

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2010
(UNAUDITED)
WITH REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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Report on review of interim consolidated financial information

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C. (Holding) (the Parent Company) and its subsidiaries (the Group) as of March 31, 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review

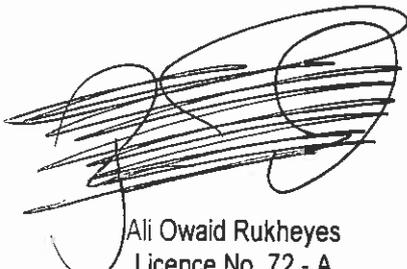
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

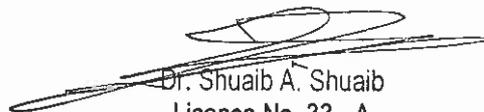
Report on other legal and regulatory requirements

Furthermore, the interim consolidated financial information is in agreement with the Parent Company's books of account. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies' Law of 1960, as amended, or of the Articles of Association of the Parent Company have occurred during the period ended March 31, 2010 that might have had a material effect on the business of the Group or on its financial position.



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AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Cash and cash equivalents	3	38,586,502	28,180,304	36,673,700
Accounts receivable and other debit balances	4	19,090,180	31,531,428	32,793,586
Murabaha receivable		2,998,456	3,223,456	4,323,456
Properties held for trading	5	133,398,458	126,122,141	166,048,393
Investments available for sale		24,116,423	24,713,492	23,775,572
Investment in associates		9,781,547	10,414,824	2,405,889
Investment in an unconsolidated subsidiary		-	-	268,400
Investment in joint ventures		11,618,302	11,790,446	12,069,644
Investment properties	6	101,402,719	100,232,287	57,468,752
Fixed assets		23,720,767	22,796,458	11,111,939
Leasehold land		1,602,303	1,620,248	1,675,080
Goodwill		3,091,732	3,091,732	3,257,125
Total assets		<u>369,407,389</u>	<u>363,716,816</u>	<u>351,871,536</u>
<u>LIABILITIES AND EQUITY</u>				
Liabilities:				
Bank overdraft		5,006,582	5,073,936	4,738,629
Accounts payable and other credit balances	7	108,037,836	107,223,322	102,426,621
Term loans		44,970,000	44,970,000	44,970,000
Wakala and Murabaha payables		8,500,000	8,500,000	5,000,000
Deferred consideration on acquisition of properties		31,435,610	31,464,443	28,833,640
Provision for end of service indemnity		282,785	283,952	228,798
Total liabilities		<u>198,232,813</u>	<u>197,515,653</u>	<u>186,197,688</u>
Equity:				
Share capital		49,947,675	49,947,675	45,406,980
Share premium		75,714,971	75,714,971	75,714,971
Statutory reserve		9,646,725	9,646,725	9,131,420
Voluntary reserve		6,711,805	9,646,725	9,131,420
Treasury shares reserve	8	-	701,077	1,561,889
Cumulative changes in fair value	8	83,394	56,055	78,715
Asset revaluation surplus	8	519,366	519,366	519,366
Foreign currency translation adjustments	8	1,991,797	1,478,702	2,698,601
Effect of changes in subsidiary's treasury shares		(457,645)	(457,645)	(457,645)
Effect of changes in subsidiary's equity		(156,410)	(156,410)	(156,410)
Effect of changes in associates' equity		(39,222)	-	-
Retained earnings		2,120,507	4,220,515	9,689,593
Treasury shares	9	146,082,963	151,317,756	153,318,900
Equity attributable to equity holders of the Parent Company		<u>(17,354,505)</u>	<u>(27,189,284)</u>	<u>(28,396,237)</u>
Non-controlling interests		128,728,458	124,128,472	124,922,663
Total equity		<u>42,446,118</u>	<u>42,072,691</u>	<u>40,751,185</u>
Total liabilities and equity		<u>369,407,389</u>	<u>363,716,816</u>	<u>351,871,536</u>

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

Rashid Y. Al-Nafisi
Chairman

Khalid S. Esbaitah
Vice Chairman and Managing Director

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended March 31,	
		2010	2009
Gross profit	10	2,223,226	8,839,139
Management fees, commission and consultancy income		215,861	129,586
Rental income		48,710	-
Net investment income	11	2,156,408	100,524
Loss on partial disposal of a subsidiary		-	(11,316)
Group's share of results from associates		(546,743)	-
Group's share of results from joint ventures		(203,030)	(37,539)
Marketing expenses		(78,061)	(81,336)
Administrative expenses		(871,409)	(1,119,197)
Expenses related to equity settled share based payments		-	(30,636)
Depreciation and amortization		(100,569)	(90,248)
Expenses on completed projects		(8,991)	(8,620)
Foreign currency exchange loss		(5,103)	(31,452)
Other income		154,000	479,259
Interest income		187,014	182,185
Finance charges		(638,113)	(652,571)
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat		2,533,200	7,667,778
Contribution to Kuwait Foundation for the Advancement of Sciences	12	-	(2,169)
National Labor Support Tax	12	-	(129,659)
Contribution to Zakat	12	-	(3,720)
Net profit for the period		<u>2,533,200</u>	<u>7,532,230</u>
Attributable to:			
Equity holders of the Parent Company		2,120,507	5,050,826
Non-controlling interests		412,693	2,481,404
Net profit for the period		<u>2,533,200</u>	<u>7,532,230</u>
Earnings per share attributable to the equity holders of the Parent Company	13	<u>Fils</u> <u>4.56</u>	<u>Fils</u> <u>11.07</u>

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010
 (All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2010	2009
Net profit for the period	<u>2,533,200</u>	<u>7,532,230</u>
Other comprehensive income:		
Foreign currency translation adjustments	504,839	3,506,143
Investments available for sale	50,049	10,148
Assets revaluation surplus	-	(103,873)
Other comprehensive income for the period	<u>554,888</u>	<u>3,412,418</u>
Total comprehensive income for the period	<u>3,088,088</u>	<u>10,944,648</u>
Attributable to:		
Equity holders of the Parent Company	2,660,941	8,463,244
Non-controlling interests	<u>427,147</u>	<u>2,481,404</u>
Total comprehensive income for the period	<u>3,088,088</u>	<u>10,944,648</u>

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010
 (All amounts are in Kuwaiti Dinars)

	Attributable to equity holders of the Parent Company							Total equity
	Capital	Share premium	Other equity balances (Note 6)	Effect of changes in subsidiary's treasury shares	Effect of changes in subsidiary's equity	Effect of changes in associates' equity	Retained earnings	
Balance as at December 31, 2009	49,947,675	75,714,971	22,048,650	(457,645)	(156,410)	-	4,220,515	166,201,163
Sale of treasury shares	-	-	(3,635,997)	-	-	(39,222)	(4,220,515)	1,978,267
Effect of changes in associates' equity	-	-	-	-	-	-	-	(39,222)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(53,720)
Total comprehensive income for the period	-	-	540,434	-	-	-	2,120,507	(53,720)
Balance as at March 31, 2010	49,947,675	75,714,971	18,953,087	(457,645)	(156,410)	(39,222)	2,120,507	3,085,069
Purchase of treasury shares	45,406,980	75,714,971	19,708,993	(457,645)	57,768	-	4,638,767	171,174,576
Total comprehensive income for the period	-	-	3,412,418	-	(214,178)	-	-	38,458,291
Balance as at March 31, 2009	45,406,980	75,714,971	23,121,411	(457,645)	(156,410)	-	5,050,826	155,478,678
							9,689,993	(749,478)
							2,481,404	10,944,642
							40,751,185	165,673,846

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2010	2009
Cash flows from operating activities:		
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat	2,533,200	7,667,778
Adjustments for:		
Net investment income	(2,156,408)	(100,524)
Loss on partial disposal of a subsidiary	-	11,316
Group's share of results from associates	546,743	-
Group's share of results from joint ventures	203,030	37,539
Expenses related to equity settled share based payments	-	30,636
Depreciation and amortization	100,569	90,248
Foreign currency exchange loss	5,103	31,452
Interest income	(187,014)	(182,185)
Finance charges	638,113	652,571
	<u>1,683,336</u>	<u>8,238,831</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	14,869,470	(5,781,558)
Properties held for trading	(6,680,555)	-
Investment properties	(1,012,709)	(896,125)
Accounts payable and other credit balances	48,864	(4,538,842)
Deferred consideration on acquisition of properties	(168,191)	(6,477,631)
Cash generated from (used in) operating activities	8,740,215	(9,455,325)
End of service indemnity paid	(5,286)	(16,305)
Net cash generated from (used in) operating activities	<u>8,734,929</u>	<u>(9,471,630)</u>
Cash flows from investing activities:		
Proceeds from sale of investments at fair value through income statement	-	1,258
Paid for purchase of investments available for sale	(2,036,626)	(11,031,134)
Proceeds from sale of investments available for sale	2,400,249	11,633,723
Murabaha receivable	225,000	-
Dividends income received	43,320	-
Interest income received	67,992	200,557
Proceeds from partial disposal of a subsidiary	-	89,376
Paid against increase in equity holding of subsidiaries	-	(30,206)
Net movement in investment in joint ventures	-	(72,351)
Fixed assets	(1,006,933)	(845,865)
Net cash used in investing activities	<u>(306,998)</u>	<u>(54,642)</u>
Cash flows from financing activities:		
Net movement in bank overdraft	-	(355,114)
Paid for purchase of treasury shares	-	(346,790)
Cash dividends paid	-	(1,043)
Finance charges paid	-	(313,246)
Net movement in Wakala and Murabaha payables	-	(1,070,000)
Proceeds from sale of treasury shares	1,978,267	-
Net movement in non-controlling interests	-	(256,514)
Net movement in equity of a subsidiary	-	(214,178)
Net cash generated from (used in) financing activities	<u>1,978,267</u>	<u>(2,556,885)</u>
Net increase (decrease) in cash and cash equivalents	<u>10,406,198</u>	<u>(12,083,157)</u>
Cash and cash equivalents at the beginning of the period	<u>28,180,304</u>	<u>48,756,857</u>
Cash and cash equivalents at the end of the period (Note 3)	<u>38,586,502</u>	<u>36,673,700</u>

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

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

The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered Head Office of the Parent Company is at Salihiya complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

These interim consolidated financial information were approved for issue by the Board of Directors on May 5, 2010.

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2009.

The interim consolidated financial information do not include all of the information and footnotes required for complete 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. Operating results for the period ended March 31, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2009.

The interim financial information of United Circle – W.L.L. have been consolidated in the interim consolidated financial information as of March 31, 2010, while the comparative figures for the year ended December 31, 2009 and the period ended March 31, 2009 do not include such information, as the Group's investment in this subsidiary had been previously classified as other debit balances.

Interim condensed consolidated statement of financial position:

Cash and cash equivalents	<u>Amount</u> 129,954
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Interim condensed consolidated statement of income:

Management fees, commission and consultancy income	79,954
Administrative expenses	3,018

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

The interim consolidated financial information include the financial information of Al Mazaya Holding Company - K.S.C. (Holding) (the Parent Company) and the following subsidiaries:

Subsidiaries	Country of incorporation	Percentage of ownership		
		March 31, 2010 %	December 31, 2009 (Audited) %	March 31, 2009 %
Al Mazaya Real Estate Development Company - K.S.C. (Closed)	Kuwait	100	100	100
Al Mazaya Real Estate FZ/LLC and its subsidiaries:	U.A.E	100	100	100
Al Dana Real Estate Limited	U.A.E	100	100	100
Al Rayhan Real Estate Limited	U.A.E	100	100	100
Advantage General Trading Co. W.L.L.	U.A.E	100	100	100
Spectrum FZ / LLC	U.A.E	100	100	100
Mazaya Investments (DIFC) Limited	U.A.E	100	100	-
Al Mazaya Al Khaliya for General Trading and Contracting - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	100	100
Al Mazaya Arabian Real Estate Company - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	100	100
Al Mazaya International for Projects Management Company - Khalid S. Esbaitah and Partners - W.L.L.	Kuwait	100	100	100
Mazaya Lebanon Company - S.A.L. (Holding) and its subsidiary:	Lebanon	100	100	100
Mazaya Lamartien - S.A.L.	Lebanon	100	100	100
Seven Zones Real Estate Company K.S.C. (Closed)	Kuwait	100	100	100
First Dubai Real Estate Development Company - K.S.C. (Closed) and its subsidiary:	Kuwait	63.98	63.98	66.81
Future International Project Management - W.L.L. and its subsidiary:	Kuwait	85	85	85
Waterfront Real Estate Company K.S.C. (Closed)	Kuwait	91.97	91.97	91.97
United Circle - W.L.L.	Kuwait	100	-	-

3. Cash and cash equivalents

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Cash on hand and at banks	17,562,773	20,760,706	28,268,938
Short term bank deposits	17,121,428	7,182,970	8,403,782
Cash in investment portfolios (Note 14)	3,902,301	236,628	980
	38,586,502	28,180,304	36,673,700

The average effective interest rate on short term bank deposits was 1.9% (December 31, 2009 - 2% and March 31, 2009 - 3.9%) per annum. These deposits have an average maturity of 42 days (December 31, 2009 - 30 days and March 31, 2009 - 74 days).

Cash on hand and at banks include an amount of KD 15,888,741 (December 31, 2009 - KD 18,140,492 and March 31, 2009 - KD 28,044,190) representing restricted cash to be used only against construction work.

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

4. Accounts receivable and other debit balances

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Trade receivable	3,781,398	5,142,216	20,981,434
Advance payments	9,748,446	11,938,128	15,361,612
Advances for capital subscription	-	7,163,163	-
Due from related parties (Note 14)	4,516,000	5,365,299	6,422,057
Staff receivables	52,822	1,254,791	105,071
Other receivables	1,792,403	1,468,720	5,967,338
	<u>19,891,069</u>	<u>32,332,317</u>	<u>48,837,512</u>
Provision for doubtful accounts	(800,889)	(800,889)	(16,043,926)
	<u>19,090,180</u>	<u>31,531,428</u>	<u>32,793,586</u>

5. Properties held for trading

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Balance at the beginning of the period / year	126,122,141	197,864,613	197,864,613
Additions	13,515,005	60,695,339	15,297,962
Disposals (Note 10)	(6,834,488)	(49,168,968)	(13,615,038)
Transferred to investment properties (Note 6)	-	(86,648,299)	(36,024,732)
Foreign currency translation adjustments	595,800	3,379,456	2,525,588
Balance at the end of the period / year	<u>133,398,458</u>	<u>126,122,141</u>	<u>166,048,393</u>

6. Investment properties

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Balance at the beginning of the period / year	100,232,287	18,286,395	18,286,395
Additions	1,012,709	11,620,362	896,125
Transferred from properties held for trading (Note 5)	-	86,648,299	36,024,732
Changes in fair value	-	(16,028,799)	-
Foreign currency translation adjustments	157,723	(293,970)	2,261,500
Balance at the beginning of the period / year	<u>101,402,719</u>	<u>100,232,287</u>	<u>57,468,752</u>

7. Accounts payable and other credit balances

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Trade payables	17,691,362	20,449,459	29,426,634
Advances received from customers	66,381,784	64,030,508	48,285,939
Amounts due to related parties (Note 14)	8,114,010	10,482,183	9,524,301
Retentions payable	8,488,313	6,320,453	5,750,333
Accrued development costs	126,560	136,800	1,018,226
Dividends payable	747,868	747,868	756,139
Other payables and accrued expenses	6,487,939	5,056,051	7,665,049
	<u>108,037,836</u>	<u>107,223,322</u>	<u>102,426,621</u>

AL MAZAYA HOLDING COMPANY K.S.C. (HOLDING) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2010

(All amounts are in Kuwaiti Dinars)

8. Other equity balances

	<u>Reserves</u>	<u>Treasury shares reserve</u>	<u>Cumulative changes in fair value</u>	<u>Asset revaluation surplus</u>	<u>Foreign currency translation adjustments</u>	<u>Total</u>
Balance as at December 31, 2009	19,293,450	701,077	56,055	519,366	1,478,702	22,048,650
Sale of treasury shares	(2,934,920)	(701,077)	-	-	-	(3,635,997)
Total comprehensive income for the period	-	-	27,339	-	513,095	540,434
Balance as at March 31, 2010	<u>16,358,530</u>	<u>-</u>	<u>83,394</u>	<u>519,366</u>	<u>1,991,797</u>	<u>18,953,087</u>
Balance as at December 31, 2008	18,262,840	1,561,889	68,567	623,239	(807,542)	19,708,993
Total comprehensive income (loss) for the period	-	-	10,148	(103,873)	3,506,143	3,412,418
Balance as at March 31, 2009	<u>18,262,840</u>	<u>1,561,889</u>	<u>78,715</u>	<u>519,366</u>	<u>2,698,601</u>	<u>23,121,411</u>

9. Treasury shares

	<u>March 31, 2010</u>	<u>December 31, 2009 (Audited)</u>	<u>March 31, 2009</u>
Number of shares (shares)	32,289,869	49,189,869	44,767,154
Percentage of issued shares (%)	6.51%	9.85%	9.86%
Market value (Kuwaiti Dinar)	4,520,582	5,997,864	6,625,539
Cost (Kuwaiti Dinar)	17,354,505	27,189,284	28,396,237

Treasury shares include 23,008,000 (December 31, 2009 – 39,908,000, March 31, 2009 – 39,908,000) shares with a cost of KD 13,389,263 (December 31, 2009 – KD 23,226,456, March 31, 2009 – KD 23,226,456) at market value of KD 3,221,120 recorded in the books of a subsidiary – First Dubai Real Estate Development K.S.C. (Closed).

10. Gross profit

	<u>Three months ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
Revenue from sale of properties held for trading	9,057,714	22,454,177
Cost of sale of properties held for trading (Note 5)	(6,834,488)	(13,615,038)
Gross profit	<u>2,223,226</u>	<u>8,839,139</u>

11. Net investment income

	<u>Three months ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
Realized gain on sale of investments available for sale	2,113,088	100,524
Dividend income	43,320	-
Net investment income	<u>2,156,408</u>	<u>100,524</u>

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12. Contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and Contribution to Zakat

During 2009, the group has reversed certain provisions out of which part was utilized and deducted from the profit before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and Zakat for the year 2009 in order to reduce the 2009 taxable profit to zero balance and accordingly there was no profit in which contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat could be calculated for year 2009.

As for the unutilized and deductible portion of the reversed provisions mentioned above, the group deducted part of it during the three months ended March 31, 2010 in order to reduce the March 2010 taxable profit to zero balance and accordingly there was no profit in which contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat could be calculated.

13. Earnings per share

Earnings per share is computed by dividing net profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period.

	Three months ended March 31,	
	<u>2010</u>	<u>2009</u>
Net profit for the period attributable to equity holders of the Parent Company	<u>2,120,507</u>	<u>5,050,826</u>
	Shares	Shares
Weighted average number of issued and fully paid-up shares	<u>499,476,780</u>	<u>499,476,780</u>
Less: weighted average number of treasury shares	<u>(34,056,536)</u>	<u>(43,300,487)</u>
Weighted average number of shares outstanding	<u>465,420,244</u>	<u>456,176,293</u>
	Fils	Fils
Earnings per share attributable to equity holders of the Parent Company	<u>4.56</u>	<u>11.07</u>

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14. Related parties' disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related parties' balances and transactions are as follows:

	Major shareholders	Joint ventures	Other related parties	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Balances included in the interim condensed consolidated statement of financial position:						
Cash and cash equivalents (Note 3)	3,902,301	-	-	3,902,301	236,628	980
Accounts receivable and other debit balances (Note 4)	1,766,023	2,449,226	300,751	4,516,000	5,365,299	6,422,057
Accounts payable and other credit balances (Note 7)	1,632,396	5,947,182	534,432	8,114,010	10,482,183	9,524,301
Transactions included in the interim condensed consolidated statement of income:						
Management fees, commission and consultancy income	9,406	9,996	39,005	58,407	547,986	132,132
Key management compensation:						
Salaries and other short term benefits				76,653	158,651	
Terminal benefits				3,701	5,928	
				<u>80,354</u>	<u>164,579</u>	

The related parties' balances represent the amounts being collected or paid on behalf of the Group by / for its related parties, which are related to operational activities.

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15. General Assembly

The Board of directors proposed not to distribute any cash dividends or bonus shares for the year ended December 31, 2009. This proposal is subject to the shareholders' Annual General Assembly.

The Shareholders' Annual General Assembly for the year ended December 31, 2009 has not been held until the date of preparation of the interim consolidated financial information. Accordingly, the consolidated financial statements for the year ended December 31, 2009 have not yet been approved. The interim consolidated financial information for the period ended March 31, 2010 do not include any adjustments, which might have been required, had the Shareholders' Annual General Assembly approved the consolidated financial statements for the year ended December 31, 2009.

The Shareholders' Annual General Assembly held on May 17, 2009 approved the distribution of 10 bonus shares for every 100 shares for the year ended December 31, 2008.

16. 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 interim consolidated financial information. Assets under management at March 31, 2010, amounted to KD 10,151,828 (December 31, 2009 – KD 12,060,967 and March 31, 2009 – KD 68,920,295).

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17. Segment information

For management purposes, the Group is divided into three geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA) and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	March 31, 2010				March 31, 2009					
	Kuwait	UAE	KSA	Others	Total	Kuwait	UAE	KSA	Others	Total
Gross profit	-	319,157	1,904,069	-	2,223,226	21,253	8,817,886	-	-	8,839,139
Management fees, commission & consultancy income	111,014	65,635	3,280	35,732	215,661	38,255	3,749	32,931	54,651	129,566
Rental income	-	48,710	-	-	48,710	-	-	-	-	-
Investment income	2,113,088	-	-	43,320	2,156,408	100,524	-	-	-	100,524
Loss on partial disposal of a subsidiary	-	-	-	-	-	(11,316)	-	-	-	(11,316)
Group's share of results from associates	-	-	-	(546,743)	(546,743)	-	-	-	-	-
Group's share of results from joint ventures	(3,923)	(199,107)	-	-	(203,030)	(5,966)	(31,573)	-	-	(37,539)
Marketing expenses	(52,079)	(25,982)	-	-	(78,061)	(63,289)	(18,047)	-	-	(81,336)
Administration expenses	(795,138)	(76,271)	-	-	(871,409)	(822,259)	(296,938)	-	-	(1,119,197)
Expenses related to equity settled share based payments	-	-	-	-	-	(30,636)	-	-	-	(30,636)
Depreciation and amortization	(44,209)	(38,415)	-	(17,945)	(100,569)	(57,657)	(32,391)	-	-	(90,248)
Expenses on closed projects	(8,991)	-	-	-	(8,991)	(8,620)	-	-	-	(8,620)
Foreign currency exchange gain (loss)	6,439	(11,542)	-	-	(5,103)	(31,582)	130	-	-	(31,452)
Other revenue (cost)	24,134	(51,216)	181,082	-	154,000	369,035	110,224	-	-	479,259
Interest income	7,888	67,126	-	112,000	187,014	108,963	73,202	-	-	182,165
Finance cost	(623,175)	(14,938)	-	-	(638,113)	(652,571)	-	-	-	(652,571)
Contribution to Kuwait Foundation for the Advancement of Sciences	-	-	-	-	-	(2,169)	-	-	-	(2,169)
National Labor Support Tax	-	-	-	-	-	(129,659)	-	-	-	(129,659)
Contribution to Zakat	-	-	-	-	-	(3,720)	-	-	-	(3,720)
Net profit (loss) for the period	735,048	83,357	2,088,431	(373,636)	2,532,200	(1,181,594)	8,626,242	32,931	54,651	7,532,230
Total segment assets	165,193,486	193,867,847	9,380,400	965,656	369,407,389	59,144,871	272,357,557	4,032,879	16,336,229	351,871,536
Total segment liabilities	46,440,666	150,731,782	-	1,060,365	198,232,813	68,953,750	117,232,306	-	11,632	186,197,688

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18. Capital commitments and contingent liabilities

	March 31, 2010	December 31, 2009 (Audited)	March 31, 2009
Letters of guarantee	23,663,115	22,876,000	37,430,000
Capital commitments	95,344,429	103,054,154	87,506,742
	<u>119,007,544</u>	<u>125,930,154</u>	<u>124,936,742</u>

The capital commitments balance represents the estimated and the remaining amounts of contracts and projects to be executed in the future. The estimated revenue related to these contracts and projects are KD 107,430,834 as of March 31, 2010.

19. Comparative figures

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