

**MABANEE COMPANY S.A.K. (CLOSED) AND
SUBSIDIARIES**



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND INDEPENDENT
AUDITORS' REVIEW REPORT FOR THE PERIOD
FROM 1 JANUARY TO 30 JUNE 2010
(UNAUDITED)**

MABANEE S.A.K. (CLOSED) AND SUBSIDIARIES

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

For the period from 1 January to 30 June 2010



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MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2010



		30 June 2010 (Unaudited) KD	31 December 2009 (Audited) KD	30 June 2009 (Unaudited) KD
ASSETS				
Non-current assets				
Property, plant and equipment		920,881	672,998	695,798
Investment properties	5	194,351,190	169,797,153	163,300,418
Investments in associates		16,913,570	17,049,300	17,447,995
Available for sale investments	6	14,119,328	18,663,193	20,358,859
		<u>226,304,969</u>	<u>206,182,644</u>	<u>201,803,070</u>
Current assets				
Accounts receivable and prepayments	7	6,067,377	4,258,107	9,097,204
Cash and bank balances	8	8,695,336	10,171,803	4,287,643
		<u>14,762,713</u>	<u>14,429,910</u>	<u>13,384,847</u>
TOTAL ASSETS		<u><u>241,067,682</u></u>	<u><u>220,612,554</u></u>	<u><u>215,187,917</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		50,511,450	45,919,500	45,919,500
Statutory reserve		10,127,673	10,127,673	8,513,318
General reserve		10,127,673	10,127,673	8,513,318
Treasury shares		(2,732,225)	(2,644,679)	(2,300,079)
Treasury shares reserve		4,312,806	4,417,923	4,634,120
Fair value reserve		(1,425,977)	(1,082,001)	168,322
Retained earnings		45,766,494	44,527,984	42,681,779
Total equity		<u>116,687,894</u>	<u>111,394,073</u>	<u>108,130,278</u>
Non-current liabilities				
Provision for staff indemnity		319,275	447,058	379,041
Other non-current liabilities		9,009,062	9,413,538	9,064,082
Long-term loans	9	44,632,858	20,178,571	14,285,714
		<u>53,961,195</u>	<u>30,039,167</u>	<u>23,728,837</u>
Current liabilities				
Bank overdrafts	8	5,473,502	5,043,440	958,848
Short-term loans	10	46,400,000	56,686,381	67,964,286
Trade and other payables	11	18,545,091	17,449,493	14,405,668
		<u>70,418,593</u>	<u>79,179,314</u>	<u>83,328,802</u>
Total liabilities		<u>124,379,788</u>	<u>109,218,481</u>	<u>107,057,639</u>
TOTAL EQUITY AND LIABILITIES		<u><u>241,067,682</u></u>	<u><u>220,612,554</u></u>	<u><u>215,187,917</u></u>


 Mohammad Abdulaziz Al Shaya
 Chairman and Managing Director

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

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MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)**

For the period from 1 January to 30 June 2010



	Notes	Three month period ended 30 June		Six month period ended 30 June	
		2010	2009	2010	2009
		KD	KD	KD	KD
Investment properties revenue	12a	8,978,307	8,902,433	17,703,372	17,756,558
Investment properties expenses	12b	(1,667,900)	(1,655,298)	(3,435,345)	(3,245,837)
Depreciation		(796,341)	(770,493)	(1,592,682)	(1,515,910)
Finance costs		(431,496)	(1,234,720)	(891,577)	(3,015,089)
Profit from operations		6,082,570	5,241,922	11,783,768	9,979,722
Net (loss)/gain from financial investments	12c	(305,357)	852,615	(47,414)	416,163
General and administrative expenses		(307,650)	(439,592)	(725,229)	(828,716)
Allowance for doubtful debts		(19,363)	-	(19,363)	-
Other income		13,034	51,700	17,981	180,748
Foreign currency (loss) / gain		(7,227)	4,895	(15,304)	850,816
Share of results from associates		(82,667)	-	(135,730)	83,982
Profit for the period before contributions to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		5,373,340	5,711,540	10,858,709	10,682,715
Contribution to KFAS		(48,360)	(51,403)	(97,728)	(96,144)
Contribution to NLST		(130,858)	(143,898)	(261,961)	(251,209)
Contribution to Zakat		(51,062)	(57,559)	(104,784)	(100,483)
Profit for the period		5,143,060	5,458,680	10,394,236	10,234,879
Basic and diluted earnings per share	13	10.24fils	10.85fils	20.70fils	20.34fils

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

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)



For the period from 1 January to 30 June 2010

	Three month period ended 30 June		Six month period ended 30 June	
	2010	2009	2010	2009
	KD	KD	KD	KD
Profit for the period	5,143,060	5,458,680	10,394,236	10,234,879
Other comprehensive income:				
Change in fair value of available for sale investments	(1,530,861)	1,373,780	(657,836)	39,713
Transfer to consolidated statement of income on sale of available for sale investments	53,218	(852,615)	(407,568)	(442,901)
Transfer to consolidated statement of income on impairment of available for sale investments	422,139	-	721,428	690,490
Other comprehensive (loss)/income for the period	(1,055,504)	521,165	(343,976)	287,302
Total comprehensive income for the period	4,087,556	5,979,845	10,050,260	10,522,181

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

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January to 30 June 2010



	Share capital	Statutory reserve	General reserve	Treasury shares	Treasury shares reserve	Fair value reserve	Retained earnings	Total
	KD	KD	KD	KD	KD	KD	KD	KD
At 1 January 2010	45,919,500	10,127,673	10,127,673	(2,644,679)	4,417,923	(1,082,001)	44,527,984	111,394,073
Total comprehensive income for the period	-	-	-	-	-	(343,976)	10,394,236	10,050,260
Issue of bonus shares (See Note 15)	4,591,950	-	-	-	-	-	(4,591,950)	-
Purchase of treasury shares	-	-	-	(589,920)	-	-	-	(589,920)
Sale of treasury shares	-	-	-	502,374	(105,117)	-	-	397,257
Cash dividend (See Note 15)	-	-	-	-	-	-	(4,563,776)	(4,563,776)
At 30 June 2010	50,511,450	10,127,673	10,127,673	(2,732,225)	4,312,806	(1,425,977)	45,766,494	116,687,894
At 1 January 2009	41,745,000	8,513,318	8,513,318	(2,300,079)	4,634,120	(118,980)	36,621,400	97,608,097
Total comprehensive income for the period	-	-	-	-	-	287,302	10,234,879	10,522,181
Issue of bonus shares (See Note 15)	4,174,500	-	-	-	-	-	(4,174,500)	-
At 30 June 2009	45,919,500	8,513,318	8,513,318	(2,300,079)	4,634,120	168,322	42,681,779	108,130,278

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

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**



For the period from 1 January to 30 June 2010

	Six month period ended 30 June	
	2010	2009
	KD	KD
OPERATING ACTIVITIES		
Profit before contribution to KFAS, NLST and Zakat	10,858,709	10,682,715
Adjustments for:		
Depreciation	1,592,682	1,515,910
Loss on sale of property, plant and equipment	266	-
Allowance for doubtful debts	19,363	-
Provision for staff indemnity	82,085	96,103
Net loss / (gain) from financial investments	47,414	(416,163)
Share of results from associates	135,730	(83,982)
Finance costs	891,577	3,015,089
	13,627,826	14,809,672
Movements in working capital		
Accounts receivable and prepayments	(1,828,633)	(2,608,202)
Trade and other payables	1,686,346	(2,787,520)
Cash generated from operations	13,485,539	9,413,950
Staff indemnity paid	(209,868)	(766)
Finance costs paid	(1,169,831)	(2,841,433)
KFAS, NLST and Zakat paid	(776,967)	(279,943)
Other non-current liabilities	(404,476)	(48,708)
Net cash generated by operating activities	10,924,397	6,243,100
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(248,567)	(195,650)
Proceeds from sale of property, plant and equipment	418	476
Additions to investment properties	(26,146,719)	(7,636,493)
Purchase of shares in an associate	-	(997,826)
Purchase of available for sale investments	(7,430,653)	(10,558,097)
Proceeds from sale of available for sale investments	11,316,682	15,742,691
Proceeds from sale of investments at fair value through statement of income	-	771,595
Dividend received on available for sale investments	266,446	625,477
Dividend received on investments at fair value through statement of income	-	29,596
Net cash used in investing activities	(22,242,393)	(2,218,231)

(Continued)

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**

For the period from 1 January to 30 June 2010

	Note	Six month period ended 30 June	
		2010	2009
		KD	KD
FINANCING ACTIVITIES			
Purchase of treasury shares		(589,920)	-
Proceeds from sale of treasury shares		397,257	-
Term loans repaid		(38,564,952)	(21,242,844)
Term loans obtained		52,732,858	-
Dividend paid		(4,563,776)	-
Net cash generated by / (used in) financing activities		9,411,467	(21,242,844)
Net decrease in cash and cash equivalents		(1,906,529)	(17,217,975)
Cash and cash equivalents at beginning of the period		5,128,363	20,546,770
Cash and cash equivalents at end of the period	8	3,221,834	3,328,795

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

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES

Mabaneer Company S.A.K. (Closed) (“the Company”) is a Kuwaiti Shareholding Company established and registered in Kuwait in 1964. The Company and its subsidiaries (together referred to as “the Group”) are engaged in the manufacture and erection of pre-cast buildings, other construction work and the installation of sanitary, mechanical, electrical and other equipment that relates to the construction industry. It is also engaged in real estate investment and surplus funds are invested in portfolios managed by specialised firms. The Company is listed on the Kuwait Stock Exchange.

The Company is an associated company of Alshaya United Company W.L.L.

The registered address of the Company is P.O. Box 5132, Safat 13052, Kuwait.

This interim consolidated financial information were authorised for issue by the Board of Directors on 10 August 2010.

2. BASIS OF PRESENTATION

This interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, (“IAS 34”). This interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in this interim condensed consolidated financial information. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010. For more details, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2009.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2009 except for the impact of the adoption of new and revised standards mentioned below.

3. ADOPTION OF NEW AND REVISED STANDARDS

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2010.

The main changes in the Group’s accounting policies relate to IFRS 3 (Revised) “*Business Combinations*” and consequential amendments to IAS 27 “*Consolidated and Separate Financial Statements*” and IAS 28 “*Investments in Associates*” whereby acquisition related costs are expensed in the consolidated statement of income in the periods in which the costs are incurred. Also, changes in ownership interest in a subsidiary that do not result in a loss of control are treated as transaction between equity holders and are accounted for within equity. Equity interest held prior to control being obtained are remeasured to fair value at the date of obtaining control, and any gain or loss is recognized in the consolidated statement of income.

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 annual audited consolidated financial statements at and for the year ended 31 December 2009.

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

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



For the period from 1 January to 30 June 2010

5. INVESTMENT PROPERTIES

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
Cost			
At beginning of the period	177,128,600	161,402,807	161,402,807
Additions	26,146,719	15,725,793	7,636,493
	203,275,319	177,128,600	169,039,300
Accumulated depreciation			
At beginning of the period	7,331,447	4,280,568	4,280,568
Charge for the period	1,592,682	3,050,879	1,458,314
	8,924,129	7,331,447	5,738,882
Carrying amount	194,351,190	169,797,153	163,300,418
Annual depreciation rates	2%-3.33%	2%-3.33%	2% – 3.33%

The balance includes KD 39,996,387 (31 December 2009: KD 13,897,586 and 30 June 2009: KD 19,330,320), which represents costs incurred in the construction of “The Avenues” commercial complex, which is being constructed in phases. During the period ended 30 June 2010, borrowing costs of KD 1,992,923 relating to phases under construction of “The Avenues” complex has been capitalised within the total costs (31 December 2009: KD 617,103 and 30 June 2009: KD 189,649).

The average fair value of the investment properties at 30 June 2010 is not materially different from the fair value at 31 December 2009, which was KD 323,232,288 (30 June 2009: KD 342,721,140).

6. AVAILABLE FOR SALE INVESTMENTS

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
Quoted local equities	6,405,865	10,638,345	13,648,123
Unquoted local equities	2,611,352	2,657,352	1,083,651
Unquoted international equities	5,102,111	5,367,496	5,627,085
	14,119,328	18,663,193	20,358,859

At 30 June 2010, certain investments amounting to KD 4,319,538 (31 December 2009: KD 4,602,685; 30 June 2009: KD 5,800,002) were carried at cost, due to the lack of an active market or other reliable measures of their fair value. Management is not aware of any indication of impairment of these investments.

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**

For the period from 1 January to 30 June 2010

7. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
Trade receivables	1,443,388	2,289,780	4,967,544
Advances to contractors	2,585,577	42,052	-
Other receivables	234,297	204,865	2,957,523
Prepaid expenses	49,994	777,521	228,248
Current accounts with associates (See Note 14)	1,754,121	943,889	943,889
	6,067,377	4,258,107	9,097,204

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following amount in the interim condensed consolidated statement of financial position amounts:

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
Cash and bank balances	8,695,336	10,171,803	4,287,643
Bank overdrafts	(5,473,502)	(5,043,440)	(958,848)
	3,221,834	5,128,363	3,328,795

The average interest rate charged on bank overdrafts on 30 June 2010 is 2% to 2.25% (31 December 2009: 1.25% to 2.25%; 30 June 2009: 2% to 3.5%) over CBK discount rate per annum.

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

9. LONG-TERM LOANS

Long-term loans include the following loans payable to local banks:

	30 June 2010 (Unaudited) KD	31 December 2009 (Audited) KD	30 June 2009 (Unaudited) KD
a) Unsecured KD loan to the Company. The balance is repayable in 8 equal quarterly instalments with last instalment due on 24 August 2012 with option to renew for additional periods. The total available facility is KD 10,000,000 (See Note 10-f).	6,250,000	8,750,000	-
b) Unsecured KD loan to the Company. The balance was paid on 27 January 2010 (See Note 10-g).	-	11,428,571	14,285,714
c) Unsecured KD loan to the Company. The balance is repayable in 16 equal quarterly instalments with last instalment due on 31 December 2014. The total available facility is KD 17,750,000 (See Note 10-h).	15,500,000	-	-
d) Unsecured KD loan in the books of the subsidiaries. The balance is repayable in 16 equal quarterly instalments with last instalment due on 30 September 2014. The total available facility is KD 51,200,000 (See Note 10-i).	22,882,858	-	-
	<u>44,632,858</u>	<u>20,178,571</u>	<u>14,285,714</u>

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

10. SHORT-TERM LOANS

Short-term loans include the following loans payable to local banks:

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
a) Unsecured KD loan to the Company. The balance was paid on 27 January 2010.	-	15,000,000	15,000,000
b) Unsecured KD loan to the Company. The balance is repayable on 30 April 2011 with option to renew for additional periods.	3,000,000	3,000,000	3,000,000
c) Unsecured KD loan to the Company. The balance was paid on 6 January 2010.	-	3,922,095	17,450,000
d) Unsecured KD loan to the Company. The balance is repayable on 31 July 2010. The total available facility is KD 9,800,000.	8,000,000	8,000,000	8,000,000
e) Unsecured KD loan to the Company. The balance is repayable on 15 August 2010 with option to renew for additional periods. The total available facility is KD 20,000,000.	19,800,000	19,800,000	18,800,000
f) Current portion of long-term loan (See Note 9-a)	3,750,000	1,250,000	-
g) Current portion of long-term loan (See Note 9-b)	-	5,714,286	5,714,286
h) Current portion of long-term loan (See Note 9-c)	2,250,000	-	-
i) Current portion of long-term loan (See Note 9-d)	9,600,000	-	-
	<u>46,400,000</u>	<u>56,686,381</u>	<u>67,964,286</u>

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**

For the period from 1 January to 30 June 2010

11. TRADE AND OTHER PAYABLES

	30 June 2010 (Unaudited)	31 December 2009 (Audited)	30 June 2009 (Unaudited)
	KD	KD	KD
Trade suppliers	809,270	817,907	1,059,470
Retentions payable	3,646,228	3,412,186	4,485,572
Payable to sub-contractors	9,302,222	7,448,259	2,854,464
Rent received in advance (See Note 14)	2,302,289	2,821,558	4,429,314
KFAS, NLST and Zakat Payable	499,536	812,030	532,614
Other payables	1,985,546	2,137,553	1,044,234
	<u>18,545,091</u>	<u>17,449,493</u>	<u>14,405,668</u>

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January to 30 June 2010



12. SEGMENT REPORTING

The Group is organised into functional divisions in order to manage its various lines of business. For the purpose of segment reporting, the Group's management uses the following business segments:

- Construction and real estate investment: includes real estate development, Group's properties, projects leasing and the construction activity for self or others.
- Financial investments: includes investments in portfolios, shares and financial instruments in and outside Kuwait managed by self or by specialised firms.

Segment reporting information for the six month period ended 30 June is as follows:

	Construction and real estate investment		Financial investments		Unallocated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	KD	KD	KD	KD	KD	KD	KD	KD
Segment revenue	<u>17,703,372</u>	<u>17,756,558</u>	<u>(47,414)</u>	<u>416,163</u>	<u>(133,053)</u>	<u>1,115,546</u>	<u>17,522,905</u>	<u>19,288,267</u>
Segment results	<u>11,783,768</u>	<u>10,004,370</u>	<u>(92,547)</u>	<u>380,182</u>	<u>(1,296,985)</u>	<u>(149,673)</u>	<u>10,394,236</u>	<u>10,234,879</u>

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

12. a INVESTMENT PROPERTIES REVENUE

Details of revenue relating to construction and real estate investment are:

	Three month period ended 30 June		Six month period ended 30 June	
	2010 KD	2009 KD	2010 KD	2009 KD
Rental income	8,090,134	7,719,198	16,170,911	15,175,659
Arrangement fees from investors	-	463,450	-	1,463,700
Advertising services for investors	692,208	420,455	1,027,875	772,549
Others	195,965	299,330	504,586	344,650
	8,978,307	8,902,433	17,703,372	17,756,558

12. b INVESTMENT PROPERTIES EXPENSES

Details of expenses relating to construction and real estate investment are:

	Three month period ended 30 June		Six month period ended 30 June	
	2010 KD	2009 KD	2010 KD	2009 KD
Land rent	623,004	495,133	1,258,717	1,002,900
Repair and maintenance	288,813	409,139	581,542	664,343
General and administrative expenses	756,083	751,026	1,595,086	1,578,594
	1,667,900	1,655,298	3,435,345	3,245,837

12. c NET (LOSS)/GAIN FROM FINANCIAL INVESTMENTS

Details of net (loss)/gain from financial investments are:

	Three month period ended 30 June		Six month period ended 30 June	
	2010 KD	2009 KD	2010 KD	2009 KD
Dividend income from investments at fair value through statement of income	-	-	-	29,596
Dividend income from available for sale investments	170,000	-	266,446	625,477
Gain on sale of investments at fair value through statement of income	-	-	-	8,679
(Loss)/gain on sale of available for sale investments	(53,218)	852,615	407,568	442,901
Impairment loss on available for sale investments	(422,139)	-	(721,428)	(690,490)
	(305,357)	852,615	(47,414)	416,163

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

13. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are computed by dividing profit for the period by the weighted average number of shares outstanding during the period. There are no potential dilutive ordinary shares. The information necessary to calculate basic earning per share based on the weighted average number of share outstanding during the period is as follows:

	Three month period ended 30 June		Six month period ended 30 June	
	2010 KD	2009 KD	2010 KD	2009 KD
Profit for the period	<u>5,143,060</u>	5,458,680	<u>10,394,236</u>	10,234,879
	<u>Shares</u>	Shares	<u>Shares</u>	Shares
Number of authorised, issued and fully paid up shares outstanding during the period	505,114,500	505,114,500	505,114,500	505,114,500
Weighted average number of treasury shares outstanding during the period	<u>(3,070,200)</u>	(1,960,750)	<u>(2,988,181)</u>	(1,960,750)
Weighted average number of outstanding shares during the period	<u>502,044,300</u>	503,153,750	<u>502,126,319</u>	503,153,750
Basic and diluted earnings per share	<u>10.24 fils</u>	10.85 fils	<u>20.70 fils</u>	20.34 fils

The basic and diluted earnings per share for the three month and six month period ended 30 June 2009 was 11.94 fils and 22.38 fils before retroactive adjustment to the number of shares for bonus shares issued in 2010 (See Note 15).

14. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

a) Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	30 June 2010 (Unaudited) KD	31 December 2009 (Audited) KD	30 June 2009 (Unaudited) KD
Accounts receivable and prepayments			
Current accounts with associates (See Note7)	<u>1,754,121</u>	<u>943,889</u>	<u>943,889</u>
Trade and other payables			
Rent received in advance (See Note 11)	<u>-</u>	<u>-</u>	<u>614,842</u>

b) Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	Six month period ended 30 June	
	2010 KD	2009 KD
Rental income	<u>1,459,470</u>	<u>2,459,664</u>

MABANEE COMPANY S.A.K. (CLOSED) AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)



For the period from 1 January to 30 June 2010

14. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six month period ended 30 June	
	2010	2009
	KD	KD
Salaries and other short-term benefits	299,146	314,948
Termination benefits	48,814	49,355
	347,960	364,303

15. ANNUAL GENERAL ASSEMBLY

The Annual General Assembly held on 28 March 2010 approved the annual audited consolidated financial statements for the year ended 31 December 2009 and the proposed distribution of bonus shares of 10% (2008: bonus shares of 10%) and cash dividend of 10 fils per share (2008: Nil) of the paid-up capital at 31 December 2009 to the shareholders of record as of the date of the Annual General Assembly.

16. COMMITMENTS AND CONTINGENT LIABILITIES

- At 30 June 2010 there were capital commitments amounting to KD 102,567 in respect of uncalled capital of investments (31 December 2009: KD 101,116 and 30 June 2009: KD 111,316).
- The Group's management has approved future capital expenditure amounting to KD 125,162,000 (31 December 2009: KD 136,834,707 and 30 June 2009: KD 18,010,018).