

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

30 June 2012 (Unaudited)

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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 30 June 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-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 six-month period ended 30 June 2012 that might have had a material effect on the business or financial position of the Company.

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Kuwait
14 August 2012

Interim condensed consolidated statement of income

	Note	Three months ended (Unaudited)		Six months ended (Unaudited)	
		30 June 2012 KD	30 June 2011 KD	30 June 2012 KD	30 June 2011 KD
Revenue					
Sales		24,358,755	33,167,624	45,826,981	62,747,521
Cost of sales		(21,524,454)	(26,362,689)	(39,702,284)	(47,031,905)
Gross profit		2,834,301	6,804,935	6,124,697	15,715,616
Dividend income		12,773	25,448,516	8,451,386	26,240,643
Other investment income		2,552	47,759	32,458	76,994
Gain / (Loss) on sale of available for sale investments		96,120	13,901	67,642	(355,211)
Interest income		2,002	6,238	6,087	12,141
Other revenue		2,600	1,970	2,600	3,150
Gain/(loss) on foreign exchange		473,877	(166,529)	513,901	(257,056)
		3,424,225	32,156,790	15,198,771	41,436,277
Expenses and other changes					
Administrative expenses		984,535	1,058,461	1,846,357	1,967,477
Commercial expenses		584,635	612,223	1,412,261	1,438,794
Impairment of available for sale investments		-	843,085	676,008	843,085
Provision for doubtful debts		-	1,627,524	-	1,876,546
(Reversal) / provision for obsolete stock		(30,827)	52,368	(30,827)	52,723
Finance costs		574,590	837,786	1,080,918	1,847,485
		2,112,933	5,031,447	4,984,717	8,026,110
Profit for the period before income tax		1,311,292	27,125,343	10,214,054	33,410,167
Income tax for overseas subsidiary		(4,205)	-	(4,205)	-
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration		1,307,087	27,125,343	10,209,849	33,410,167
Contribution to KFAS		(12,965)	(270,197)	(101,749)	(332,726)
NLST		(33,445)	(101,602)	(57,888)	(264,396)
Zakat		(13,378)	(35,641)	(23,155)	(100,758)
Directors' remuneration		(77,500)	(77,500)	(155,000)	(155,000)
Profit for the period		1,169,799	26,640,403	9,872,057	32,557,287
Profit for the period attributable to:					
Owners of the parent company		1,159,115	26,534,729	9,837,065	32,419,728
Non-controlling interests		10,684	105,674	34,992	137,559
		1,169,799	26,640,403	9,872,057	32,557,287
Basic and diluted earnings per share attributable to the owners of the parent company	3	6 Fils	126 Fils	47 Fils	154 Fils

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2012 KD	30 June 2011 KD	30 June 2012 KD	30 June 2011 KD
Profit for the period	1,169,799	26,640,403	9,872,057	32,557,287
Other comprehensive income:				
Exchange differences arising on translation of foreign operations	62,347	(94,974)	51,944	(163,757)
Available for sale investments:				
- Net loss arising during the period	(16,974,135)	(38,852,520)	(17,220,875)	(67,774,515)
- Transferred to interim condensed consolidated statement of income on sale	8,376	-	(30,286)	287,475
- Transferred to interim condensed consolidated statement of income on impairment	-	843,085	676,008	843,085
Total other comprehensive loss	(16,903,412)	(38,104,409)	(16,523,209)	(66,807,712)
Total comprehensive loss for the period	(15,733,613)	(11,464,006)	(6,651,152)	(34,250,425)
Total comprehensive loss for the period attributable to:				
Owners of the parent company	(15,747,726)	(11,564,456)	(6,689,001)	(34,378,977)
Non-controlling interests	14,113	100,450	37,849	128,552
	(15,733,613)	(11,464,006)	(6,651,152)	(34,250,425)

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	(Restated) 30 June 2011 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		11,222,444	12,050,190	12,901,524
Available for sale investments	4	130,890,193	142,985,404	165,367,001
		142,112,637	155,035,594	178,268,525
Current assets				
Inventories	5	39,652,217	37,362,022	50,226,816
Trade accounts receivable		25,354,213	30,373,319	40,178,725
Other receivables and prepayments		642,381	814,257	740,205
Fixed deposit	6	-	402,411	395,979
Cash and bank balances	6	5,191,858	10,429,185	3,991,376
		70,840,669	79,381,194	95,533,101
Total assets		212,953,306	234,416,788	273,801,626
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	6,183,775	22,709,841	42,697,437
Retained earnings		32,265,226	37,753,148	43,426,966
		151,120,725	173,134,713	189,241,820
Non-controlling interests		447,412	409,563	371,306
		151,568,137	173,544,276	189,613,126
Non-current liabilities				
Provision for staff indemnity		1,849,996	1,715,052	1,664,408
Long term loans	8	25,676,080	1,229,140	10,089,145
		27,526,076	2,944,192	11,753,553
Current liabilities				
Trade accounts payable		2,046,397	2,521,086	2,860,347
Other payables and accruals		8,399,098	9,744,319	8,240,829
Murabaha payable		-	-	3,000,000
Current portion of long term loans	8	13,340,157	5,507,186	5,724,545
Short term loans	8	10,000,000	40,000,000	50,000,000
Due to banks	6	73,441	155,729	2,609,226
		33,859,093	57,928,320	72,434,947
Total liabilities		61,385,169	60,872,512	84,188,500
Total equity and liabilities		212,953,306	234,416,788	273,801,626

Bader Naser Al-Khorafi
Chairman and Managing Director

The notes set out on pages 8 to 16 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 interests	Total
	Share capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	General reserve KD	Other components of equity (Note 7) KD	Retained earnings KD	Sub-total 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
Payment of cash dividends (Note 9)	-	-	-	-	-	-	(15,324,987)	(15,324,987)	-
Transactions with owners	-	-	-	-	-	-	(15,324,987)	(15,324,987)	-
Total comprehensive (loss) / income for the period	-	-	-	-	-	(16,526,066)	9,837,065	(6,689,001)	37,849
Balance at 30 June 2012	20,993,131	29,160,075	20,993,131	20,993,131	20,532,256	6,183,775	32,265,226	151,120,725	447,412

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 (Note 7) 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 period	-	-	-	-	-	(66,798,705)	32,419,728	(34,378,977)	128,552	(34,250,425)
Balance at 30 June 2011	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	42,697,437	43,426,966	189,241,820	371,306	189,613,126

The notes set out on pages 8 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2012 (Unaudited) KD	Six months ended 30 June 2011 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		9,872,057	32,557,287
Adjustments:			
Depreciation		892,163	956,728
Provision for staff indemnity		235,289	162,592
Finance costs		1,080,918	1,847,485
Interest income		(6,087)	(12,141)
Dividend income		(8,451,386)	(26,240,643)
Other investment income		(32,458)	(76,994)
(Gain)/loss on sale of available for sale investments		(67,642)	355,211
Impairment of available for sale investments		676,008	843,085
Foreign exchange loss/(gain) on non-operating liabilities		28,853	(345,902)
		4,227,715	10,046,708
Changes in operating assets and liabilities:			
Inventories		(2,215,768)	(13,450,008)
Trade accounts receivable		5,019,106	(12,236,108)
Other receivables and prepayments		(328,124)	(58,903)
Trade accounts payable		(474,688)	714,218
Other payables and accruals		(1,764,114)	(1,555,246)
Staff indemnity paid		(100,344)	(10,380)
Net cash from / (used in) operating activities		4,363,783	(16,549,719)
INVESTING ACTIVITIES			
Proceed from fixed deposit maturing after three months		-	395,759
Capital expenditure		(80,694)	(86,614)
Purchase of available for sale investments		(14,059,606)	(71,783)
Proceeds from sale of available for sale investments		9,471,297	6,651,815
Dividend income received		8,451,386	26,240,643
Other investment income received		32,458	76,994
Interest income received		6,087	9,334
Net cash from investing activities		3,820,928	33,216,148
FINANCING ACTIVITIES			
Payment of dividends		(14,923,337)	(14,107,250)
Proceeds from murabaha payable		-	3,000,000
Proceeds from term loans		10,000,000	17,964,520
Payment of term loans		(7,748,943)	(31,478,313)
Finance costs paid		(1,063,678)	(1,732,155)
Net cash used in financing activities		(13,735,958)	(26,353,198)
Decrease in cash and cash equivalents		(5,551,247)	(9,686,769)
Foreign currency adjustment		(6,203)	38,732
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	5,118,417	1,778,129

The notes set out on pages 8 to 16 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 six-month period ended 30 June 2012 was authorised for issue by the parent company’s board of directors on 14 August 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 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 audited consolidated financial statements as at and for the year ended 31 December 2011.

Operating results for the six month period ended 30 June 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.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
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:

- Potentially reclassifiable to interim condensed consolidated statement of income in a subsequent period, and
- 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)

IASB Standards issued but not yet effective (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 (Unaudited)		Six months ended (Unaudited)	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Profit for the period attributable to the owners of the parent company (KD)	1,159,115	26,534,729	9,837,065	32,419,728
Weighted average number of ordinary shares outstanding during the period	209,931,310	209,931,310	209,931,310	209,931,310
Basic and diluted earnings per share attributable to the owners of the parent company	6 Fils	126 Fils	47 Fils	154 Fils

4 Available for sale investments

	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	30 June 2011 (Unaudited) KD
Managed portfolios	102,700,144	120,242,791	136,916,862
Quoted shares	15,687,696	13,977,310	18,259,988
Managed funds	1,919,294	1,972,917	2,100,051
Unquoted shares	9,814,667	5,941,103	6,948,788
Unquoted funds	768,392	851,283	1,141,312
	130,890,193	142,985,404	165,367,001

Unquoted funds include investments in private equity funds amounting to KD 768,392 (31 December 2011: KD851,283 and 30 June 2011 : KD1,141,312). 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 KD 676,008 (30 June 2011: KD 843,085) in respect of certain available for sale investments.

Notes to the interim condensed consolidated financial information (continued)

5 Inventories

	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	30 June 2011 (Unaudited) KD
Raw materials	14,377,330	15,495,085	22,522,496
Finished goods	12,691,718	11,491,646	10,652,126
Work-in-progress	7,413,145	6,662,514	8,833,205
Spare parts	1,788,584	1,690,434	1,599,832
	36,270,777	35,339,679	43,607,659
Provision for obsolete inventories	(304,771)	(335,598)	(388,871)
	35,966,006	35,004,081	43,218,788
Goods in transit and prepaid letters of credit	3,686,211	2,357,941	7,008,028
	39,652,217	37,362,022	50,226,816

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:

	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	30 June 2011 (Unaudited) KD
Fixed deposit	-	402,411	395,979
Cash on hand	8,598	56,072	274,905
Cash in portfolio	1,246,630	414,178	1,207,535
Bank balances	3,936,630	9,958,935	2,508,936
Total cash and cash equivalents	5,191,858	10,831,596	4,387,355
Less: due to banks	(73,441)	(155,729)	(2,609,226)
Cash and cash equivalent for statement of cash flows	5,118,417	10,675,867	1,778,129

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	-	49,087	49,087
AFS financial assets			
- Net loss arising during the period	(17,220,875)	-	(17,220,875)
- Transferred to interim condensed consolidated statement of income on sale	(30,286)	-	(30,286)
- Transferred to interim condensed consolidated statement of income on impairment	676,008	-	676,008
Total other comprehensive (loss)/income for the period	(16,575,153)	49,087	(16,526,066)
Balance at 30 June 2012	6,357,759	(173,984)	6,183,775
Balance at 1 January 2011	109,693,343	(197,201)	109,496,142
Exchange differences arising on translation of foreign operations	-	(154,750)	(154,750)
AFS financial assets			
- Net loss arising during the period	(67,774,515)	-	(67,774,515)
- Transferred to interim condensed consolidated statement of income on sale	287,475	-	287,475
- Transferred to interim condensed consolidated statement of income on impairment	843,085	-	843,085
Total other comprehensive loss for the period	(66,643,955)	(154,750)	(66,798,705)
Balance at 30 June 2011	43,049,388	(351,951)	42,697,437

8 Term loans

	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	30 June 2011 (Unaudited) KD
Long term loans:			
- USD 12,500,000 facility	-	-	1,146,875
- USD 55,000,000 facility	2,213,357	4,389,786	6,488,036
- USD 20,000,000 facility	1,802,880	2,346,540	5,505,000
- USD 10,000,000 facility	-	-	2,673,779
- KD 40,000,000 facility	35,000,000	-	-
	39,016,237	6,736,326	15,813,690
Instalments due within next twelve months	(13,340,157)	(5,507,186)	(5,724,545)
Instalments due after next twelve months	25,676,080	1,229,140	10,089,145
Short term loans			
- Kuwait Dinar	10,000,000	40,000,000	50,000,000

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 amounting to KD40,000,000, which were obtained from a local bank into 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.
- Short term loan outstanding at 30 June 2012 was obtained from a local bank. The loan is unsecured and carries interest rate of 2% above Central Bank of Kuwait discount rate per annum. The loan matures on 5 October 2012.

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.

10 Segmental information

The group's operating 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 2012			
Revenue	24,358,755	203,917	24,562,672
Segment profit / (loss)	1,618,928	(311,841)	1,307,087
Unallocated expenses			(137,288)
Profit for the period			1,169,799
Six months ended 30 June 2012			
Revenue	45,826,981	7,960,873	53,787,854
Segment profit	3,328,771	6,881,078	10,209,849
Unallocated expenses			(337,792)
Profit for the period			9,872,057
Impairment of available for sale investments		676,008	676,008
Total assets	80,816,482	132,136,824	212,953,306

Notes to the interim condensed consolidated financial information (continued)

10 Segmental information (continued)

	Cable manufacture (Unaudited) KD	Investment (Unaudited) KD	Total (Unaudited) KD
Three months ended 30 June 2011			
Revenue	33,167,624	24,534,231	57,701,855
Segment profit	3,295,096	23,830,247	27,125,343
Unallocated expenses			(484,940)
Profit for the period			26,640,403
Six months ended 30 June 2011			
Revenue	62,747,521	24,865,223	87,612,744
Segment profit	10,245,576	23,164,591	33,410,167
Unallocated expenses			(852,880)
Profit for the period			32,557,287
Impairment of available for sale investments	-	843,085	843,085
Total assets	108,035,841	165,765,785	273,801,626

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.

	30 June 2012 (Unaudited) KD	31 Dec. 2011 (Audited) KD	30 June 2011 (Unaudited) KD
Amounts included in interim condensed consolidated statement of financial position			
Trade accounts receivables	2,954,608	2,185,689	1,875,654
Trade accounts payables	849	24,509	2,869

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2012 KD	30 June 2011 KD	30 June 2012 KD	30 June 2011 KD
Amounts included in interim condensed consolidated statement of income				
Sales	377,973	266,551	544,879	620,492
Industrial expenses	154	48,021	36,071	91,837
Key management compensation:				
Salaries and other short term benefits	359,881	356,428	716,308	712,855
End of service benefits	10,802	1,249	10,802	6,069
	370,683	357,677	727,110	718,924

Notes to the interim condensed consolidated financial information (continued)

12 Capital commitments

At the period end, the group was committed to purchase investments amounting to KD Nil (31 December 2011: KD Nil and 30 June 2011: KD1,000,000) and to purchase new machinery and equipment amounting to KD153,619 (December 2011: KD152,993 and 30 June 2011: KD8,042).

13 Contingent liabilities

Contingent liabilities at the period end in respect of outstanding letters of guarantee amounted to KD11,240,119 (31 December 2011: KD8,546,430 and 30 June 2011: KD 8,957,063).

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 30 June 2011 have been restated to reflect the above prior year adjusted comparative amounts.