

**AL MAZAYA HOLDING CO. K.S.C.P
HOLDING AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)

31 March 2006



MAZAYA

AIM TO LEAD

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2006
(UNAUDITED)

CONTENTS

	<u>Pages</u>
Review report	
Interim condensed consolidated balance sheet (Unaudited)	2
Interim condensed consolidated statement of income (Unaudited)	3
Interim condensed consolidated statement of changes in equity (Unaudited)	4
Interim condensed consolidated statement of cash flows (Unaudited)	5
Notes to the interim condensed consolidated financial statements (Unaudited)	7 - 15



Member of The International Group of Accounting Firms

P.O. Box 27387 Safat
13134 – State of Kuwait
Telephone: (965) 2423415
Facsimile : (965) 2423417

Review Report

The Board of Directors
Al Mazaya Holding Company K.S.C. (Closed)
State of Kuwait

We have reviewed the accompanying interim condensed consolidated balance sheet of Al Mazaya Holding Company K.S.C. (Closed) – (the parent company) and subsidiaries (the group) as of March 31, 2006 and the related interim condensed consolidated statement of income, statements of cash flows and changes in equity for the period then ended. These interim condensed consolidated financial statements are the responsibility of the parent company's management. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of the parent company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with International Accounting Standard No. (34). Furthermore, the interim condensed consolidated financial statements are in agreement with the books of account and to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the parent company's Articles of Association have occurred during the period that might have had a material effect on the financial position of the group or the results of its operations.

Without qualifying our report, we draw attention to Note 5 to the interim condensed consolidated financial statements. The final agreement for the rights to certain properties between the parent company and the seller has not yet been signed as of the balance sheet date. Since the agreement terms are still negotiable, the ultimate outcome of this matter can not presently be determined.

Q.H. Alotaibi
Licence No. 73-A
Member of the International Group
of Accounting Firm

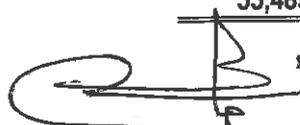
Dr. Shuaib A. Shuaib
Licence No. 33-A
Albazie & Co.
Member of RSM International

State of Kuwait
April 23, 2006

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
MARCH 31, 2006

(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Notes	March 31, 2006	December 31, 2005	March 31, 2005 (Restated)
Cash and cash equivalents	3	1,328,093	3,230,198	4,812,737
Term deposits		-	-	3,553,000
Investments at fair value through income statement	4	14,068,430	13,841,470	8,863,500
Accounts receivable and other debit balances		8,596,138	7,003,659	760,719
Rights to certain properties	5	1,527,432	1,571,528	2,628,541
Investment in unconsolidated subsidiaries		8,994,603	8,994,603	-
Properties under development		13,387,905	11,266,402	5,930,245
Properties held for sale		-	-	5,326,064
Investment properties	6	1,680,118	400,925	184,328
Work in progress		5,773,838	4,674,797	8,677,972
Fixed assets		133,242	110,304	65,919
		<u>55,489,799</u>	<u>51,093,886</u>	<u>40,803,025</u>
<u>LIABILITIES AND OWNERS' EQUITY</u>				
Liabilities:				
Accounts payable and other credit balances	7	12,550,720	6,885,812	5,523,620
Bank overdraft	8	2,525,661	-	-
Term loan		830,000	830,000	-
Wakala payable		6,000,000	6,000,000	6,000,000
Murabaha payable		-	-	4,548,250
Deferred consideration on acquisition of properties		4,278,950	5,964,853	3,260,863
Total liabilities		<u>26,185,331</u>	<u>19,680,665</u>	<u>19,332,733</u>
Owners' Equity:				
Capital	9	18,937,500	15,150,000	15,000,000
Share premium		30,000	30,000	-
Statutory reserve		2,073,451	2,073,451	631,612
Voluntary reserve		2,073,451	2,073,451	631,612
Gain on sale of treasury shares		85,266	-	-
Retained earnings		10,076,319	13,456,881	5,207,068
		<u>33,275,987</u>	<u>32,783,783</u>	<u>21,470,292</u>
Treasury shares	10	(3,971,519)	(1,370,562)	-
		<u>29,304,468</u>	<u>31,413,221</u>	<u>21,470,292</u>
		<u>55,489,799</u>	<u>51,093,886</u>	<u>40,803,025</u>



Khalid S. Esbaitah
Vice Chairman and Managing Director

The accompanying notes 1 to 21 are an integral part of the interim condensed consolidated financial statements

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended March 31,	
		2006	2005 (Restated)
Profit from sale of properties under development	11	4,196,377	-
Management fees, commission and consultancy income	12	643,570	871,377
(Loss) profit from sale of rights to certain properties	13	(70,608)	1,151,495
Unrealized (loss) gain from investments at fair value through income statement		(220,189)	1,280,000
Realized gain on sale of investments at fair value through income statement		61,204	27,500
Other income		25,936	5,300
Marketing expenses		(122,379)	(66,872)
Administrative expenses		(225,789)	(276,003)
Depreciation		(9,145)	(2,967)
Interest income		301	42,858
Finance charges		(147,576)	(143,265)
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labor Support Tax		4,131,702	2,889,423
Contribution to KFAS		(37,185)	(14,485)
National Labor Support Tax	14	(92,034)	-
Net profit for the period		<u>4,002,483</u>	<u>2,874,938</u>
Basic earnings per share	15	<u>Fils</u> <u>21.92</u>	<u>Fils</u> <u>15.30</u>
Diluted earnings per share	15	<u>Fils</u> <u>21.92</u>	<u>Fils</u> <u>15.22</u>

The accompanying notes 1 to 21 are an integral part of the interim condensed consolidated financial statements

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
MARCH 31, 2006

(All amounts are in Kuwaiti Dinars)

	Capital	Share premium	Statutory reserve	Voluntary reserve	Gain on sale of treasury shares	Retained earnings (Restated)	Treasury shares	Total
Balance at December 31, 2005	15,150,000	30,000	2,073,451	2,073,451	-	13,456,881	(1,370,562)	31,413,221
Gain on sale of treasury shares	-	-	-	-	85,266	-	-	85,266
Net income recognized directly in equity	-	-	-	-	85,266	4,002,483	-	85,266
Net profit for the period	-	-	-	-	85,266	4,002,483	-	4,002,483
Total recognized income for the period	-	-	-	-	85,266	(3,787,500)	-	4,087,749
Bonus shares (2005 - 25%) (Note 9)	3,787,500	-	-	-	-	-	-	-
Cash dividends (2005 - 25 fils per share) (Note 17)	-	-	-	-	-	(3,595,545)	-	(3,595,545)
Purchase of treasury shares	-	-	-	-	-	-	(4,219,788)	(4,219,788)
Sale of treasury shares	-	-	-	-	-	-	1,618,831	1,618,831
Balance at March 31, 2006	18,937,500	30,000	2,073,451	2,073,451	85,266	10,076,319	(3,971,519)	29,304,468
Balance at December 31, 2004	15,000,000	-	631,612	631,612	-	5,332,130	-	21,595,354
Net profit for the period	-	-	-	-	-	2,874,938	-	2,874,938
Total recognized income for the period	-	-	-	-	-	2,874,938	-	2,874,938
Cash dividends	-	-	-	-	-	(3,000,000)	-	(3,000,000)
Restated balance at March 31, 2005	15,000,000	-	631,612	631,612	-	5,207,068	-	21,470,292

The accompanying notes 1 to 21 are an integral part of the interim condensed consolidated financial statements

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	2006	2005 (Restated)
Cash flows from operating activities:		
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labor Support Tax	4,131,702	2,889,423
Adjustments for:		
Unrealised loss (gain) from investments at fair value through income statement	220,189	(1,280,000)
Realised gain on sale of investments at fair value through income statement	(61,204)	(27,500)
Depreciation	9,145	2,967
Interest income	(301)	(42,858)
Finance charges	147,576	143,265
Operating profit before working capital changes	4,447,107	1,685,297
Increase in accounts receivable and other debit balances	(1,692,178)	(392,537)
Decrease (increase) in rights to certain properties	44,096	(886,795)
Increase in properties under development	(2,121,503)	(252,552)
Increase in accounts payable and other credit balances	2,353,858	1,093,674
Decrease in deferred consideration on acquisition of properties	(1,685,903)	(1,649,561)
Cash generated from (used in) operations	1,345,477	(402,474)
Paid to Kuwait Foundation for the Advancement of Sciences (KFAS)	(129,766)	-
Paid to National Labor Support Tax	(280,199)	-
Net cash generated from (used in) operating activities	935,512	(402,474)
Cash flows from investing activities:		
Increase in term deposits	-	(2,650,000)
Purchase of investments at fair value through income statement	(671,341)	(307,500)
Proceeds from sale of investments at fair value through income statement	285,396	1,277,500
Interest income received	-	42,858
Purchase of investment properties	(1,179,193)	(2,473)
Amount paid for work in progress	(1,099,041)	-
Purchase of fixed assets	(32,083)	(330,511)
Net cash used in investing activities	(2,696,262)	(1,970,126)

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended March 31,	
		2006	2005 (Restated)
Cash flows from financing activities:			
Cash dividends paid		(1,300)	(2,749,122)
Finance charges paid		(150,025)	(143,265)
Increase in bank overdraft		2,525,661	-
Wakala received		-	6,000,000
Proceeds from sale of treasury shares		1,704,097	-
Paid for purchase of treasury shares		(4,219,788)	-
Net cash (used in) generated from financing activities		(141,355)	3,107,613
Net (decrease) increase in cash and cash equivalents		(1,902,105)	735,013
Cash and cash equivalents at the beginning of the period		3,230,198	4,077,724
Cash and cash equivalents at the end of the period	3	1,328,093	4,812,737

The accompanying notes 1 to 21 are an integral part of the interim condensed consolidated financial statements.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

1. Establishment and activities of the Group

Al Mazaya Holding Company K.S.C. (Closed) was incorporated on November 7, 1998 under the Commercial Companies Law No. 15 of 1960 and amendments there to.

The parent company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered office of the company is at Salhia complex, Fahad Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

The group's wholly owned subsidiary companies are engaged in selling, managing and developing real estate properties and offering consultancy services.

The interim condensed consolidated financial statements include the financial statements of Al Mazaya Holding Company K.S.C. (Closed) "the parent company" and the following subsidiaries "the Group":

Subsidiaries	Place of incorporation	Percentage of holding		
		March 31, 2006 %	December 31, 2005 %	March 31, 2005 %
Al Mazaya Real Estate Development Company - K.S.C. (Closed)	Kuwait	100	100	100
Al Mazaya Real Estate FZ/LLC	U.A.E.	100	100	100
Al Mazaya Al Khalijia for General Trading - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	-	-
Al Mazaya Al Arabia Real Estate Company - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	-	-
Al Mazaya International for Projects Management - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	-	-
Mazaya Lebanon Holding S.A.L. (Holding)	Lebanon	100	-	-
Mazaya Lamartien S.A.L.	Lebanon	100	-	-

The accompanying interim condensed consolidated balance sheet of the group as of March 31, 2006 and related interim condensed consolidated statement of income for the period then ended include the following information relating to the newly incorporated consolidated subsidiaries while the comparative accounts for the pervious period do not include such information:

Balance sheet:	
Cash	164,182
Investment properties	847,818
Income statement:	
Administrative expenses	3,917
Finance cost	66

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
(All amounts are in Kuwaiti Dinars)

The interim condensed consolidated financial statements of Al Mazaya Holding Company K.S.C. (Closed) (the parent company) and subsidiaries (the group) for the three months period ended March 31, 2006 were authorized for issue in accordance with a resolution of the Directors on April 23, 2006.

2. Basis of preparation

These interim condensed consolidated financial statements have been drawn up in accordance with the same accounting policies and methods of computation as were followed in the most recent annual consolidated financial statements.

The interim condensed consolidated financial statements have been prepared to present condensed consolidated financial information in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting" and the guidelines issued by the Kuwait Stock Exchange. Condensed consolidated financial information does not include all of the information and footnotes required for complete consolidated financial statements prepared in accordance with 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 in the accompanying condensed consolidated financial statements. Operating results for the interim period ended March 31, 2006 are not necessarily indicative of the results that may be expected for the year ending December 31, 2006. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2005.

3. Cash and cash equivalents

Bank balances include fixed deposits amounting to KD Nil (December 31, 2005: KD Nil and March 31, 2005 – KD 2,000,000) placed with local banks, carrying an average interest rate of Nil % (December 31, 2005: Nil and March 31, 2005 – 3.25%) per annum.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

4. Investments at fair value through income statement

The investments at fair value through income statement represent the following:

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>March 31, 2005 (Restated)</u>
Quoted securities at fair value through income statement	554,808	732,250	-
Unquoted securities designated at fair value through income statement	13,513,622	13,109,220	8,863,500
	<u>14,068,430</u>	<u>13,841,470</u>	<u>8,863,500</u>

The management has determined the fair value of the unquoted securities based on the recent transaction price of those securities as advised by the investment house (related party) that brokered those transactions in December 2005. Further the investment house has indicated that the last transaction prices are sustainable in the current market.

Unquoted securities include an amount of KD 207,000 as of the interim condensed consolidated balance sheet date pledged against a term loan (December 31, 2005 – KD 207,000 and March 31, 2005 – Nil).

5. Rights to certain properties

The parent company has made payments to acquire rights to certain land under development (along with certain related parties, discussed below). Under the preliminary terms agreed with the seller the parent company will retain the whole right to these properties provided it meets future payments scheduled over the following 13 months amounting to KD 9,566,506 (net after the amounts relating to the related parties). The parent company will become liable to these payments upon signing the final agreement.

The final agreement has not yet been signed between the seller and the parent company for acquiring these rights as of the interim condensed consolidated balance sheet date, and accordingly the management did not consider the full future scheduled payments amounting to KD 19,930,222 as liabilities since the final agreement terms are still negotiable at this stage.

Based on the preliminary agreement, 52% of the rights were assigned to certain related parties who have paid a commission to the parent company for acquiring these rights amounting to KD 449,857 for the year ended December 31, 2005. Under the preliminary terms of the arrangement, the parent company also earns a management fee from the related parties at the time of sale of their rights; such commission amounted to KD 1,063 for the period ended March 31, 2006.

The current intention of the parent company is to sell the rights prior to the completion of the land development.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

6. Investment properties

During the period, the group acquired lands for an amount of KD 1,279,193 for which the management do not have a clear intention of its future use. As those lands were relatively recently acquired, independent valuation has not been obtained as the management believe that the fair value of these lands will not be significantly different from their carrying values as of the interim condensed consolidated balance sheet date.

7. Accounts payable and other credit balances

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>March 31, 2005</u>
Trade payable	3,417,005	2,877,121	199,272
Advances received from customers	2,195,255	1,185,527	2,232,570
Due to related parties	2,829,839	1,928,153	2,568,451
Dividend payable	3,739,653	145,400	-
Other payables and accrued expenses	368,968	749,611	523,327
	<u>12,550,720</u>	<u>6,885,812</u>	<u>5,523,620</u>

8. Bank overdraft

Bank overdraft carries an average interest rate of 2.5% per annum over the Central Bank of Kuwait discount rate.

9. Capital

The authorized, issued and fully paid-up capital is as follows:

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>March 31, 2005</u>
Capital (KD)	<u>18,937,500</u>	<u>15,150,000</u>	<u>15,000,000</u>
Capital (number of shares)	<u>189,375,000</u>	<u>151,500,000</u>	<u>150,000,000</u>

The ordinary General Assembly meeting held on March 22, 2006, agreed to increase the parent company's capital by 25% from KD 15,150,000 to KD 18,937,500 by an increase of KD 3,787,500 (37,875,000 shares with nominal value of 100 fils each) equivalent to 25 shares for each 100 shares of the parent company's paid-up capital, as bonus shares for the parent company's shareholders as of the General assembly date.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006

(All amounts are in Kuwaiti Dinars)

10. Treasury shares

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>March 31, 2005</u>
Number of shares (shares)	8,197,330	3,530,000	-
Percentage of issued shares (%)	4.33%	2.33%	-
Market value (KD)	4,590,505	2,753,400	-
Cost (KD)	3,971,519	1,370,562	-

11. Profit from sale of properties under development

	<u>Three months ended March 31,</u>	
	<u>2006</u>	<u>2005</u>
Revenue from sale	10,093,226	-
Cost of sale	(5,896,849)	-
Profit from sale of properties under development	<u>4,196,377</u>	<u>-</u>

12. Management fees, commission and consultancy income

The group acts as project manager for certain real estate properties owned by other parties through developing, managing, and selling those properties. The group charges those parties certain management fees, commission and consultancy income against those services.

13. (Loss) profit from sale of rights to certain properties

The recognized sales and costs of right to certain properties are amounting to KD 105,936 and KD 176,544 respectively.

14. National Labor Support Tax

In accordance with the National Labor Support Law No. 19 for the year 2000 and the Ministerial resolution No. 26 for the year 2001, tax is provided at the rate of 2.5% on the annual net income of Kuwaiti companies that are listed on the Kuwait Stock Exchange. The Company was listed in the Kuwait Stock Exchange on May 2, 2005, accordingly, the parent company has not calculated its tax liability at 2.5% of the profit for the three months ended March 31, 2005.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

15. Earnings per share

Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume allotment at all dilute potential ordinary shares. The Parent Company's dilute potential ordinary shares arise out of share options.

	For the three months ended March 31	
	2006	2005 (Restated)
Net profit for the period	<u>4,002,483</u>	<u>2,874,938</u>
	2006 Shares	2005 Shares
Number of issued and fully paid-up shares	151,500,000	150,000,000
Bonus shares for the year 2005	37,875,000	37,875,000
Less: weighted average number of treasury shares	<u>(6,792,967)</u>	-
Weighted average number of shares outstanding for the basic earning per share	<u>182,582,033</u>	<u>187,875,000</u>
Effect of dilution from share option	-	988,732
Weighted average number of shares outstanding for the diluted earnings per share	<u>182,582,033</u>	<u>188,863,732</u>
	Fils	Fils
Basic earnings per share	<u>21.92</u>	<u>15.30</u>
	Fils	Fils
Diluted earnings per share	<u>21.92</u>	<u>15.22</u>

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
 (All amounts are in Kuwaiti Dinars)

16. Related party transactions

These represent transactions with related parties i.e. shareholders, directors and executive officers of the group and entities of which they are principal owners. The group's management approves pricing policies and terms of these transactions. Significant transactions with group's related parties included are as follows:

	<u>March 31,</u> <u>2006</u>	<u>December 31</u> <u>2005</u>	<u>March 31,</u> <u>2005</u>
Balance sheet:			
Properties under development	5,341,038	-	-
Accounts receivable and other debit balances	459,002	209,124	-
Account payable and other credit balances	2,829,839	1,928,153	-
Term loan	830,000	830,000	-
Wakala payable	6,000,000	6,000,000	-
		For the three months ended	
		March 31,	
		<u>2006</u>	<u>2005</u>
Statement of income:			
Profit from sale of properties under development		3,414,538	-
Management fees, commission and consultancy income		1,063	486,757
Finance charges		147,576	56,538
Key management compensation:			
Salaries and other short term benefits		50,039	30,150
Terminal benefits		1,793	1,125

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
(All amounts are in Kuwaiti Dinars)

17. The General Assembly

The General Assembly held on March 22, 2006 approved the distribution of 25% cash dividend amounting to KD 3,595,545 (25 fils per share) and 25% bonus shares as 25 shares for every 100 shares held as of the General Assembly date, for the year ended December 31, 2005.

In addition to that, the General Assembly held on March 22, 2006 approved to increase the authorized and paid-up capital by 30% totaling to 45,450,000 shares with a nominal value of 100 fils each and a premium of 250 fils.

The General Assembly meeting held on March 6, 2005 approved the distribution of 20% cash dividend as 20 fils per share for the year ended December 31, 2004.

In addition to the General Assembly held on March 6, 2005 approved the increase of 1% of authorized and paid up capital totaling to 1,500,000 shares at 120 fils, including a share premium of 20 fils, under employees' share option scheme.

18. Fiduciary accounts

The group manages projects on behalf of others, and maintains cash balances and notes receivable in fiduciary accounts, which are not reflected in the group's balance sheet. Assets under management at March 31, 2006, amounted to KD 166,887 (December 31, 2005 – KD 18,490 and March 31, 2005 – KD 1,908,361).

19. Commitments

The group has capital commitments in respect of construction of real estate for KD 22,233,305 (December 31, 2005 - KD 25,478,207 and March 31, 2005 – KD 10,758,000) and for purchase commitments in respect of properties for KD Nil (December 31, 2005 - KD Nil and March 31, 2005 – KD 3,260,863). Commitments under rights to certain properties are disclosed in Note 5.

The group has commitments in respect of sale of properties of KD Nil (December 31, 2005 - KD Nil and March 31, 2005 – KD 34,747,000).

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2006
(All amounts are in Kuwaiti Dinars)

20. Contingencies

The Group is subject to the contingent liabilities presented by:

	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>	<u>March 31,</u> <u>2005</u>
Letter of guarantee	<u>5,688,000</u>	<u>5,688,000</u>	<u>3,553,000</u>

21. Comparative figures

Certain prior period figures have been reclassified to conform with the current period presentation.