

Interim condensed consolidated financial information and review report  
**Gulf Cable and Electrical Industries Company – KSC and Subsidiary  
Kuwait**

30 June 2010 (Unaudited)

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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 2010 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 Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

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

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, or of the articles of association of the parent company, as amended, have occurred during the six-month period ended 30 June 2010 that might have had a material effect on the business of the group or on its financial position.

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Kuwait  
5 August 2010

## Interim condensed consolidated statement of income

	Notes	Three months ended		Six months ended	
		30 June 2010 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2010 (Unaudited) KD	30 June 2009 (Unaudited) KD
Sales		20,607,632	16,587,747	38,912,122	36,394,659
Cost of sales		(19,018,373)	(13,963,082)	(31,690,794)	(30,785,973)
<b>Gross profit</b>		<b>1,589,259</b>	<b>2,624,665</b>	<b>7,221,328</b>	<b>5,608,686</b>
<b>Other income</b>					
Dividend income		23,337,485	353,153	23,452,745	6,679,481
Investment income		55,336	268,814	95,404	268,814
Realised gain/(loss) on disposal/sale of available for sale investments		394	(59,055)	1,289	(59,055)
Impairment in value of available for sale investments	4	(3,048,294)	-	(3,048,294)	(1,675,887)
Interest income		8,768	11,296	16,124	62,406
Other revenue		132	6,089	132	66,703
Gain on foreign exchange		151,657	321,107	285,248	1,106,785
<b>Gross income</b>		<b>22,094,737</b>	<b>3,526,069</b>	<b>28,023,976</b>	<b>12,057,933</b>
<b>Expenses</b>					
Administrative expenses		(1,037,475)	(556,402)	(2,070,468)	(1,109,310)
Commercial expenses		(553,917)	(587,025)	(1,241,248)	(854,843)
Charge for provision for obsolete stock		-	(35,907)	(8,097)	(38,630)
Interest expense		(1,269,935)	(996,422)	(2,269,637)	(2,170,426)
<b>Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration</b>		<b>19,233,410</b>	<b>1,350,313</b>	<b>22,434,526</b>	<b>7,884,724</b>
Contribution to KFAS		(192,491)	(13,532)	(224,492)	(79,075)
NLST		81,011	(27,208)	-	(66,353)
Zakat		32,404	(10,883)	-	(17,541)
Directors' remuneration		(77,500)	(77,500)	(155,000)	(155,000)
<b>Profit for the period</b>		<b>19,076,834</b>	<b>1,221,190</b>	<b>22,055,034</b>	<b>7,566,755</b>
Attributable to:					
Owners of the parent		19,092,520	1,224,114	22,069,735	7,589,565
Non-controlling interests		(15,686)	(2,924)	(14,701)	(22,810)
<b>Profit for the period</b>		<b>19,076,834</b>	<b>1,221,190</b>	<b>22,055,034</b>	<b>7,566,755</b>
<b>Basic and diluted earnings per share attributable to owners of the parent</b>	3	<b>91 Fils</b>	<b>6 Fils</b>	<b>105 Fils</b>	<b>36 Fils</b>

*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 2010 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2010 (Unaudited) KD	30 June 2009 (Unaudited) KD
Profit for the period	19,076,834	1,221,190	22,055,034	7,566,755
<b>Other comprehensive income:</b>				
Exchange differences arising on translation of foreign operations	40,283	(82,812)	68,021	213,029
Available for sale investments:				
- Net (loss)/ gain arising during the period	(43,418,091)	57,937,090	13,860,665	39,780,188
- Transferred to interim condensed consolidated statement of income on sale	(1,008)	59,055	936	59,055
- Transferred to interim condensed consolidated statement of income on impairment	3,048,294	-	3,048,294	1,675,887
Total other comprehensive (loss)/ income	(40,330,522)	57,913,333	16,977,916	41,728,159
Total comprehensive (loss)/ income for the period	(21,253,688)	59,134,523	39,032,950	49,294,914
Total comprehensive (loss)/ income attributable to:				
Owners of the parent	(21,240,217)	59,142,002	39,043,910	49,306,007
Non-controlling interests	(13,471)	(7,479)	(10,960)	(11,093)
	(21,253,688)	59,134,523	39,032,950	49,294,914

*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 financial position

	Notes	30 June 2010 (Unaudited) KD	31 Dec. 2009 (Audited) KD	30 June 2009 (Unaudited) KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		15,637,362	15,919,728	15,643,948
Available for sale investments	4	194,929,225	178,452,125	171,328,399
		<b>210,566,587</b>	<b>194,371,853</b>	<b>186,972,347</b>
<b>Current assets</b>				
Inventories	5	37,574,056	34,247,874	29,108,876
Trade accounts receivable		25,269,665	21,086,760	22,146,842
Other receivables and prepayments		1,608,160	1,268,467	2,303,605
Fixed deposit	6	16,402,728	387,550	-
Cash and bank balances	6	5,115,826	5,591,362	8,545,354
		<b>85,970,435</b>	<b>62,582,013</b>	<b>62,104,677</b>
<b>Total assets</b>		<b>296,537,022</b>	<b>256,953,866</b>	<b>249,077,024</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to the owners of the parent</b>				
Share capital		20,993,131	20,993,131	20,993,131
Share premium		29,160,075	29,160,075	29,160,075
Legal reserve		15,371,779	15,371,779	14,257,443
Voluntary reserve		15,371,779	15,371,779	14,257,443
General reserve		16,788,145	16,788,145	16,788,145
Fair value reserve		61,736,335	44,826,440	76,590,683
Foreign currency translation reserve		(24,486)	(88,766)	(92,627)
Retained earnings		26,358,573	14,785,404	14,080,039
		<b>185,755,331</b>	<b>157,207,987</b>	<b>186,034,332</b>
Non-controlling interests		277,810	288,770	294,219
		<b>186,033,141</b>	<b>157,496,757</b>	<b>186,328,551</b>
<b>Non-current liabilities</b>				
Provision for staff indemnity		1,468,175	1,323,976	1,328,135
Long term loans	7	8,091,202	10,564,252	13,141,607
		<b>9,559,377</b>	<b>11,888,228</b>	<b>14,469,742</b>
<b>Current liabilities</b>				
Trade accounts payable		1,549,272	1,650,059	1,200,283
Other payables and accruals		8,641,269	9,238,370	5,701,055
Current portion of long term loans	7	5,191,566	5,131,944	5,136,393
Short term loans	7	84,000,000	71,500,000	36,000,000
Due to banks	6	1,562,397	48,508	241,000
		<b>100,944,504</b>	<b>87,568,881</b>	<b>48,278,731</b>
<b>Total liabilities</b>		<b>110,503,881</b>	<b>99,457,109</b>	<b>62,748,473</b>
<b>Total equity and liabilities</b>		<b>296,537,022</b>	<b>256,953,866</b>	<b>249,077,024</b>

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
<b>Balance at 1 January 2010</b>	20,993,131	29,160,075	15,371,779	15,371,779	16,788,145	44,826,440	(88,766)	14,785,404	157,207,987	288,770	157,496,757
Payment of cash dividends (Note 8)	-	-	-	-	-	-	-	(10,496,566)	(10,496,566)	-	(10,496,566)
Transaction with owners	-	-	-	-	-	-	-	(10,496,566)	(10,496,566)	-	(10,496,566)
Profit /(loss) for the period	-	-	-	-	-	-	-	22,069,735	22,069,735	(14,701)	22,055,034
<b>Other comprehensive income:</b>											
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	64,280	-	64,280	3,741	68,021
Available for sale investments:											
- Net gain arising during the period	-	-	-	-	-	13,860,665	-	-	13,860,665	-	13,860,665
- Transferred to interim condensed consolidated statement of income on sale	-	-	-	-	-	936	-	-	936	-	936
- Transferred to interim condensed consolidated statement of income on impairment	-	-	-	-	-	3,048,294	-	-	3,048,294	-	3,048,294
Total comprehensive income for the period	-	-	-	-	-	16,909,895	64,280	22,069,735	39,043,910	(10,960)	39,032,950
<b>Balance at 30 June 2010</b>	20,993,131	29,160,075	15,371,779	15,371,779	16,788,145	61,736,335	(24,486)	26,358,573	185,755,331	277,810	186,033,141

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) (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
<b>Balance at 1 January 2009</b>	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	-	-	-	-	-	-	-	(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
<b>Other comprehensive income:</b>											
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 interim condensed consolidated statement of income on sale	-	-	-	-	-	59,055	-	-	59,055	-	59,055
- Transferred to interim condensed 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
<b>Balance at 30 June 2009</b>	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 cash flows

	Note	Six months ended 30 June 2010 (Unaudited) KD	Six months ended 30 June 2009 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		22,055,034	7,566,755
Adjustments:			
Depreciation		904,943	718,072
Provision for staff indemnity		155,599	125,187
Interest expense		2,269,637	2,170,426
Interest income		(16,124)	(62,406)
Dividend income		(23,452,745)	(6,679,481)
Investment income		(95,404)	(268,814)
Realised (gain)/loss on disposal/sale of available for sale investments		(1,289)	59,055
Impairment in value of available for sale investment		3,048,294	1,675,887
Foreign exchange loss on non-operating liabilities		169,195	718,729
		<b>5,037,140</b>	<b>6,023,410</b>
Changes in operating assets and liabilities:			
Inventories		(3,326,182)	19,647,073
Trade accounts receivable		(4,182,905)	15,204,190
Other receivables and prepayments		(331,201)	2,609,170
Trade accounts payable		(100,787)	111,024
Other payables and accruals		(857,611)	(1,475,815)
Staff indemnity paid		(11,400)	(26,517)
<b>Net cash (used in)/ from operating activities</b>		<b>(3,772,946)</b>	<b>42,092,535</b>
<b>INVESTING ACTIVITIES</b>			
Proceed from fixed deposit maturing after three months		-	186,425
Capital expenditure		(498,143)	(1,027,570)
Net book value of property, plant and equipment disposed		-	7,694
Purchase of available for sale investments		(3,006,914)	(3,658,465)
Proceeds from redemption/sale of available for sale investments		392,704	556,026
Dividend income received		23,452,745	6,679,481
Investment income received		95,404	268,814
Interest received		7,632	32,442
<b>Net cash from investing activities</b>		<b>20,443,428</b>	<b>3,044,847</b>
<b>FINANCING ACTIVITIES</b>			
Payment of dividends		(10,351,688)	(13,490,553)
Proceeds from term loans		15,500,000	5,000,000
Payment of term loans		(5,582,623)	(25,716,329)
Interest paid		(2,154,005)	(1,938,960)
<b>Net cash used in financing activities</b>		<b>(2,588,316)</b>	<b>(36,145,842)</b>
Increase in cash and cash equivalents		14,082,166	8,991,540
Foreign currency adjustment		(56,413)	(153,861)
Cash and cash equivalents at beginning of the period	6	5,930,404	(533,325)
<b>Cash and cash equivalents at end of the period</b>	6	<b>19,956,157</b>	<b>8,304,354</b>

*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 2010 (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 2010 was authorised for issue by the parent company’s board of directors on 5 August 2010.

## **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 2009 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 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2009.

## **2 Significant accounting policies (continued)**

### ***Adoption of revised and new standards and interpretations***

The following new and revised standards and interpretations have been adopted by the group in the current period:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 3 Business Combinations (Revised 2009)	1 July 2009
IAS 27 Consolidated and Separate Financial Statements (Revised 2008)	1 July 2009
Amendment to IAS 39 Financial Instruments: Recognition and Measurement	1 July 2009

IFRS 3 Business Combinations (Revised) (effective from 1 July 2009)

The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and has been applied prospectively in accordance with the transitional provisions. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and did not have any effect on the group's interim condensed consolidated financial information for the period.

IAS 27 Consolidated and Separate Financial Statements (Revised) (effective from 1 July 2009)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the group's interest in subsidiaries. These changes have been applied prospectively in accordance with the transitional provisions and did not have any effect on the group's interim condensed consolidated financial information for the period.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective from 1 July 2009)

The amendment to the standard clarifies two issues relating to hedge accounting i.e. 1) identifying inflations as a hedge risk or portion, and 2) hedging with options. This revision is not relevant to the operations of the group.

The IASB issued *Improvements for International Financial Reporting Standards 2009* to the following standards which have been adopted by the group that largely clarify the required accounting treatment where previous practice had varied some of which are substantive but have not resulted in any significant changes in the group's accounting policies.

<i>Standard</i>	<i>Effective for annual periods beginning</i>
IFRS 2 Share Based Payment	1 July 2009
IFRS 3 Business combinations (Revised 2008)	1 January 2010
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009 and 1 January 2010
IAS 1 Presentation of Financial Statements	1 January 2010
IAS 7 Statement of Cash Flows	1 January 2010
IAS 17 Leases	1 January 2010
IAS 36 Impairment of Assets	1 January 2010
IAS 38 Intangible Assets	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2010

*The following revised standards and interpretations have been issued but not yet effective and have not been adopted by the group in the current period:*

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2013
IAS 24 Related Party Disclosures	1 January 2011
IAS 32 Financial Instruments: Presentation	1 February 2010

## **2 Significant accounting policies (continued)**

IFRS 9 Financial Instruments (effective from 1 January 2013 earlier application is permitted)

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

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

In addition, a separate project is dealing with derecognition.

Although 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.

### **IAS 24 Related Party Disclosures**

The amendments to the standard revise the definition of related party as well as modified exemptions for state-controlled entities. The adoption of this amendment is not expected to have a significant impact on the group's financial statements.

### **IAS 32 Financial Instruments: Presentation**

The amendment to the standard clarifies classification right issues in foreign currency. The adoption of this amendment is not expected to have a significant impact on the group's financial statements.

## **3 Basic and diluted earnings per share**

Basic and diluted earnings per share are 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 2010	30 June 2009	30 June 2010	30 June 2009
Profit for the period attributable to the owners of the parent (KD)	<b>19,092,520</b>	1,224,114	<b>22,069,735</b>	7,589,565
Weighted average number of shares outstanding	<b>209,931,310</b>	209,931,310	<b>209,931,310</b>	209,931,310
Basic and diluted earnings per share	<b>91 Fils</b>	6 Fils	<b>105 Fils</b>	36 Fils

## **4 Available for sale investments**

	30 June 2010 (Unaudited) KD	31 Dec. 2009 (Audited) KD	30 June 2009 (Unaudited) KD
Managed portfolios	<b>163,495,095</b>	145,641,750	136,478,112
Quoted shares	<b>21,389,069</b>	21,406,007	21,568,039
Quoted funds	<b>2,155,079</b>	2,081,025	2,637,454
Unquoted shares	<b>6,535,413</b>	7,561,833	8,729,660
Unquoted funds	<b>1,354,569</b>	1,761,510	1,915,134
	<b>194,929,225</b>	178,452,125	171,328,399

The group recognised impairment loss of KD3,048,294 (30 June 2009: KD1,675,887) in respect of certain available for sale investments.

**5 Inventories**

	30 June 2010 (Unaudited) KD	31 Dec. 2009 (Audited) KD	30 June 2009 (Unaudited) KD
Raw materials	12,837,529	10,911,290	9,251,950
Finished goods	13,238,905	10,866,634	11,917,517
Work-in-progress	8,708,927	8,771,874	6,424,129
Spare parts	1,454,801	1,420,432	1,336,754
	<b>36,240,162</b>	<b>31,970,230</b>	<b>28,930,350</b>
Provision for obsolete stock	(295,201)	(287,104)	(273,653)
	<b>35,944,961</b>	<b>31,683,126</b>	<b>28,656,697</b>
Goods in transit and prepaid letters of credit	1,629,095	2,564,748	452,179
	<b>37,574,056</b>	<b>34,247,874</b>	<b>29,108,876</b>

**6 Cash and cash equivalents**

	30 June 2010 (Unaudited) KD	31 Dec. 2009 (Audited) KD	30 June 2009 (Unaudited) KD
Fixed deposits maturing within three months	16,402,728	387,550	-
Cash and bank balances	5,115,826	5,591,362	8,545,354
Due to banks	(1,562,397)	(48,508)	(241,000)
	<b>19,956,157</b>	<b>5,930,404</b>	<b>8,304,354</b>

Fixed deposits carry effective interest rate of 0.457% (31 December 2009: 4.75% and 30 June 2009: Nil).

**7 Term loans**

	30 June 2010 (Unaudited) KD	31 Dec. 2009 (Audited) KD	30 June 2009 (Unaudited) KD
<b>Long term loans:</b>			
- USD 12,500,000 facility	1,823,125	2,102,553	2,405,000
- USD 55,000,000 facility	11,459,643	13,593,643	15,873,000
	<b>13,282,768</b>	<b>15,696,196</b>	<b>18,278,000</b>
Instalments due within next twelve months	(5,191,566)	(5,131,944)	(5,136,393)
Instalments due after next twelve months	8,091,202	10,564,252	13,141,607
	<b>84,000,000</b>	<b>71,500,000</b>	<b>36,000,000</b>
<b>Short term loans</b>			
- Kuwait Dinar	84,000,000	71,500,000	36,000,000

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 US\$7,857,143 ending on 1 March 2012.

Short term loans outstanding at 30 June 2010 were obtained from local banks. The loans are unsecured and carry effective interest of 2.5% above Central Bank of Kuwait discount rate (31 December 2009: 2.5% and 30 June 2009: 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 50 Fils per share amounting to KD10,496,566 for the year ended 31 December 2009 was approved by the general assembly of the shareholders held on 5 April 2010 and paid following that approval.

## **9 Segmental information**

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
<b>Three months ended 30 June 2010</b>			
Revenue	20,607,632	20,410,393	41,018,025
Segment (loss)/profit	(65,917)	19,299,327	19,233,410
Unallocated expenses			(156,576)
Profit for the period			19,076,834
<b>Six months ended 30 June 2010</b>			
Revenue	38,912,122	20,594,679	59,506,801
Segment profit	3,927,277	18,507,249	22,434,526
Unallocated expenses			(379,492)
Profit for the period			22,055,034
Impairment in value of available for sale investments	-	3,048,294	3,048,294
Total assets	85,205,069	211,331,953	296,537,022
<b>Three months ended 30 June 2009</b>			
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
<b>Six months ended 30 June 2009</b>			
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

## **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.

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2010 KD	30 June 2009 KD	30 June 2010 KD	30 June 2009 KD
<b>Amounts included in interim condensed consolidated statement of income</b>				
Sales	176,596	247,053	494,110	705,743
Industrial expenses	11,504	16,181	23,646	24,353
<b>Key management compensation:</b>				
Salaries and other short term benefits	297,859	118,485	595,718	231,706
Terminal benefits	-	7,221	899	19,719
	297,859	125,706	596,617	251,425

## **11 Capital commitments**

At the period end, the group was committed to purchase investments amounting to KD1,000,000 (31 December 2009: KD1,000,000 and 30 June 2009: KD1,000,000) and to purchase new machinery and equipment amounting to KD290,087 (31 December 2009: KD476,146 and 30 June 2009: KD1,712,616).

## **12 Contingent liabilities**

Contingent liabilities at the period end in respect of outstanding letters of guarantee amounted to KD6,286,717 (31 December 2009: KD6,728,829. and 30 June 2009: KD6,800,380).