

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

INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION ( UNAUDITED)

30 September 2011



MAZAYA

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**AL MAZAYA HOLDING COMPANY K.S.C AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND  
INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)**

For the period from 1 January to 30 September 2011

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<b>INDEX</b>	<b>Page</b>
Independent auditors' report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of financial position at 30 September 2011	2
Interim condensed consolidated statement of income for the period from 1 January to 30 September 2011	3
Interim condensed consolidated statement of comprehensive income for the period from 1 January to 30 September 2011	4
Interim condensed consolidated statement of changes in equity for the period from 1 January to 30 September 2011	5
Interim condensed consolidated statement of cash flows for the period from 1 January to 30 September 2011	6-7
Notes to the interim condensed consolidated financial information	8-17



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## Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors  
Al Mazaya Holding Company K.S.C.

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C. ("the Company") and its subsidiaries (together referred to as "the Group") at 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 fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standard, IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. Financial statements for the year ended 31 December 2010 were audited by another auditor whose report dated 30 March 2011 expressed an unqualified opinion.

### 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 condensed 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

### Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the Articles of Association of the Parent Company have occurred during the nine-month period ended 30 September 2011 that might have a material effect on the Group's business activities or its financial position.

Jassim Ahmad Al-Fahad  
License No. 53-A

14 November 2011

Ali Owaid Rukheyas  
License No.72-A

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)**

At 30 September 2011



		30 September 2011	(Audited) 31 December 2010	30 September 2010
	Notes	KD	KD	KD
<b>ASSETS</b>				
Cash and cash equivalents	5	26,800,695	20,483,961	25,756,837
Accounts receivable and other debit balances	6	17,784,401	9,685,383	12,417,642
Murabaha receivable		1,744,237	2,609,309	2,609,309
Properties held for trading		133,228,607	138,972,881	144,931,156
Available for sale investments	7	16,959,640	18,406,908	28,642,397
Investment in associates	8	12,809,121	13,263,803	4,276,282
Investment in joint ventures	9	3,520,537	11,525,814	11,616,441
Investment properties	10	121,239,148	115,374,019	106,352,310
Property and equipment		160,167	294,720	26,614,402
Leasehold land		1,493,036	1,547,470	1,565,814
Goodwill		3,091,732	3,091,732	3,091,732
<b>Total assets</b>		<u>338,831,321</u>	<u>335,256,000</u>	<u>367,874,322</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Bank overdraft		4,923,511	4,971,120	4,996,195
Accounts payable and other credit balances	11	117,133,138	125,823,543	110,458,746
Term loans		40,500,000	42,000,000	45,000,000
Wakala and Murabaha payables		8,500,000	8,500,000	8,500,000
Deferred consideration on acquisition of properties		29,800,245	30,070,031	30,830,841
Provision for end of service indemnity		261,682	257,276	312,563
<b>Total liabilities</b>		<u>201,118,576</u>	<u>211,621,970</u>	<u>200,098,345</u>
<b>Equity</b>				
Share capital	20	64,931,977	49,947,675	49,947,675
Share premium		79,760,732	75,714,971	75,714,971
Other reserves	12	15,640,071	15,989,497	16,500,270
Fair value reserve		(188,805)	(202,370)	(597,807)
Foreign currency translation reserve		215,180	981,425	1,546,254
(Accumulated losses) / retained earnings		(13,371,288)	(8,609,811)	1,546,207
		<u>146,987,867</u>	<u>133,821,387</u>	<u>144,657,570</u>
Treasury shares	13	(18,113,786)	(18,113,786)	(17,354,505)
<b>Equity attributable to shareholders of the Parent Company</b>		<u>128,874,081</u>	<u>115,707,601</u>	<u>127,303,065</u>
Non-controlling interests		8,838,664	7,926,429	40,472,912
<b>Total equity</b>		<u>137,712,745</u>	<u>123,634,030</u>	<u>167,775,977</u>
<b>Total liabilities and equity</b>		<u>338,831,321</u>	<u>335,256,000</u>	<u>367,874,322</u>

 Rasheed Y. Al-Nafisi  
Chairman

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(UNAUDITED)**


For the period from 1 January to 30 September 2011

	Notes	Three-month period ended		Nine-month period ended	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
		KD	KD	KD	KD
<b>INCOME</b>					
Revenue from sale of properties held for trading		1,663,004	1,222,615	1,698,882	17,791,192
Cost of sale of properties held for trading		(1,565,414)	(1,068,858)	(2,044,945)	(13,287,525)
<b>Gross (loss) / profit</b>		97,590	153,757	(346,063)	4,503,667
Rental income		233,536	334,969	565,264	471,302
Management fees, commission and consultancy income		201,323	96,429	587,203	402,370
Net investment income	14	121,258	14,925	233,965	2,546,878
Share of results of associates	8	(58,332)	9,816	(198,347)	(493,476)
Share of results of joint ventures		(135,838)	109,965	(517,586)	(161,183)
Gain on disposal of an associate		-	-	-	546,743
Loss on disposal of a joint venture	9	-	-	(18,061)	-
Impairment losses on available for sale investments		(360,866)	(196,717)	(375,507)	(2,545,478)
Dilution gain		-	-	-	134,620
Provision no longer required		-	-	-	349,901
Foreign currency exchange( loss)/gain		(116,542)	91,719	226,538	184,367
Murabaha income		17,586	15,220	75,268	109,923
Interest income		43,797	67,419	103,646	284,657
		<u>43,512</u>	<u>697,502</u>	<u>336,320</u>	<u>6,334,291</u>
<b>EXPENSES</b>					
Marketing expenses		(25,700)	(21,542)	(90,150)	(135,368)
General and administrative expenses		(414,814)	(718,185)	(1,762,515)	(2,343,092)
Depreciation and amortization		(64,278)	(94,413)	(213,927)	(292,810)
Expenses on completed projects		-	(23,629)	(4,618)	(55,020)
Professional services fees		(201,599)	(111,462)	(218,599)	(236,820)
Finance charges		(863,874)	(603,137)	(2,589,652)	(1,909,915)
Other losses		(167,195)	(318,224)	(196,244)	(46,906)
		<u>(1,737,460)</u>	<u>(1,890,592)</u>	<u>(5,075,705)</u>	<u>(5,019,931)</u>
<b>(Loss) / profit for the period</b>		<u>(1,693,948)</u>	<u>(1,193,090)</u>	<u>(4,739,385)</u>	<u>1,314,360</u>
<b>Attributable to:</b>					
Equity holders of the Parent Company		(1,629,028)	(1,018,548)	(4,761,477)	1,546,207
Non-controlling interests		(64,920)	(174,542)	22,092	(231,847)
		<u>(1,693,948)</u>	<u>(1,193,090)</u>	<u>(4,739,385)</u>	<u>1,314,360</u>
<b>(Loss) / earnings per share attributable to equity holders of the Parent Company - Fils</b>	15	<u>(2.66)</u>	<u>(2.18)</u>	<u>(8.29)</u>	<u>3.31</u>

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)**



For the period from 1 January to 30 September 2011

	Three-month period ended		Nine-month period ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	KD	KD	KD	KD
<b>(LOSS) / PROFIT FOR THE PERIOD</b>	<u>(1,693,948)</u>	<u>(1,193,090)</u>	<u>(4,739,385)</u>	<u>1,314,360</u>
<b>Other comprehensive income:</b>				
Foreign currency translation adjustments	213,024	(802,331)	(766,245)	67,552
Change in fair value of available for sale investments	<u>(362,632)</u>	<u>(1,252,548)</u>	<u>13,689</u>	<u>(1,218,983)</u>
Other comprehensive loss for the period	<u>(149,608)</u>	<u>(2,054,879)</u>	<u>(752,556)</u>	<u>(1,151,431)</u>
Total comprehensive (loss)/income for the period	<u>(1,843,556)</u>	<u>(3,247,969)</u>	<u>(5,491,941)</u>	<u>162,929</u>
<b>Attributable to:</b>				
Equity holders of the Parent Company	(1,790,091)	(2,508,306)	(5,514,157)	959,897
Non-controlling interests	<u>(53,465)</u>	<u>(739,663)</u>	<u>22,216</u>	<u>(796,968)</u>
<b>Total comprehensive (loss)/income for the period</b>	<u>(1,843,556)</u>	<u>(3,247,969)</u>	<u>(5,491,941)</u>	<u>162,929</u>

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)**

For the period from 1 January to 30 September 2011



	Share capital		Share premium		Other reserves		Fair value reserve		Foreign currency translation reserve		(Accumulated losses) / retained earnings		Treasury shares		Attributable to equity holders of the Parent Company		Non-controlling interests		Total		
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	
<b>Balance as at 1 January 2011</b>	49,947,675	75,714,971	15,989,497	(202,370)	981,425	(8,609,811)	(18,113,786)	115,707,601	7,926,429	123,634,030											
Issuance of share capital (See note 20)	14,984,302	4,045,761	-	-	-	-	-	-	-	19,030,063	-	-	-	-	-	-	-	-	-	-	19,030,063
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,554)	-	-	-	-	-	(51,554)
Arising on disposal of a subsidiary (See note 16)	-	-	(349,426)	-	-	-	-	(349,426)	-	-	-	-	-	-	941,573	(349,426)	-	-	-	-	592,147
Total comprehensive loss for the period	-	-	-	13,565	(766,245)	(4,761,477)	-	(5,514,157)	22,216	(5,491,941)	-	-	-	-	22,216	(5,514,157)	-	-	-	-	(5,491,941)
<b>Balance as at 30 September 2011</b>	<u>64,931,977</u>	<u>79,760,732</u>	<u>15,640,071</u>	<u>(188,805)</u>	<u>215,180</u>	<u>(13,371,288)</u>	<u>(18,113,786)</u>	<u>128,874,081</u>	<u>8,838,664</u>	<u>137,712,745</u>											
<b>Balance as at 1 January 2010</b>	49,947,675	75,714,971	19,899,838	56,055	1,478,702	4,220,515	(27,189,284)	124,128,472	42,072,691	166,201,163											
Sale of treasury shares	-	-	(3,635,997)	-	-	(4,220,515)	9,834,779	1,978,267	-	1,978,267	-	-	-	-	-	-	-	-	-	-	1,978,267
Effect of changes in ownership percentage of a subsidiary	-	-	236,429	-	-	-	-	236,429	-	(566,382)	-	-	-	-	(802,811)	-	-	-	-	-	(566,382)
Total comprehensive income for the period	-	-	-	(653,862)	67,552	1,546,207	-	959,897	(796,968)	162,929											
<b>Balance as at 30 September 2010</b>	<u>49,947,675</u>	<u>75,714,971</u>	<u>16,500,270</u>	<u>(597,807)</u>	<u>1,546,254</u>	<u>1,546,207</u>	<u>(17,354,505)</u>	<u>127,303,065</u>	<u>40,472,912</u>	<u>167,775,977</u>											

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**



For the period from 1 January to 30 September 2011

	Notes	Nine-month period ended	
		30 September 2011	30 September 2010
		KD	KD
<b>OPERATING ACTIVITIES</b>			
(Loss) / profit for the period		(4,739,385)	1,314,360
Adjustments for:			
Net investment income	14	(233,965)	(2,546,878)
Share of results of associates	8	198,347	493,476
Share of results of joint ventures		517,586	161,183
Gain on disposal of an associate		-	(546,743)
Loss on disposal of a joint venture	9	18,061	-
Impairment losses on available for sale investments		375,507	2,545,478
Dilution gain		-	(134,620)
Provision no longer required		-	(349,901)
Depreciation and amortization		213,927	292,810
Foreign currency exchange gain		(226,538)	(184,367)
Murabaha income		(75,268)	(109,923)
Interest income		(103,646)	(284,657)
Finance charges		2,589,652	1,909,915
Provision for end of service indemnity		43,053	31,519
		<u>(1,422,669)</u>	<u>2,591,652</u>
<b>Movements in working capital</b>			
Accounts receivable and other debit balances		(5,990,069)	13,912,845
Murabaha receivable		-	614,147
Properties held for trading		3,742,851	(19,023,708)
Investment properties		(5,899,754)	(1,288,746)
Accounts payable and other credit balances		11,722,429	3,569,030
Deferred consideration on acquisition of properties		-	(570,954)
End of service indemnity paid		(38,647)	(2,611)
<b>Net cash generated by / (used in) operating activities</b>		<u>2,114,141</u>	<u>(198,345)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of available for sale investments		(1,045,600)	(11,062,940)
Proceeds from disposal of available for sale investments		2,312,407	5,494,330
Proceed from disposal of investment in an associate		-	6,326,429
Proceeds from disposal of investment in a joint venture		5,981,939	-
Interest income received		73,841	461,558
Dividends received		100,000	422,122
Murabaha income received		865,072	614,147
Purchase of property and equipment		(24,940)	(4,056,321)
Paid against increase in equity holding of a subsidiary		-	(600,000)
<b>Net cash generated by / (used in) investing activities</b>		<u>8,262,719</u>	<u>(2,400,675)</u>
<b>(Continued)</b>			

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**



For the period from 1 January to 30 September 2011

(Continued)

	Notes	Nine-month period ended	
		30 September 2011	30 September 2010
		KD	KD
<b>FINANCING ACTIVITIES</b>			
Bank overdrafts		(47,609)	(77,741)
Term loan		(1,500,000)	30,000
Finance charges paid		(2,442,610)	(1,754,973)
Dividend paid		(69,907)	-
Proceeds from disposal of treasury shares		-	1,978,267
<b>Net cash (used in) / generated by financing activities</b>		<b>(4,060,126)</b>	<b>175,553</b>
Net increase in cash and cash equivalents		6,316,734	(2,423,467)
Cash and cash equivalents at the beginning of the period		20,483,961	28,180,304
<b>Cash and cash equivalents at the end of the period</b>	5	<b>26,800,695</b>	<b>25,756,837</b>
<b>NON-CASH TRANSACTIONS</b>			
<b>INVESTING ACTIVITIES</b>			
Deferred consideration on disposal of a subsidiary	16	592,147	-
Deferred consideration on disposal of a joint venture		1,411,727	-
		<b>2,003,874</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
Increase in share capital against advance subscriptions received		14,984,302	-
Increase in share premium against advance subscriptions received		4,045,761	-
		<b>19,030,063</b>	<b>-</b>

The accompanying notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

For the period from 1 January to 30 September 2011

**1. FORMATION AND PRINCIPAL ACTIVITIES**

Al Mazaya Holding Company - K.S.C. (Holding) was incorporated on 7 November 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 Salhiya complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 14 November 2011.

**2. BASIS OF PREPARATION**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". This interim condensed consolidated financial information does not contain all information and disclosures required for complete set of 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 fair presentation have been included.

Operating results for the nine-month period are not necessarily indicative of the results that may be expected for the year ending 31 December 2011. For further information, refer to the annual audited financial statements included in the Group's annual report for the year ended 31 December 2010.

The interim condensed consolidated financial information include the financial information of Al Mazaya Holding Company K.S.C. ("the Parent Company") and the following subsidiaries (together referred to as "the Group"):

Subsidiaries	Country of incorporation	Percentage of ownership (%)		
		30 September 2011	(Audited) 31 December 2010	30 September 2010
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 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 Khalijia 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 Projects Management Company, Khalid S. Esbaitah and Partners W.L.L.	Kuwait	100	100	100
Mazaya Lebanon Company - S.A.L. (Holding)	Lebanon	100	100	100

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**



For the period from 1 January to 30 September 2011

**2. BASIS OF PREPARATION (CONTINUED)**

Subsidiaries (Continued)	Country of incorporation	Percentage of ownership (%)		
		30 September 2011	31 December 2010 (Audited)	30 September 2010
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)	Kuwait	92.23	92.23	63.98
Future International Project Management – W.L.L.	Kuwait	92.23	78.15	85
Waterfront Real Estate Company K.S.C. (Closed)	Kuwait	83.44	86.43	91.97
Mezzan Combined For General Trading - W.L.L. Company	Kuwait	100	100	-
United Circle General Contracting Buildings – Abdullah Faisal Al Sultan and Partners W.L.L.	Kuwait	-	-	100

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the most recent annual audited financial statements for the year ended 31 December 2010. The Group has adopted all of the new and revised standards issued by the International Accounting Standard Board (“IASB”) that are relevant to its operation and effective for accounting periods beginning on or after 1 January 2010. The adoption of these new and revised standards had no material impact on the interim condensed consolidated financial information of the Group.

**4. JUDGEMENTS AND ESTIMATES**

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 most recent annual audited financial statements for the year ended 31 December 2010.

**5. CASH AND CASH EQUIVALENTS**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
	KD	KD	KD
Cash on hand and at banks	19,883,084	14,819,256	15,896,331
Short term bank deposits	5,469,959	5,600,000	9,844,032
Cash in investment portfolios	1,447,652	64,705	16,474
	<u>26,800,695</u>	<u>20,483,961</u>	<u>25,756,837</u>

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**



For the period from 1 January to 30 September 2011

**5. CASH AND CASH EQUIVALENTS (CONTINUED)**

The average effective interest rate on short term bank deposits was 1.38% (31 December 2010: 1.75% and 30 September 2010: 2.5%) per annum. These deposits have an average maturity of 90 days (31 December 2010: 30 days and 30 September 2010: 64 days).

Cash on hand and at banks include an amount of KD 13,945,293 (31 December 2010: KD 11,999,716 and 30 September 2010: KD 13,457,150) representing restricted cash to be used only against construction work.

**6. ACCOUNTS RECEIVABLE AND OTHE DEBIT BALANCES**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
	KD	KD	KD
Trade receivables	9,688,542	6,058,934	3,204,231
Advance payments	1,299,343	2,302,053	3,318,254
Advance for investments	4,837,400	931,865	-
Advances for capital subscription	121,767	-	-
Due from related parties (See note 18)	1,429,181	887,114	4,736,493
Staff receivables	8,506	8,951	-
Other receivables	1,359,116	455,920	1,958,553
	<u>18,743,855</u>	<u>10,644,837</u>	<u>13,218,531</u>
Allowance for doubtful debts	(959,454)	(959,454)	(800,889)
	<u>17,784,401</u>	<u>9,685,383</u>	<u>12,417,642</u>

**7. AVAILABLE FOR SALE INVESTMENTS**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
<b>Quoted:</b>			
Equity securities	1,626,971	2,496,543	2,903,033
<b>Unquoted:</b>			
Equity securities	4,385,227	4,419,702	13,432,797
Funds & Portfolios	10,947,442	11,490,663	12,306,567
	<u>16,959,640</u>	<u>18,406,908</u>	<u>28,642,397</u>

Available for sale investments with a fair value of KD 6,756,035 (31 December 2010: KD 13,340,787, 30 September 2010: KD 17,651,526) are pledged against a loan. Subsequent to the reporting date, the Group has fully settled the loan and the pledge has been released as a result.

Available for sale investments with a fair value of KD 2,259,590 (31 December 2010: 2,525,102, 30 September 2010: KD 6,662,831) are pledged against a related party payable.

It was not possible to reliably measure the fair value of certain available for sale investments due to lack of reliable measures to determine the fair value of such investments. Accordingly they are stated at cost less impairment losses, if any.

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**



For the period from 1 January to 30 September 2011

**8. INVESTMENT IN ASSOCIATES**

Summarised financial information in respect of the Group's associates is set out below:

Group's share of associates' statement of financial position:	30 September	(Audited) 31 December	30 September
	2011	2010	2010
	KD	KD	KD
Total assets	133,278,141	203,735,915	73,546,549
Total liabilities	11,222,942	27,981,171	1,010,520
Net assets	122,055,199	175,754,744	72,536,029
Group's share of net assets	12,809,121	13,263,803	4,276,282

The associates' statement of income is summarised as follows:

	Nine-month period ended	
	30 September	30 September
	2011	2010
	KD	KD
Total revenue	8,174,565	3,997,532
Total profit / (loss) for the period	586,701	(1,516,570)
Group's share of results of associates	(198,347)	(493,476)

**9. INVESTMENT IN JOINT VENTURES**

During the period, the Group disposed of interest in a joint venture. The group's share of net assets disposed of amounted to KD 7,429,788 against a sale consideration of KD 7,411,727, resulting in a loss on disposal amounting KD 18,061.

**10. INVESTMENT PROPERTIES**

	30 September	(Audited) 31 December	30 September
	2011	2010	2010
	KD	KD	KD
Balance at the beginning of the period / year	115,374,019	100,232,287	100,232,287
Additions	5,899,754	1,089,036	6,190,926
Transferred from properties held for trading	-	3,174,783	-
Transferred from fixed assets	-	20,816,119	-
Reversal of revaluation surplus	-	(519,366)	-
Changes in fair value	-	(8,863,029)	-
Foreign currency translation adjustments	(34,625)	(555,811)	(70,903)
Balance at the end of the period / year	121,239,148	115,374,019	106,352,310

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**



For the period from 1 January to 30 September 2011

**11. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
	KD	KD	KD
Trade payables	24,166,927	24,101,675	17,707,292
Amounts received in advance for capital subscription	-	14,810,686	-
Advances received from customers	77,798,593	69,981,443	69,212,073
Amounts due to related parties (See note 18)	4,612,065	8,296,943	8,852,846
Retentions payable	5,264,590	5,349,684	8,579,677
Accrued development costs	2,131,568	1,497,835	73,591
Dividends payable	656,214	726,121	726,121
Other payables and accrued expenses	2,503,181	1,059,156	5,307,146
	<u>117,133,138</u>	<u>125,823,543</u>	<u>110,458,746</u>

**12. OTHER RESERVES**

	Voluntary reserve	Statutory reserve	Asset revaluation surplus	Effect of changes in subsidiary's equity	Effect of changes in subsidiary's treasury shares	Total
	KD	KD	KD	KD	KD	KD
Balance as at 30 September 2011	<u>6,711,805</u>	<u>9,646,725</u>	<u>-</u>	<u>(260,814)</u>	<u>(457,645)</u>	<u>15,640,071</u>
Balance as at 31 December 2010	<u>6,711,805</u>	<u>9,646,725</u>	<u>-</u>	<u>88,612</u>	<u>(457,645)</u>	<u>15,989,497</u>
Balance as at 30 September 2010	<u>6,711,805</u>	<u>9,646,725</u>	<u>519,366</u>	<u>80,019</u>	<u>(457,645)</u>	<u>16,500,270</u>

**13. TREASURY SHARES**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
Number of shares (shares)	35,869,869	35,869,869	32,289,869
Percentage of issued shares (%)	5.52	7.18	6.46
Market value (Kuwaiti Dinars)	2,223,932	4,232,644	2,809,218
Cost (Kuwaiti Dinars)	18,113,786	18,113,786	17,354,505

AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)



For the period from 1 January to 30 September 2011

14. NET INVESTMENT INCOME

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2011	2010	2011	2010
	KD	KD	KD	KD
Realized gain on disposal of available for sale investments	68,054	11,668	175,261	2,124,756
Dividend income	94,500	3,257	100,000	422,122
Portfolio management fees	(41,296)	-	(41,296)	-
	<u>121,258</u>	<u>14,925</u>	<u>233,965</u>	<u>2,546,878</u>

15. (LOSS) / EARNINGS PER SHARE

	Three- months period ended 30 September		Nine-month period ended 30 September	
	2011	2010	2011	2010
	KD	KD	KD	KD
(Loss) / profit for the period attributable to equity holders of the Parent Company	<u>(1,629,028)</u>	<u>(1,018,548)</u>	<u>(4,761,477)</u>	<u>1,546,207</u>
	Shares	Shares	Shares	Shares
Weighted average number of issued and fully paid-up shares	649,319,770	499,476,780	610,349,615	499,476,780
Less: weighted average number of treasury shares	<u>(35,869,869)</u>	<u>(32,289,869)</u>	<u>(35,869,869)</u>	<u>(32,872,287)</u>
Weighted average number of shares outstanding	<u>613,449,901</u>	<u>467,186,911</u>	<u>574,479,746</u>	<u>466,604,493</u>
(Loss) / earnings per share attributable to equity holders of the Parent Company -Fils	<u>(2.66)</u>	<u>(2.18)</u>	<u>(8.29)</u>	<u>3.31</u>

**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**

For the period from 1 January to 30 September 2011

**16. DISPOSAL OF A SUBSIDIARY**

On 31 January 2011, the Parent Company disposed of its 92.23% owned subsidiary United Circle General Contracting and Building Company.

The details of the disposal are as follows:

	30 September 2011 Nine-month period ended
	KD
Net assets disposed off	-
Increase in Non Controlling Interests due to the disposal	941,573
Deferred consideration	<u>(592,147)</u>
Difference arising on decrease in ownership of subsidiary without losing control	<u>349,426</u>

As a consequence of the disposal, the Group's effective share in its subsidiary Waterfront Real Estate Company K.S.C. (Closed) decreased from 86.43% to 83.43% resulting in increase of non-controlling interests.

## AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January to 30 September 2011



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#### 17. SEGMENT INFORMATION

For management purposes, the Group is divided into three main 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.

	Nine-month period ended 30 September 2011				Nine-month period ended 30 September 2010				Total
	Kuwait	UAE	KSA	Others	Kuwait	UAE	KSA	Others	
Segment income	379,224	3,363,496	192,252	237,657	3,472,992	9,933,235	8,190,981	1,224,747	22,821,955
Segment (loss) / profit	(4,308,077)	(799,723)	192,252	176,163	(3,460,011)	2,141,977	1,955,557	676,837	1,314,360
	At 30 September 2011								
	Kuwait	UAE	KSA	Others	Total				
Total segment assets	80,781,627	242,478,535			338,831,321				
Total segment liabilities	74,340,479	126,776,755			201,118,576				
	At 31 December 2010								
	Kuwait	UAE	KSA	Others	Total				
Total segment assets	77,997,590	235,475,055	6,364,996	15,418,359	335,256,000				
Total segment liabilities	101,992,236	109,628,396	-	1,338	211,621,970				
	At 30 September 2010								
	Kuwait	UAE	KSA	Others	Total				
Total segment assets	93,227,652	254,397,062	9,380,400	10,869,208	367,874,322				
Total segment liabilities	75,853,242	124,245,103	-	-	200,098,345				



**AL MAZAYA HOLDING COMPANY K.S.C. AND ITS SUBSIDIARIES****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**For the period from 1 January to 30 September 2011

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**19. CAPITAL COMMITMENTS**

	30 September 2011	(Audited) 31 December 2010	30 September 2010
	KD	KD	KD
Letters of guarantee	-	-	22,876,000
Capital commitments	52,650,263	35,880,362	51,596,227
	<u>52,650,263</u>	<u>35,880,362</u>	<u>74,472,227</u>

**20. ISSUANCE OF SHARE CAPITAL**

During the period, the Parent Company completed the issuance of shares pertaining to the subscriptions received in advance during the year 2010.

**21. GENERAL ASSEMBLY**

On 9 June 2011, the Shareholders' Annual General Assembly approved the annual financial statements of the Group for the year ended 31 December 2010.