

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

30 September 2011 (Unaudited)

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Auditors & Consultants

Souq Al Kabeer Building - Block A - 9th Floor
Tel : (965) 2244 3900-9
Fax: (965) 2243 8451
P.O.Box 2986, Safat 13030
Kuwait
www.gtkuwait.com

An independent member firm of UHY
P.O. Box 20316, Safat 13064 – Kuwait
Tel : +965- 2564221
Fax : +965 2564214
E-mail : fawzia@fmh.com.kw

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 September 2011 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-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 nine-month period ended 30 September 2011 that might have had a material effect on the business or financial position of the Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners



Fawzia Mubarak Al-Hassawi
(Licence No. 80-A)
of UHY-Fawzia Mubarak Al-Hassawi

Interim condensed consolidated statement of income

	Note	Three months ended (Unaudited)		Nine months ended (Unaudited)	
		30 Sept. 2011 KD	30 Sept. 2010 KD	30 Sept. 2011 KD	30 Sept. 2010 KD
Revenue					
Sales		27,952,921	25,857,452	90,700,442	64,769,574
Cost of sales		(22,944,509)	(21,214,754)	(69,976,414)	(52,905,548)
Gross profit		5,008,412	4,642,698	20,724,028	11,864,026
Dividend income		-	120,000	26,240,643	23,572,745
Other investment income		3,014	912	80,008	96,316
(Loss)/gain on redemption /sale of available for sale investments		(143,737)	-	(498,948)	1,289
Interest income		2,832	8,684	14,973	24,808
Other revenue		2,359	87	5,509	219
(Loss)/gain on foreign exchange		(675,184)	(8,171)	(932,240)	277,077
		4,197,696	4,764,210	45,633,973	35,836,480
Expenses and other charges					
Administrative expenses		(898,362)	(1,026,688)	(2,852,643)	(3,097,156)
Commercial expenses		(359,495)	(618,397)	(1,798,289)	(1,859,645)
Impairment of available for sale investments		-	-	(843,085)	(3,048,294)
Provision for doubtful debts		-	-	(1,876,546)	-
Reversal of /(charge) for provision for obsolete stock		7,173	21,656	(45,550)	13,559
Interest expense		(690,020)	(1,054,465)	(2,537,505)	(3,324,102)
		(1,940,704)	(2,677,894)	(9,953,618)	(11,315,638)
Profit for the period before income tax		2,256,992	2,086,316	35,680,355	24,520,842
Income tax		(4,135)	-	(17,331)	-
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration		2,252,857	2,086,316	35,663,024	24,520,842
Contribution to KFAS		(22,305)	(20,853)	(355,031)	(245,345)
NLST		(55,905)	(45,591)	(320,301)	(45,591)
Zakat		(22,363)	(14,236)	(123,121)	(14,236)
Directors' remuneration		(77,500)	(77,500)	(232,500)	(232,500)
Profit for the period		2,074,784	1,928,136	34,632,071	23,983,170
Attributable to:					
Owners of the parent company		2,052,379	1,927,112	34,472,107	23,996,847
Non-controlling interests		22,405	1,024	159,964	(13,677)
Profit for the period		2,074,784	1,928,136	34,632,071	23,983,170
Basic and diluted earnings per share attributable to the owners of the parent company	3	10 Fils	9 Fils	164 Fils	114 Fils

The notes set out on pages 8 to 14 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended (Unaudited)		Nine months ended (Unaudited)	
	30 Sept. 2011 KD	30 Sept. 2010 KD	30 Sept. 2011 KD	30 Sept. 2010 KD
Profit for the period	2,074,784	1,928,136	34,632,071	23,983,170
Other comprehensive income:				
Exchange differences arising on translation of foreign operations	67,559	(110,472)	(96,198)	(42,451)
Available for sale investments:				
- Net (loss)/gain arising during the period	(14,243,857)	36,385,967	(82,018,372)	50,246,632
- Transferred to interim condensed consolidated statement of income on redemption / sale	178,027	-	465,502	936
- Transferred to interim condensed consolidated statement of income on impairment	-	-	843,085	3,048,294
Total other comprehensive (loss)/ income	(13,998,271)	36,275,495	(80,805,983)	53,253,411
Total comprehensive (loss)/ income for the period	(11,923,487)	38,203,631	(46,173,912)	77,236,581
Total comprehensive (loss)/ income attributable to:				
Owners of the parent company	(11,949,608)	38,208,683	(46,328,585)	77,252,593
Non-controlling interests	26,121	(5,052)	154,673	(16,012)
	(11,923,487)	38,203,631	(46,173,912)	77,236,581

The notes set out on pages 8 to 14 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	30 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		13,166,431	14,616,022	15,078,099
Available for sale investments	4	150,467,161	239,789,283	232,395,973
		163,633,592	254,405,305	247,474,072
Current assets				
Inventories	5	41,297,155	36,776,808	36,643,420
Trade accounts receivable		28,852,667	27,942,617	33,238,425
Other receivables and prepayments		285,082	678,496	1,152,193
Fixed deposits	7	397,975	395,759	401,135
Cash and bank balances	7	9,777,360	11,504,896	5,410,854
		80,610,239	77,298,576	76,846,027
Total assets		244,243,831	331,703,881	324,320,099
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		18,088,033	18,088,033	15,371,779
Voluntary reserve		18,088,033	18,088,033	15,371,779
General reserve		16,788,145	16,788,145	16,788,145
Fair value reserve		28,983,558	109,693,343	98,122,302
Foreign currency translation reserve		(288,108)	(197,201)	(128,882)
Retained earnings		46,085,936	25,259,364	28,285,685
		177,898,803	237,872,923	223,964,014
Non-controlling interests		432,731	278,058	272,758
		178,331,534	238,150,981	224,236,772
Non-current liabilities				
Provision for staff indemnity		1,677,353	1,512,196	1,440,355
Long term loans	6	7,542,253	7,665,135	5,670,048
		9,219,606	9,177,331	7,110,403
Current liabilities				
Trade accounts payable		2,396,871	2,146,128	1,294,257
Other payables and accruals		7,958,301	10,142,461	9,466,188
Current portion of long term loans	6	6,160,832	5,008,250	5,075,881
Short term loans	6	40,000,000	67,000,000	77,000,000
Due to banks	7	176,687	78,730	136,598
		56,692,691	84,375,569	92,972,924
Total liabilities		65,912,297	93,552,900	100,083,327
Total equity and liabilities		244,243,831	331,703,881	324,320,099

Bader Naser Al-Khorafi
Chairman and Managing Director

The notes set out on pages 8 to 14 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	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 1 January 2011	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	109,693,343	(197,201)	25,259,364	237,872,923	278,058	238,150,981
Payment of cash dividends (Note 8)	-	-	-	-	-	-	-	(13,645,535)	(13,645,535)	-	(13,645,535)
Transaction with owners	-	-	-	-	-	-	-	(13,645,535)	(13,645,535)	-	(13,645,535)
Profit for the period	-	-	-	-	-	-	-	34,472,107	34,472,107	159,964	34,632,071
Total other comprehensive loss	-	-	-	-	-	(80,709,785)	(90,907)	-	(80,800,692)	(5,291)	(80,805,983)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(80,709,785)	(90,907)	34,472,107	(46,328,585)	154,673	(46,173,912)
Balance at 30 September 2011	20,993,131	29,160,075	18,088,033	18,088,033	16,788,145	28,983,558	(288,108)	46,085,936	177,898,803	432,731	178,331,534

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
Balance at 1 January 2010	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	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	23,996,847	23,996,847	(13,677)	23,983,170
Total other comprehensive income/ (loss)	-	-	-	-	-	53,295,862	(40,116)	-	53,255,746	(2,335)	53,253,411
Total comprehensive income/(loss) for the period	-	-	-	-	-	53,295,862	(40,116)	23,996,847	77,252,593	(16,012)	77,236,581
Balance at 30 September 2010	20,993,131	29,160,075	15,371,779	15,371,779	16,788,145	98,122,302	(128,882)	28,285,685	223,964,014	272,758	224,236,772

The notes set out on pages 8 to 14 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2011 (Unaudited) KD	Nine months ended 30 Sept. 2010 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		34,632,071	23,983,170
Adjustments:			
Depreciation		1,438,277	1,349,546
Provision for staff indemnity		223,419	147,970
Interest expense		2,537,507	3,324,102
Interest income		(14,973)	(24,808)
Dividend income		(26,240,643)	(23,572,745)
Other investment income		(80,008)	(96,316)
Loss/(gain) on redemption/sale of available for sale investments		498,948	(1,289)
Impairment of available for sale investments		843,085	3,048,294
Gain on sale of property, plant and equipment on disposal		(573)	-
Foreign exchange gain on non-operating liabilities		(306,793)	(98,893)
		13,530,317	8,059,031
Changes in operating assets and liabilities:			
Inventories		(4,520,347)	(2,395,546)
Trade accounts receivable		(910,050)	(12,151,665)
Other receivables and prepayments		393,888	119,149
Trade accounts payable		250,743	(355,802)
Other payables and accruals		(1,714,223)	121,660
Staff indemnity paid		(58,262)	(31,591)
Net cash from / (used in) operating activities		6,972,066	(6,634,764)
INVESTING ACTIVITIES			
Fixed deposit maturing after three months		-	(401,135)
Proceed from fixed deposit maturing after three months		395,759	-
Capital expenditure		(152,461)	(581,529)
Proceed from sale of property, plant and equipment on disposal		575	-
Purchase of available for sale investments		(55,904)	(4,120,401)
Proceeds from redemption/sale of available for sale investments		7,326,207	425,410
Dividend income received		26,240,643	23,572,745
Other investment income received		80,008	96,316
Interest income received		14,499	21,933
Net cash from investing activities		33,849,326	19,013,339
FINANCING ACTIVITIES			
Payment of dividends		(14,183,592)	(10,485,022)
Proceeds from term loans		17,964,520	19,500,000
Payment of term loans		(43,628,027)	(18,851,374)
Interest paid		(2,469,386)	(3,229,488)
Net cash used in financing activities		(42,316,485)	(13,065,884)
Decrease in cash and cash equivalents		(1,495,093)	(687,309)
Foreign currency adjustment		67,575	31,161
Cash and cash equivalents at beginning of the period	7	11,426,166	5,930,404
Cash and cash equivalents at end of the period	7	9,998,648	5,274,256

The notes set out on pages 8 to 14 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information 30 September 2011 (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 nine-month period ended 30 September 2011 was authorised for issue by the parent company’s board of directors on 15 November 2011.

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 2010 except for adoption of 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 the 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 2010.

Operating results for the nine month period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2010.

2 Basis of presentation (continued)

Taxation

Taxation of foreign subsidiaries

Income taxes for foreign subsidiaries are calculated based on tax adopted in the countries in which the subsidiaries are incorporated.

Deferred taxation is provided in respect of all temporary differences. Deferred tax assets are recognised in respect of unutilised tax losses when it is probable that the loss will be used against future profits.

Adoption of amendments to standards and interpretations

The following amendments to certain standards and interpretations relevant to the operations of the group have been adopted by the group in the current period:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
Annual Improvements 2010	1 July 2010 and 1 January 2011
IAS 24 Related Party Disclosures- amendment	1 January 2011
IAS 34 Interim Financial Reporting – amendment	1 January 2011

Annual Improvements 2010

The IASB issued in May 2010 Improvements to IFRS. Most of these amendments became effective in annual periods beginning on or after 1 July 2010 and 1 January 2011. The 2010 Improvements amended certain provisions of IFRS 3, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The adoption did not have any impact on the financial position or performance of the group.

IAS 24 Related Party Disclosures (Revised)

The amended standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The adoption did not have any impact on the financial position or performance of the group.

IAS 34 Interim Financial Reporting (Revised)

Improvement to IAS 34 introduces the concept of “Significant events and transactions” and has brought in additional disclosures for changes in business and economic circumstances, transfers between levels of the fair value hierarchy used and changes in the classification of financial assets resulting from change in the purpose or use of those assets. Adoption of this improvement did not have any material impact on the financial position or performance of the group.

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>
IAS 1 Presentation of Financial Statements – amendment	1 January 2012
IAS 12 Income Taxes - amendment	1 January 2012
IAS 27 Consolidated and Separate Financial Statements - Revised as IAS 27 Separate Financial Statements	1 January 2013
IFRS 7 Financial Instruments: Disclosures – amendment	1 July 2011
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013

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 shares as follows:

	Three months ended (Unaudited)		Nine months ended (Unaudited)	
	30 Sept. 2011	30 Sept. 2010	30 Sept. 2011	30 Sept. 2010
Profit for the period attributable to the owners of the parent company (KD)	2,052,379	1,927,112	34,472,107	23,996,847
Weighted average number of shares outstanding	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	10 Fils	9 Fils	164 Fils	114 Fils

4 Available for sale investments

	30 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Managed portfolios	125,222,996	206,903,490	199,994,803
Quoted shares	15,191,908	22,961,561	22,394,496
Managed funds	1,984,999	2,358,452	2,357,391
Unquoted shares	6,978,122	6,327,513	6,327,513
Unquoted funds	1,089,136	1,238,267	1,321,770
	150,467,161	239,789,283	232,395,973

5 Inventories

	30 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Raw materials	18,552,773	14,673,564	8,185,679
Finished goods	10,644,586	9,959,105	13,088,751
Work-in-progress	4,948,034	7,857,724	7,324,018
Spare parts	1,522,577	1,527,630	1,471,600
	35,667,970	34,018,023	30,070,048
Provision for obsolete inventories	(381,697)	(336,149)	(273,545)
	35,286,273	33,681,874	29,796,503
Goods in transit and prepaid letters of credit	6,010,882	3,094,934	6,846,917
	41,297,155	36,776,808	36,643,420

2 Basis of presentation (continued)

Adoption of amendments to standards and interpretations (continued)

IAS 1 Presentation of Financial Statements

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

IAS 12 Income Taxes

The amendment to IAS 12 provides a practical solution to the issues arising in measurement of deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a presumption that recovery of the carrying amount will, normally be, through sale. As a result of the amendments, SIC-21 Income Taxes—Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendment is not relevant to the operations of the group.

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

IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off financial position activities. The amendments will allow 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 require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of this amendment is not expected to have any significant impact on the financial position or performance of the group.

IFRS 9 Financial Instruments

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.

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 non-controlling interests and charges in control remain the same.

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.

6 Term loans

	30 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Long term loans:			
- USD 12,500,000 facility	1,151,250	1,465,625	1,782,500
- USD 55,000,000 facility	4,341,857	8,844,000	8,963,429
- USD 20,000,000 facility	5,526,000	2,363,760	-
- USD 10,000,000 facility	2,683,978	-	-
	13,703,085	12,673,385	10,745,929
Instalments due within next twelve months	(6,160,832)	(5,008,250)	(5,075,881)
Instalments due after next twelve months	7,542,253	7,665,135	5,670,048
Short term loans			
- Kuwait Dinar	40,000,000	67,000,000	77,000,000

- 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 six 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 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.
- Long term loan facility amounting to US\$10,000,000 was obtained from a local bank. The loan is unsecured and carries interest of 2.25% above three months LIBOR. The loan is repayable in twenty quarterly instalments of US\$500,000 ending on 31 October 2016.
- Short term loans outstanding at 30 September 2011 were obtained from a local bank. The loans are unsecured and carry effective interest of 2.5% above Central Bank of Kuwait discount rate per annum. The loans are repayable within twelve months of the period end.

7 Cash and cash equivalents

	30 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Fixed deposit maturing within three months	397,975	-	-
Cash on hand	124,783	252,949	245,073
Cash in portfolio	1,828,608	-	-
Bank balances	7,823,969	11,251,947	5,165,781
Due to banks	(176,687)	(78,730)	(136,598)
	9,998,648	11,426,166	5,274,256

8 General assembly of shareholders

The annual general assembly of the shareholders held on 10 March 2011 approved the consolidated financial statements of the group for the year ended 31 December 2010 and declared cash dividend of 65 Fils per share amounting to KD13,645,535 for the year ended 31 December 2010 which was paid following that approval.

9 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 September 2011			
Revenue	27,952,921	(94,905)	27,858,016
Segment profit/(loss)	3,032,460	(779,603)	2,252,857
Unallocated expenses			(178,073)
Profit for the period			2,074,784
Nine months ended 30 September 2011			
Revenue	90,700,442	24,770,714	115,471,156
Segment profit	13,278,036	22,384,988	35,663,024
Unallocated expenses			(1,030,953)
Profit for the period			34,632,071
Impairment of available for sale investments	-	843,085	843,085
Total assets	93,378,221	150,865,610	244,243,831
Three months ended 30 September 2010			
Revenue	25,857,452	(12,853)	25,844,599
Segment profit /(loss)	3,120,279	(1,033,963)	2,086,316
Unallocated expenses			(158,180)
Profit for the period			1,928,136
Nine months ended 30 September 2010			
Revenue	64,769,574	20,581,826	85,351,400
Segment profit	7,047,556	17,473,286	24,520,842
Unallocated expenses			(537,672)
Profit for the period			23,983,170
Impairment of available for sale investments	-	3,048,294	3,048,294
Total assets	91,522,991	232,797,108	324,320,099

10 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 Sept. 2011 (Unaudited) KD	31 Dec. 2010 (Audited) KD	30 Sept. 2010 (Unaudited) KD
Amounts included in interim condensed consolidated statement of financial position			
Trade accounts receivables	2,034,933	2,615,006	2,102,926
Trade accounts payables	8,509	3,128	600
	Three months ended (Unaudited)		Nine months ended (Unaudited)
	30 Sept. 2011 KD	30 Sept. 2010 KD	30 Sept. 2011 KD
Amounts included in interim condensed consolidated statement of income			
Sales	221,403	1,355,113	841,895
Industrial expenses	26,653	45	118,490
Key management compensation:			
Salaries and other short term benefits	356,427	297,858	1,069,282
End of service benefits	1,020	-	7,089
	357,447	297,858	1,076,371
			894,475

11 Capital commitments

At the period end, the group was committed to purchase investments amounting to KD1,000,000 (31 December 2010: KD1,000,000 and 30 September 2010: KD1,000,000) and to purchase new machinery and equipment amounting to KD129,577 (31 December 2010: KD93,830 and 30 September 2010: KD 296,200).

12 Contingent liabilities

Contingent liabilities at the period end in respect of outstanding letters of guarantee amounted to KD8,600,590 31 December 2010: KD7,131,643 and 30 September 2010: KD6,553,399).

13 Financial risk management

All aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2010.