Interim condensed consolidated financial information and review report

Gulf Cable and Electrical Industries Company – KSC and Subsidiary
Kuwait

30 June 2009 (Unaudited)

Contents

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Review report

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

Report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Cable and Electrical Industries Company (A Kuwaiti Shareholding Company) (the parent company) and its subsidiary (the group) as of 30 June 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month 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 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 Auditors 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 six month period ended 30 June 2009 that might have had a material effect on the business of the group or on its financial position.

Abdullatif M. Al-Aiban (CPA)	Fawzia Mubarak Al-Hassawi
(Licence No. 94-A)	(Licence No. 80-A)
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Kuwait
12 August 2009

Interim condensed consolidated statement of income

	Notes	Three months ended 30 June 2009 (Unaudited) KD	Three months ended 30 June 2008 (Unaudited) KD	Six months ended 30 June 2009 (Unaudited) KD	Six months ended 30 June 2008 (Unaudited) KD
Sales		**16,587,747**	28,577,146	**36,394,659**	55,072,233
Cost of sales		**(13,963,082)**	(22,819,520)	**(30,785,973)**	(43,432,761)
Gross profit		**2,624,665**	5,757,626	**5,608,686**	11,639,472
Other income					
Dividend income		**353,153**	3,207,617	**6,679,481**	7,351,606
Investment income		**268,814**	26,548	**268,814**	453,391
Realised (loss)/gain on disposal/sale of available for sale investments		**(59,055)**	269,700	**(59,055)**	273,656
Impairment in value of available for sale investments	4	**-**	-	**(1,675,887)**	-
Interest income		**11,296**	30,976	**62,406**	91,142
Other revenue		**6,089**	18,710	**66,703**	19,010
Gain/(loss) on foreign exchange		**321,107**	(54,526)	**1,106,785**	(71,853)
Gross income		**3,526,069**	9,256,651	**12,057,933**	19,756,424
Expenses					
Administrative expenses		**(556,402)**	(473,823)	**(1,109,310)**	(898,025)
Commercial expenses		**(587,025)**	(548,137)	**(854,843)**	(909,299)
(Charge for)/ Reversal of provision for obsolete stock		**(35,907)**	138,282	**(38,630)**	411,537
Interest expense		**(996,422)**	(460,207)	**(2,170,426)**	(1,003,540)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration		**1,350,313**	7,912,766	**7,884,724**	17,357,097
Contribution to KFAS		**(13,532)**	(79,145)	**(79,075)**	(173,375)
NLST		**(27,208)**	(169,165)	**(66,353)**	(303,063)
Zakat		**(10,883)**	(55,610)	**(17,541)**	(106,296)
Directors' remuneration		**(77,500)**	(77,500)	**(155,000)**	(155,000)
Profit for the period		**1,221,190**	7,531,346	**7,566,755**	16,619,363
Attributable to:					
Owners of the parent		**1,224,114**	7,533,084	**7,589,565**	16,599,772
Non-controlling interests		**(2,924)**	(1,738)	**(22,810)**	19,591
Profit for the period		**1,221,190**	7,531,346	**7,566,755**	16,619,363
Earnings per share	3	**6 Fils**	36 Fils	**36 Fils**	79 Fils

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

Interim condensed consolidated statement of comprehensive income

	Three months ended		Six months ended	
	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD	**30 June 2009 (Unaudited) KD**	30 June 2008 (Unaudited) KD
Profit for the period	**1,221,190**	7,531,346	**7,566,755**	16,619,363
Other comprehensive income:				
Exchange differences arising on translation of foreign operations	**(82,812)**	(14,747)	**213,029**	(184,488)
Available for sale investments:				
- Net gain/(loss) arising during the period	**57,937,090**	(27,936,095)	**39,780,188**	(29,836,464)
-Transferred to consolidated statement of income on disposal/sale	**59,055**	(269,700)	**59,055**	(273,656)
-Transferred to consolidated statement of income on impairment	**-**	-	**1,675,887**	-
Total other comprehensive income	**57,913,333**	(28,220,542)	**41,728,159**	(30,294,608)
Total comprehensive income for the period	**59,134,523**	(20,689,196)	**49,294,914**	(13,675,245)
Total comprehensive income attributable to:				
Owners of the parent	**59,142,002**	(20,686,646)	**49,306,007**	(13,684,688)
Non-controlling interests	**(7,479)**	(2,550)	**(11,093)**	9,443
	59,134,523	(20,689,196)	**49,294,914**	(13,675,245)

Interim condensed consolidated statement of financial position

	Notes	30 June 2009 (Unaudited)	31 Dec. 2008 (Audited)	30 June 2008 (Unaudited)
		KD	KD	KD
Assets				
Non-current assets				
Property, plant and equipment		**15,643,948**	14,975,255	13,563,676
Available for sale investments	4	**171,328,399**	128,445,771	246,772,919
		186,972,347	143,421,026	260,336,595
Current assets				
Inventories	5	**29,108,876**	48,755,949	39,046,553
Trade accounts receivable		**22,146,842**	37,351,032	28,541,741
Other receivables and prepayments		**2,303,605**	4,912,775	1,302,430
Fixed deposit		**-**	186,425	-
Cash and bank balances	6	**8,545,354**	2,402,873	5,651,294
		62,104,677	93,609,054	74,542,018
Total assets		**249,077,024**	237,030,080	334,878,613
Equity and liabilities				
Equity attributable to the owners of the parent				
Share capital		**20,993,131**	20,993,131	20,993,131
Share premium		**29,160,075**	29,160,075	29,160,075
Legal reserve		**14,257,443**	14,257,443	13,899,182
Voluntary reserve		**14,257,443**	14,257,443	13,899,182
General reserve		**16,788,145**	16,788,145	16,788,145
Fair value reserve		**76,590,683**	35,075,553	133,751,209
Foreign currency translation reserve		**(92,627)**	(293,939)	(528,027)
Retained earnings		**14,080,039**	21,185,666	35,265,181
		186,034,332	151,423,517	263,228,078
Non-controlling interests		**294,219**	305,312	321,186
		186,328,551	151,728,829	263,549,264
Non-current liabilities				
Long-term provisions		**1,328,135**	1,229,465	1,498,019
Long term loans	7	**13,141,607**	12,925,223	2,219,583
		14,469,742	14,154,688	3,717,602
Current liabilities				
Trade accounts payable		**1,200,283**	1,089,259	1,349,910
Other payables and accruals		**5,701,055**	5,770,730	34,187,785
Current portion of long term loans	7	**5,136,393**	4,938,839	554,896
Short term loans	7	**36,000,000**	56,411,537	27,362,857
Due to banks	6	**241,000**	2,936,198	4,156,299
		48,278,731	71,146,563	67,611,747
Total liabilities		**62,748,473**	85,301,251	71,329,349
Total equity and liabilities		**249,077,024**	237,030,080	334,878,613

Bader Naser Al-Khorafi
Chairman and Managing Director

The notes set out on pages 8 to 13 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									Non-controlling interests	Total
	Share capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	General reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 1 January 2009	20,993,131	29,160,075	14,257,443	14,257,443	16,788,145	35,075,553	(293,939)	21,185,666	151,423,517	305,312	151,728,829
Payment of cash dividends (Note 8)	-	-	-	-	-	-	-	(14,695,192)	(14,695,192)	-	(14,695,192)
Transaction with owners	-	-	-	-	-	-	-	(14,695,192)	(14,695,192)	-	(14,695,192)
Profit/(loss) for the period	-	-	-	-	-	-	-	7,589,565	7,589,565	(22,810)	7,566,755
***Other comprehensive income*:**											
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	201,312	-	201,312	11,717	213,029
Available for sale investments:											
- Net gain arising during the period	-	-	-	-	-	39,780,188	-	-	39,780,188	-	39,780,188
- Transferred to consolidated statement of income on disposal	-	-	-	-	-	59,055	-	-	59,055	-	59,055
-Transferred to consolidated statement of income on impairment	-	-	-	-	-	1,675,887	-	-	1,675,887	-	1,675,887
Total comprehensive income for the period	-	-	-	-	-	41,515,130	201,312	7,589,565	49,306,007	(11,093)	49,294,914
Balance at 30 June 2009	**20,993,131**	**29,160,075**	**14,257,443**	**14,257,443**	**16,788,145**	**76,590,683**	**(92,627)**	**14,080,039**	**186,034,332**	**294,219**	**186,328,551**

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

Interim condensed consolidated statement of changes in equity (continued)

	Attributable to the owners of the parent									Non-controlling interests	Total
	Share capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	General reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 1 January 2008	16,148,562	29,160,075	13,899,182	13,899,182	16,788,145	163,861,329	(353,687)	31,584,259	284,987,047	311,743	285,298,790
Payment of cash dividends	-	-	-	-	-	-	-	(8,074,281)	(8,074,281)	-	(8,074,281)
Issue of bonus shares	4,844,569	-	-	-	-	-	-	(4,844,569)	-	-	-
Transaction with owners	4,844,569	-	-	-	-	-	-	(12,918,850)	(8,074,281)	-	(8,074,281)
Profit for the period	-	-	-	-	-	-	-	16,599,772	16,599,772	19,591	16,619,363
Other comprehensive income:											
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(174,340)	-	(174,340)	(10,148)	(184,488)
Available for sale investments:											
- Net loss arising during the period	-	-	-	-	-	(29,836,464)	-	-	(29,836,464)	-	(29,836,464)
- Transferred to consolidated statement of income on sale	-	-	-	-	-	(273,656)	-	-	(273,656)	-	(273,656)
Total comprehensive income for the period	-	-	-	-	-	(30,110,120)	(174,340)	16,599,772	(13,684,688)	9,443	(13,675,245)
Balance at 30 June 2008	20,993,131	29,160,075	13,899,182	13,899,182	16,788,145	133,751,209	(528,027)	35,265,181	263,228,078	321,186	263,549,264

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

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		**7,566,755**	16,619,363
Adjustments:			
Depreciation		**718,072**	599,653
Provision for staff indemnity		**125,187**	131,805
Interest expense		**2,170,426**	1,003,540
Interest income		**(62,406)**	(91,142)
Dividend income		**(6,679,481)**	(7,351,606)
Investment income		**(268,814)**	(453,391)
Realised (loss)/gain on disposal/sale of available for sale investments		**59,055**	(273,656)
Impairment in value of available for sale investment		**1,675,887**	-
Foreign exchange loss (gain) on non-operating liabilities		**718,729**	(128,092)
		6,023,410	10,056,474
Changes in operating assets and liabilities:			
Inventories		**19,647,073**	(4,333,752)
Trade accounts receivable		**15,204,190**	(1,022,936)
Other receivables and prepayments		**2,609,170**	1,761,465
Trade accounts payable		**111,024**	331,076
Other payables and accruals		**(1,475,815)**	(597,555)
Staff indemnity paid		**(26,517)**	(9,988)
Net cash from operating activities		**42,092,535**	6,184,784
INVESTING ACTIVITIES			
Proceed from fixed deposit maturing after three months		**186,425**	-
Capital expenditure		**(1,027,570)**	(2,739,617)
Net book value of property, plant and equipment disposed		**7,694**	-
Purchase of available for sale investments		**(3,658,465)**	(137,034)
Proceeds from redemption/sale of available for sale investments		**556,026**	1,078,897
Dividend income received		**6,679,481**	7,351,606
Investment income received		**268,814**	453,391
Interest received		**32,442**	91,142
Net cash from investing activities		**3,044,847**	6,098,385
FINANCING ACTIVITIES			
Payment of dividends		**(13,490,553)**	(8,024,445)
Proceeds from short term loans		**5,000,000**	-
Payment of short term loans		**(25,716,329)**	(279,115)
Interest paid		**(1,938,960)**	(1,003,540)
Net cash used in financing activities		**(36,145,842)**	(9,307,100)
Increase in cash and cash equivalents		**8,991,540**	2,976,069
Foreign currency adjustment		**(153,861)**	18,912
Cash and cash equivalents at beginning of the period	6	**(533,325)**	(1,499,986)
Cash and cash equivalents at end of the period	6	**8,304,354**	1,494,995

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

Notes to the interim condensed consolidated financial information
30 June 2009 (Unaudited)

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

The group comprises the parent company and its 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

This interim condensed consolidated financial information for the six-month period ended 30 June 2009 was authorised for issue by the parent company's board of directors on 12 August 2009.

2 Significant accounting policies

Basis of preparation
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 2008 except for adoption of new and revised 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 the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six month period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2008.

2 Significant accounting policies (continued)

Adoption of revised and new standards and interpretations
Following new and revised standards and interpretations have been adopted by the group in the current period:

- IAS 1 *Presentation of Financial Statements* (Revised 2007)
- IFRS 8 *Operating Segments*
- IAS 23 *Borrowing Costs* (Revised 2007)
- IFRIC 13 *Customer Loyalty Programmes*
- Improvements to IFRSs issued in May 2008

The adoption of IAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. IAS 1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'.

The adoption of IFRS 8 has not resulted in a redesignation of the group's reportable segments and has had no impact on the reported results or financial position of the group. Reported segment results are now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the group's risks and returns.

IAS 23 Borrowing Costs (Revised 2007) requires the capitalisation of borrowing costs to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. The adoption of the revised standard did not have any effect on the measurement and recognition of the group's assets, liabilities, income and expenses.

IFRIC 13 Customer Loyalty Programmes is not relevant to the operations of the group.

Improvements to IFRSs issued in May 2008
The Improvements include 35 amendments across 20 different Standards that largely clarify the required accounting treatment where previous practice had varied, and have not resulted in any significant changes in the group's accounting policies.

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

- IFRS 3 Business combinations (Revised 2008) (effective for annual periods beginning 1 July 2009)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective for annual periods beginning 1 July 2009)
- IAS 28 Investments in Associates (Revised 2008) (effective for annual periods beginning 1 July 2009)

6 Cash and cash equivalents

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Cash and bank balances	**8,545,354**	2,402,873	5,651,294
Due to banks	**(241,000)**	(2,936,198)	(4,156,299)
	8,304,354	(533,325)	1,494,995

7 Term loans

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Long term loans:			
- USD 12,500,000 facility	**2,405,000**	2,601,562	2,774,479
- USD 55,000,000 facility	**15,873,000**	15,262,500	-
	18,278,000	17,864,062	2,774,479
Instalments due within next twelve months	**(5,136,393)**	(4,938,839)	(554,896)
Instalments due after next twelve months	**13,141,607**	12,925,223	2,219,583
Short term loans			
- Kuwait Dinar	**36,000,000**	56,411,537	27,362,857

Long term loan facility amounting to US$12,500,000 was obtained from a regional bank. The loan is unsecured and carries interest of 1.25% above 6 months LIBOR. The loan is repayable in twelve semi-annual instalments of US$1,041,667 ending on 1 May 2013.

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 6 months LIBOR. The loan is repayable in seven semi annual instalments of US7,857,143 ending on 1 March 2012.

Short term loans outstanding at 30 June 2009 were obtained from local banks. The loans are unsecured and carry effective interest range of 1.25% and 1.5% above Central Bank of Kuwait discount rate (31 December 2008: 1.25% and 1.5% and 30 June 2008: 1.25% and 1.5%) per annum. The loans are repayable within twelve months of the period end.

8 General assembly of shareholders

The cash dividend of 70 Fils per share amounting to KD14,695,192 for the year ended 31 December 2008 was approved by the general assembly of the shareholders held on 29 March 2009 and paid following that approval.

9 Segmental Information

The group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. Under IFRS 8, reported segment profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance, and is reconciled to group profit or loss. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical). Following the adoption of IFRS 8, the identification of the group's reportable segments has not changed. The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

3 Earnings per share

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

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2009	30 June 2008	**30 June 2009**	30 June 2008
Profit for the period attributable to the owners of the parent (KD)	**1,224,114**	7,533,084	**7,589,565**	16,599,772
Weighted average number of shares	**209,931,308**	209,931,308	**209,931,308**	209,931,308
Earnings per share	**6 Fils**	36 Fils	**36 Fils**	79 Fils

4 Available for sale investments

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Managed portfolios	**136,478,112**	102,622,903	202,180,572
Quoted shares	**21,568,039**	12,725,253	29,559,051
Quoted funds	**2,637,454**	2,519,856	5,149,828
Unquoted shares	**8,729,660**	8,691,734	7,991,806
Unquoted funds	**1,915,134**	1,886,025	1,891,662
	171,328,399	128,445,771	246,772,919

Unquoted investments include investments in private equity funds amounting to KD1,915,134 (31 December 2008: KD1,886,025 and 30 June 2008: KD1,891,662). 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 by KD1,675,887 (30 June 2008: KD Nil) in respect of certain available for sale investments.

5 Inventories

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Raw materials	**9,251,950**	20,367,137	9,295,319
Finished goods	**11,917,517**	13,757,365	11,976,631
Work-in-progress	**6,424,129**	10,503,107	8,682,530
Spare parts	**1,336,754**	1,317,768	1,257,253
	28,930,350	45,945,377	31,211,733
Provision for obsolete stock	**(273,653)**	(235,023)	(668,790)
	28,656,697	45,710,354	30,542,943
Goods in transit and prepaid letters of credit	**452,179**	3,045,595	8,503,610
	29,108,876	48,755,949	39,046,553

9 Segmental information (continued)

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

	Cable manufacture (Unaudited) KD	Investment (Unaudited) KD	Total (Unaudited) KD
Three months ended 30 June 2009			
Revenue/(loss)	**16,587,747**	**(1,103,609)**	**15,484,138**
Segment profit/(loss)	**1,808,326**	**(458,013)**	**1,350,313**
Unallocated expenses			**(129,123)**
Profit for the period			**1,221,190**
Six months ended 30 June 2009			
Revenue	**36,394,659**	**5,285,346**	**41,680,005**
Segment profit	**4,832,225**	**3,052,499**	**7,884,724**
Unallocated expenses			**(317,969)**
Profit for the period			**7,566,755**
Impairment in value of available for sale investments	**-**	**1,675,887**	**1,675,887**
Total assets	**77,748,625**	**171,328,399**	**249,077,024**
Three months ended 30 June 2008			
Revenue	28,577,146	3,406,466	31,983,612
Segment profit	4,867,251	3,045,515	7,912,766
Unallocated expenses			(381,420)
Profit for the period			7,531,346
Three months ended 30 June 2008			
Revenue	55,072,233	7,832,594	62,904,827
Segment profit	10,494,188	6,862,909	17,357,097
Unallocated expenses			(737,734)
Profit for the period			16,619,363
Total assets	88,105,694	246,772,919	334,878,613

10 Related party transactions

These represent transactions with certain related parties (directors and executive officers of the parent company and their related concerns) entered into by the group in the ordinary course of business.

	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD
Amounts included in interim condensed consolidated statement of financial position		
Purchase of property, plant and equipment	-	106,323

10 Related party transactions (continued)

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2009 KD	30 June 2008 KD	**30 June 2009 KD**	30 June 2008 KD
Amounts included in interim condensed consolidated statement of income				
Sales	**247,053**	383,207	**705,743**	712,738
Industrial expenses	**16,181**	-	**24,353**	-
Key management compensation:				
Salaries and other short term benefits	**118,485**	109,054	**231,706**	218,108
Terminal benefits	**7,221**	272	**19,719**	543
	125,706	109,326	**251,425**	218,651

11 Capital commitments

At the period end date, the group was committed to purchase investments amounting to KD1,000,000 (31 December 2008: KD1,039,851 and 30 June 2008: KD2,587,660) and to purchase new machinery and equipment amounting to KD1,712,616 (31 December 2008: KD1,266,452 and 30 June 2008: KD2,147,294).

12 Contingent liabilities

Contingent liabilities at the period end date in respect of outstanding letters of guarantee amounted to KD6,800,380 (31 December 2008 : KD5,831,409 and 30 June 2008 : KD4,040,306).