended 31 March 2011 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		8,702,258	5,916,884
Adjustments:			
Depreciation		444,623	475,966
Provision for staff indemnity		51,337	75,108
Finance costs		506,328	1,009,699
Interest income		(4,085)	(5,903)
Dividend income		(8,438,613)	(792,127)
Other investment income		(29,906)	(29,235)
Loss on sale of available for sale investments		28,478	369,112
Impairment of available for sale investments		676,008	-
Foreign exchange gain on non-operating liabilities		(4,863)	(190,631)
		1,931,565	6,828,873
Changes in operating assets and liabilities:			
Inventories		1,842,508	(10,476,692)
Trade accounts receivable		3,708,118	(3,839,039)
Other receivables and prepayments		(231,628)	(105,164)
Trade accounts payable		119,214	1,382,372
Other payables and accruals		(837,783)	(1,638,933)
Staff indemnity paid		(1,425)	(10,380)
Net cash from / (used in) operating activities		6,530,569	(7,858,963)
INVESTING ACTIVITIES			
Fixed deposit maturing after three months		-	395,759
Capital expenditure		(30,757)	(20,586)
Purchase of available for sale investments		(5,317,882)	(65,225)
Proceeds from sale of available for sale investments		3,747,424	8,110,949
Dividend income received		487,990	61,656
Other investment income received		29,906	29,235
Interest income received		4,085	3,124
Net cash (used in)/ from investing activities		(1,079,234)	8,514,912
FINANCING ACTIVITIES			
Payment of dividends		(12,939)	(11,646,283)
Proceeds from Murabaha payable		-	3,000,000
Proceeds from term loans		-	17,438,170
Repayment of term loans		(7,470,143)	(12,191,750)
Finance costs paid		(501,820)	(936,870)
Net cash used in financing activities		(7,984,902)	(4,336,733)
Decrease in cash and cash equivalents		(2,533,567)	(3,680,784)
Foreign currency adjustment		(6,828)	36,037
Cash and cash equivalents at beginning of the period	6	10,675,867	11,426,166
Cash and cash equivalents at end of the period	6	8,135,472	7,781,419

The notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Gulf Cable and Electrical Industries Company – KSC ("the parent company") is a registered Kuwaiti shareholding company, which was established on 15 March 1975. Its shares are listed on the Kuwait Stock Exchange.

The group comprises the parent company and its 94.5% subsidiary Gulf Cable and Multi Industries Company – JSC, Jordan. The principal activities of the group are the manufacture and supply of cables and related products and the holding of investments.

The address of the parent company's registered office is PO Box 1196, Safat 13012, State of Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2012 was authorised for issue by the parent company's board of directors on 14 May 2012.

2 Basis of presentation

The 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 the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements of the group for the year ended 31 December 2011 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional currency of the parent company.

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

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2011.

Operating results for the three month period ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2011.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

Adoption of new IASB Standards and amendments during the period
The group has adopted the following amended IFRS during the period:

IFRS 7 Financial Instruments: Disclosures- amendment
The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off financial position activities. The amendments allows users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also required additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of this amendment did not have any significant impact on the financial position or performance of the group.

IASB Standards issued but not yet effective
At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the group.

Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group's financial statements is provided below.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 1 Presentation of Financial Statements – amendment	1 July 2012
IAS 27 Consolidated and Separate Financial Statements - Revised as IAS 27 Separate Financial Statements	1 January 2013
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interest in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013

IAS 1 Presentation of Financial Statements- amendment
The amendment to IAS 1 requires entities to group other comprehensive income items presented in the interim condensed consolidated statement of comprehensive income based on those:

a) Potentially reclassifiable to interim condensed consolidated statement of income in a subsequent period, and
b) That will not be reclassified to interim condensed consolidated statement of income subsequently.

The group will change the current presentation of the interim condensed consolidated statement of comprehensive income when the amendment becomes effective.

IAS 27 Consolidated and Separate Financial statements – Revised as IAS 27 Separate Financial Statements
As a result of the consequential amendments, IAS 27 now deals with separate financial statements.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

IFRS 9 Financial Instruments
The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety, with the replacement standard to be effective for annual periods beginning 1 January 2015. 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 earlier application of this standard is permitted, the Technical Committee of the Ministry of Commerce and Industry of Kuwait decided on 30 December 2009, to postpone this early application till further notice, due to the non-completion of the remaining stages of the standard.

IFRS 10 Consolidated Financial Statements
IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements. It revised the definition of control together with accompanying guidance to identify an interest in subsidiary. However, the requirements and procedures of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 is designed to complement the other new standards. It sets out consistent disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities. The disclosure requirements are extensive and will result in significant amounts of new disclosures for some companies. Structured entities were previously referred to in SIC 12 as special purpose entities. The disclosures required by IFRS 12 aim to provide transparency about the risks a company is exposed to through its interests in structured entities.

IFRS 13 Fair Value Measurement
IFRS 13 does not affect which items to be fair valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. The adoption of this standard is not expected to have a significant impact on the financial position and performance of the group.

Notes to the interim condensed consolidated financial information (continued)

3 Basic and diluted earnings per share attributable to the owners of the parent company

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of ordinary shares outstanding during the period as follows:

	Three months ended 31 March 2012 (Unaudited)	Three months ended 31 March 2011 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD)	**8,677,950**	5,884,999
Weighted average number of ordinary shares outstanding during the period	**209,931,310**	209,931,310
Basic and diluted earnings per share	**41 Fils**	28 Fils

4 Available for sale investments

	31 March 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	31 March 2011 (Unaudited) KD
Managed portfolios	**116,051,728**	120,242,791	174,131,148
Quoted shares	**15,965,645**	13,977,310	18,540,984
Managed funds	**2,087,121**	1,972,917	2,137,946
Unquoted shares	**9,848,167**	5,941,103	6,711,827
Unquoted funds	**789,319**	851,283	1,218,022
	144,741,980	142,985,404	202,739,927

Unquoted funds include investments in private equity funds amounting to KD789,319 (31 December 2011: KD851,283 and 31 March 2011 : KD1,218,022). 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.

The group recognised impairment loss of KD676,008 (31 March 2011: KD Nil) in respect of certain available for sale investments.

Notes to the interim condensed consolidated financial information (continued)

5 Inventories

	31 March 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	31 March 2011 (Unaudited) KD
Raw materials	**7,827,040**	15,495,085	14,325,477
Finished goods	**14,555,312**	11,491,646	14,527,647
Work-in-progress	**7,386,211**	6,662,514	7,880,956
Spare parts	**1,778,499**	1,690,434	1,539,304
	31,547,062	35,339,679	38,273,384
Provision for obsolete inventories	**(335,598)**	(335,598)	(336,504)
	31,211,464	35,004,081	37,936,880
Goods in transit and prepaid letters of credit	**4,381,865**	2,357,941	9,316,620
	35,593,329	37,362,022	47,253,500

6 Cash and cash equivalents

Cash and cash equivalents in the interim condensed consolidated statement of cash flows comprise the following interim condensed consolidated statement of financial position accounts:

	31 March 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	31 March 2011 (Unaudited) KD
Fixed deposit	-	402,411	397,006
Cash on hand	**15,360**	56,072	270,445
Cash in portfolio	**4,190,831**	414,178	2,769,249
Bank balances	**6,259,390**	9,958,935	4,444,144
Total cash and cash equivalents	**10,465,581**	10,831,596	7,880,844
Less: due to banks	**(2,330,109)**	(155,729)	(99,425)
Cash and cash equivalent for statement of cash flows	**8,135,472**	10,675,867	7,781,419

Notes to the interim condensed consolidated financial information (continued)

7 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Total KD
Balance at 1 January 2012	**22,932,912**	**(223,071)**	**22,709,841**
Exchange differences arising on translation of foreign operations	-	**(9,831)**	**(9,831)**
AFS financial assets			
- Net loss arising during the period	**(246,740)**	-	**(246,740)**
- Transferred to interim condensed consolidated statement of income on sale	**(38,662)**	-	**(38,662)**
- Transferred to interim condensed consolidated statement of income on impairment	**676,008**	-	**676,008**
Total other comprehensive income/(loss) for the period	**390,606**	**(9,831)**	**380,775**
Balance at 31 March 2012	**23,323,518**	**(232,902)**	**23,090,616**
Balance at 1 January 2011	109,693,343	(197,201)	109,496,142
Exchange differences arising on translation of foreign operations	-	(65,000)	(65,000)
AFS financial assets			
- Net loss arising during the period	(28,921,995)	-	(28,921,995)
- Transferred to interim condensed consolidated statement of income on sale	287,475	-	287,475
Total other comprehensive loss for the period	(28,634,520)	(65,000)	(28,699,520)
Balance at 31 March 2011	81,058,823	(262,201)	80,796,622

8 Term loans

	31 March 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	31 March 2011 (Unaudited) KD
Long term loans:			
- USD 12,500,000 facility	-	-	1,447,917
- USD 55,000,000 facility	**2,194,500**	4,389,786	6,552,857
- USD 20,000,000 facility	**2,066,820**	2,346,540	5,560,000
- USD 10,000,000 facility	-	-	2,168,400
- KD 40,000,000 facility	**35,000,000**	-	-
	39,261,320	6,736,326	15,729,174
Instalments due within next twelve months	**(13,311,700)**	(5,507,186)	(5,364,738)
Instalments due after next twelve months	**25,949,620**	1,229,140	10,364,436
Short term loans			
- Kuwait Dinar	-	40,000,000	69,000,000

Notes to the interim condensed consolidated financial information (continued)

8 Term loans (continued)

- Long term loan facility amounting to US$55,000,000 was obtained from a regional bank. The loan is unsecured and carries interest of 1.5% above six months LIBOR. The loan is repayable in seven semi annual instalments of US$7,857,143 ending on 4 September 2012.

- Long term loan facility amounting to US$20,000,000 was obtained from a local bank. The loan is unsecured and carries interest of 1.75% above three months LIBOR. The loan is repayable in twenty quarterly instalments of US$1,000,000 ending on 31 October 2016.

- During the period, the group rescheduled the short term loans which were obtained from a local bank to a long term loan. The loan is unsecured and carries interest of 2.5% per annum above Central Bank of Kuwait discount rate. The loan is repayable in eight semi annual instalments of KD5,000,000 ending on 15 August 2015.

9 General assembly of shareholders

The annual general assembly of the shareholders held on 21 March 2012 approved the consolidated financial statements of the group for the year ended 31 December 2011 and declared cash dividend of 73 Fils per share amounting to KD15,324,987 for the year ended 31 December 2011. Total cash dividend payable is included in other payables and accruals.

10 Segmental information

The group's operating segments are cable manufacture and investment. The information relating to these segments are as follows.

	Cable manufacture	Investment	Total
	KD	KD	KD
Three months ended 31 March 2012 (unaudited)			
Revenue	**21,468,226**	**7,756,956**	**29,225,182**
Segment profit	**1,709,843**	**7,192,919**	**8,902,762**
Unallocated expenses			**(200,504)**
Profit for the period			**8,702,258**
Total assets	**80,638,101**	**156,883,434**	**237,521,535**
Three months ended 31 March 2011 (unaudited)			
Revenue	29,579,897	330,992	29,910,889
Segment profit/(loss)	6,950,480	(665,656)	6,284,824
Unallocated expenses			(367,940)
Profit for the period			5,916,884
Total assets (restated)	97,947,331	206,639,433	304,586,764

Notes to the interim condensed consolidated financial information (continued)

11 Related party transactions

These represent transactions with certain related parties (directors and executive officers of the parent company and their related concerns) approved by management of the parent company.

	31 March 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	31 March 2011 (Unaudited) KD
Amounts included in interim condensed consolidated statement of financial position			
Trade accounts receivables	**2,264,072**	2,185,689	1,705,154
Trade accounts payables	**11,812**	24,509	22,729

	Three months ended 31 March 2012 (Unaudited) KD	Three months ended 31 March 2011 (Unaudited) KD
Amounts included in interim condensed consolidated statement of income		
Sales	**166,906**	353,941
Industrial expenses	**35,917**	43,816
Key management compensation:		
Salaries and other short term benefits	**356,427**	356,427
End of service benefits	-	4,820
	356,427	361,247

12 Capital commitments

At the period end, the group was committed to purchase investments amounting to KD Nil (31 December 2011: KD Nil and 31 March 2011: KD1,000,000) and to purchase new machinery and equipment amounting to KD152,778 (31 December 2011: KD152,993 and 31 March 2011: KD152,527).

13 Contingent liabilities

Contingent liabilities at the period end in respect of outstanding letters of guarantee amounted to KD11,324,252 (31 December 2011: KD8,546,430 and 31 March 2011: KD8,575,905).

14 Comparative figures

During 2011, the subsidiary capitalised certain items of property, plant and equipment having original cost of KD1,458,300 and charged depreciation from the date of acquisition. Depreciation charge for the period up to 31 December 2010 amounted to KD641,895 which was recognised as prior year adjustment in the consolidated financial statements of the group for the year ended 31 December 2011. The comparative amounts for the period ended 31 March 2011 have been restated to reflect the above prior year adjusted comparative amounts.