

**Gulf Investment House K.S.C. (Closed) and  
Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**30 JUNE 2010 (UNAUDITED)**



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### **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF INVESTMENT HOUSE K.S.C. (CLOSED)**

#### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House K.S.C. (Closed) (the "Parent Company") and its subsidiaries (the "Group") as at 30 June 2010 and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month period then ended and the related interim condensed consolidated statements of cash flows and changes in equity for the six month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed 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 the basis of presentation set out in Note 2.

#### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books 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 six month period ended 30 June 2010 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the six month period ended 30 June 2010.

WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
OF ERNST & YOUNG

29 July 2010  
Kuwait

ALI A. AL-HASAWI  
LICENCE NO. 30 A  
RÖDL MIDDLE EAST  
BURGAN - INTERNATIONAL ACCOUNTANTS

Gulf Investment House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

30 June 2010 (Unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2010 KD	2009 KD	2010 KD	2009 KD
<b>INCOME</b>					
Murabaha and wakala income		36,059	68,975	96,472	140,574
Placement, arrangement and management fee		691,761	51,281	1,139,466	209,238
Realised loss on sale of financial assets at fair value through income statement		(3,729)	(28,764)	(2,566)	(18,590)
Unrealised (loss) gain on financial assets at fair value through income statement	5	(476,601)	436,785	(1,384,803)	104,614
Realised gain (loss) on sale of financial assets available for sale		15,635	(34,170)	1,020,793	(34,170)
Share of results of associates	7	306,227	142,431	58,010	613,490
Dividend income		68,124	104,575	83,958	166,894
Realised (loss) gain on sale of investment properties		-	(323,000)	103,181	(332,777)
Rental income from investment properties		20,084	22,630	49,146	52,490
Other income		152	14,968	36,852	57,800
		<u>657,712</u>	<u>455,711</u>	<u>1,200,509</u>	<u>959,563</u>
<b>EXPENSES</b>					
Administrative expenses		(226,837)	(177,306)	(353,224)	(452,570)
Staff cost		(220,162)	(306,961)	(526,881)	(444,715)
Foreign exchange (loss) gain		(63,180)	439,003	(272,389)	(999,720)
Provision for credit losses		(52,106)	(501,797)	(15,461)	(507,402)
Impairment of financial assets available for sale	6	-	-	(343,993)	-
Murabaha charges		(779,896)	(1,058,724)	(1,567,684)	(2,077,829)
Investment expenses		(18,702)	(189,296)	(56,566)	(234,166)
		<u>(1,360,883)</u>	<u>(1,795,081)</u>	<u>(3,136,198)</u>	<u>(4,716,402)</u>
<b>LOSS FOR THE PERIOD</b>		<u>(703,171)</u>	<u>(1,339,370)</u>	<u>(1,935,689)</u>	<u>(3,756,839)</u>
<b>Basic and diluted loss per share</b>	3	<u>(1.67) fils</u>	<u>(3.18) fils</u>	<u>(4.59) fils</u>	<u>(8.91) fils</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME

30 June 2010 (Unaudited)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Loss for the period</b>	<b>(703,171)</b>	<b>(1,339,370)</b>	<b>(1,935,689)</b>	<b>(3,756,839)</b>
<b>Other comprehensive income</b>				
Financial assets available for sale				
- Net change in fair value	15,635	-	676,800	(15,044)
- Transfer to interim condensed consolidated income statement on sale	(15,635)	111,504	(1,020,793)	111,504
- Impairment	-	-	343,993	-
<b>Other comprehensive income</b>	<b>-</b>	<b>111,504</b>	<b>-</b>	<b>96,460</b>
<b>Total comprehensive expense for the period</b>	<b>(703,171)</b>	<b>(1,227,866)</b>	<b>(1,935,689)</b>	<b>(3,660,379)</b>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

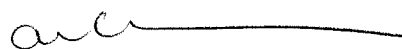
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010 (Unaudited)

		30 June 2010 KD	(Audited) 31 December 2009 KD	30 June 2009 KD
<b>ASSETS</b>				
Bank balances and short-term deposits	4	3,106,698	7,983,521	8,889,511
Financial assets at fair value through income statement	5	10,313,465	11,757,076	15,590,706
Trading properties		865,000	865,000	1,285,000
Financial assets available for sale	6	21,606,526	24,893,899	35,283,467
Wakala receivables		8,143,417	4,278,881	5,863,808
Investment in associates	7	46,843,928	45,983,918	47,202,526
Investment properties		5,777,091	6,531,472	6,939,539
Other assets		1,936,454	1,536,285	2,025,495
Furniture and equipment		182,128	259,651	337,693
<b>TOTAL ASSETS</b>		<b>98,774,707</b>	<b>104,089,703</b>	<b>123,417,745</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		44,219,114	44,219,114	44,219,114
Share premium		658,108	658,108	658,108
Share options reserve		737,322	737,322	737,322
Other reserves		15,021,094	15,021,094	15,134,456
Cumulative changes in fair values		(1,035,306)	(1,035,306)	-
Treasury shares	8	(7,847,874)	(7,847,874)	(7,847,874)
Treasury shares reserve		940,578	940,578	940,578
(Accumulated losses) retained earnings		(12,671,152)	(10,735,463)	6,039,158
<b>Total equity</b>		<b>40,021,884</b>	<b>41,957,573</b>	<b>59,880,862</b>
<b>Liabilities</b>				
Murabaha payables	9	56,777,765	60,117,102	61,498,974
Other liabilities		1,975,058	2,015,028	2,037,909
<b>Total liabilities</b>		<b>58,752,823</b>	<b>62,132,130</b>	<b>63,536,883</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,774,707</b>	<b>104,089,703</b>	<b>123,417,745</b>



Waleed A. Al-Rowaih  
(Vice Chairman)



Bader Abdullah Al Ali  
(Chief Executive Officer)

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 June 2010 (Unaudited)

	Notes	Six months ended 30 June	
		2010 KD	2009 KD
<b>OPERATING ACTIVITIES</b>			
Loss for the period		(1,935,689)	(3,756,839)
<i>Non-cash adjustment to reconcile loss for the period to net cash flows:</i>			
Depreciation		77,523	94,755
Share of results of associates	7	(58,010)	(613,490)
Realised (gain) loss on sale of financial assets available for sale		(1,020,793)	34,170
Realised (gain) loss on sale of investment properties		(103,181)	332,777
Dividend income		(83,958)	(166,894)
Provision for credit losses		15,461	507,402
Impairment of financial assets available for sale		343,993	-
Murabaha charges		1,567,684	2,077,829
<b>Working capital adjustments:</b>			
Financial assets at fair value through income statement		1,443,611	897,774
Wakala receivables		(3,879,997)	(552,591)
Other assets		(400,169)	(349,304)
Other liabilities		31,696	(269,019)
Net cash used in operating activities		<u>(4,001,829)</u>	<u>(1,763,430)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of furniture and equipment		-	(350)
Purchase of financial assets available for sale		(1,640)	(3,085,880)
Capital redemption of financial assets available for sale		928,906	854,560
Proceeds from sale of financial assets available for sale		3,036,907	1,029,669
Additions to investment in associates	7	(802,000)	-
Dividends received from associates		-	1,165,009
Dividends received from others		83,958	166,894
Proceeds from sale of investment properties		857,562	3,257,982
Net cash from investing activities		<u>4,103,693</u>	<u>3,387,884</u>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(71,666)	(1,308,574)
Net movement in murabaha payables		(4,907,021)	5,093,883
Net movement in restricted bank accounts		71,666	1,308,574
Net cash (used in) from financing activities		<u>(4,907,021)</u>	<u>5,093,883</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(4,805,157)</u>	<u>6,718,337</u>
Cash and cash equivalents at beginning of the period		<u>7,441,508</u>	<u>1,600,927</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	4	<u><u>2,636,351</u></u>	<u><u>8,319,264</u></u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 June 2010 (Unaudited)

	Other reserves							Treasury shares reserve KD	Treasury shares KD	Total equity KD	
	Share capital KD	Share premium KD	Share options reserve KD	Statutory reserve KD	Voluntary reserve KD	Sub-total KD	Cumulative changes in fair values KD				
At 1 January 2010	44,219,114	658,108	737,322	8,755,890	6,265,204	15,021,094	(1,035,306)	(7,847,874)	940,578	(10,735,463)	41,957,573
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(1,935,689)	(1,935,689)
<b>Balance at 30 June 2010</b>	<b>44,219,114</b>	<b>658,108</b>	<b>737,322</b>	<b>8,755,890</b>	<b>6,265,204</b>	<b>15,021,094</b>	<b>(1,035,306)</b>	<b>(7,847,874)</b>	<b>940,578</b>	<b>(12,671,152)</b>	<b>40,021,884</b>
At 1 January 2009	44,219,114	658,108	737,322	8,755,890	6,378,566	15,134,456	(96,460)	(7,847,874)	940,578	9,795,997	63,541,241
Loss for the period	-	-	-	-	-	-	-	-	-	(3,756,839)	(3,756,839)
Other comprehensive income	-	-	-	-	-	-	96,460	-	-	-	96,460
Total comprehensive expense for the period	-	-	-	-	-	-	96,460	-	-	(3,756,839)	(3,660,379)
<b>Balance at 30 June 2009</b>	<b>44,219,114</b>	<b>658,108</b>	<b>737,322</b>	<b>8,755,890</b>	<b>6,378,566</b>	<b>15,134,456</b>	<b>-</b>	<b>(7,847,874)</b>	<b>940,578</b>	<b>6,039,158</b>	<b>59,880,862</b>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

# Gulf Investment House K.S.C. (Closed) and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

### 1 CORPORATE INFORMATION

This interim condensed consolidated financial information of Gulf Investment House K.S.C. (Closed) (the "Parent Company") and its subsidiaries (the "Group") for the period ended 30 June 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 29 July 2010.

The Parent Company is a Kuwaiti closed shareholding company registered and incorporated in State of Kuwait on 8 September 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is registered with the Central Bank of Kuwait as an investment company.

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee'a, as approved by the Parent Company's Fatwa and Sharee'a Supervisory Board.

The Parent Company's registered head office is at Dar Al-Awadi Tower, Sharq, Kuwait City, P.O. Box 28808 Safat, 13149 Safat, Kuwait.

The major shareholders of the Parent Company have announced their intention to pursue a merger of the Parent Company with First Investment Company K.S.C. (Closed). Negotiations and detailed studies are in progress at this stage.

The shareholders' Annual General Assembly for the year ended 31 December 2009 was held on 9 May 2010 and no dividend was approved for the year ended 31 December 2009.

### 2 BASIS OF PRESENTATION

The interim condensed consolidated financial information of the Group is prepared in accordance with IAS 34, "Interim Financial Reporting" except as noted below:

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the audited consolidated financial statements for the year ended 31 December 2009. The audited consolidated financial statements for the year ended 31 December 2009 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision made on all applicable credit facilities (net of certain categories of collateral) that are not provided specifically.

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

*IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements (applicable for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009, i.e. 1 January 2010 for the Group):*

IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with non-controlling interests.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial information prepared in accordance with the International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2009. 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 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

**3 BASIC AND DILUTED LOSS PER SHARE**

Basic loss per share is computed by dividing the loss for the period by the weighted average number of shares of the Parent Company, less treasury shares, outstanding during the period.

Diluted loss per share is calculated by dividing the loss for the period by the weighted average number of shares of the Parent Company, less treasury shares, outstanding during the period (adjusted for the effects of dilutive share options).

Basic and diluted loss per share for the period presented in the interim condensed consolidated income statement is calculated as follow:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Loss for the period	<b>(703,171)</b>	(1,339,370)	<b>(1,935,689)</b>	(3,756,839)
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares for basic and diluted loss per share (excluding treasury shares)	<b>421,654,544</b>	421,655,945	<b>421,654,544</b>	421,655,945
	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>
<b>Basic and diluted loss per share</b>	<b>(1.67)</b>	(3.18)	<b>(4.59)</b>	(8.91)

During the current period, the effect of outstanding share options has not been considered in the computation of diluted loss per share as the result is anti-dilutive.

**4 CASH AND CASH EQUIVALENTS**

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

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Bank balances and short-term deposits	<b>3,106,698</b>	7,983,521	8,889,511
Less: balances in restricted bank accounts	<b>(470,347)</b>	(542,013)	(570,247)
	<b>2,636,351</b>	7,441,508	8,319,264

**5 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Held for trading:</b>			
Quoted securities	<b>50,240</b>	38,899	59,191
<b>Designated at fair value through income statement:</b>			
Quoted securities	<b>2,092,978</b>	1,354,735	1,236,907
Unquoted securities	<b>7,286,407</b>	9,415,595	13,081,163
Quoted funds managed by external fund managers	<b>883,840</b>	947,847	1,213,445
	<b>10,313,465</b>	11,757,076	15,590,706

Gulf Investment House K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

**5 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT (continued)**

Fair value of certain unquoted equity investments are determined using valuation techniques that are not based on observable market prices or rates.

Unrealised (loss) gain is analysed as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Held for trading:</i>				
- Quoted securities	(1,430)	(1,288)	(2,428)	(4,610)
<i>Designated at fair value through income statement:</i>				
- Quoted securities	(483,741)	(90,250)	(1,390,945)	(374,620)
- Unquoted securities	-	503,198	-	504,468
- Quoted funds managed by external fund managers	8,570	25,125	8,570	(20,624)
	<u>(476,601)</u>	<u>436,785</u>	<u>(1,384,803)</u>	<u>104,614</u>

**6 FINANCIAL ASSETS AVAILABLE FOR SALE**

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Investments carried at fair value	11,604,037	14,459,669	-
Investments carried at cost less impairment	10,002,489	10,434,230	35,283,467
	<u>21,606,526</u>	<u>24,893,899</u>	<u>35,283,467</u>

Financial assets available for sale represent investments which are acquired with the intention of capital appreciation over a medium to long-term time frame. The nature of some of these investments is such that a reasonable estimate of fair value can only be determined when the individual investments are realised or disposed of. Based on specific information, the management has recorded impairment loss of KD 343,993 in the interim condensed consolidated income statement.

**7 INVESTMENT IN ASSOCIATES**

	<i>30 June</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Carrying amount of investment in associates</i>			
Balance at the beginning of the period	45,983,918	47,754,045	47,754,045
Additions	802,000	-	-
Share of results	58,010	(605,117)	613,490
Dividends received	-	(1,165,010)	(1,165,009)
Balance at the end of the period	<u>46,843,928</u>	<u>45,983,918</u>	<u>47,202,526</u>

During the period ended 30 June 2010, the Parent Company acquired additional shares for a purchase consideration of KD 802,000 in Sama Educational Company K.S.C. (Closed) ("Sama") resulting from a rights issue. The percentage holding in Sama remained the same after the rights issue.

Gulf Investment House K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

8 TREASURY SHARES

	<b>30 June 2010</b>	<i>(Audited)</i> <b>31 December 2009</b>	<b>30 June 2009</b>
Number of treasury shares	<b>20,535,195</b>	20,535,195	20,535,195
Percentage of issued shares	<b>4.64%</b>	4.64%	4.64%
Market value (KD)	<b>1,304,074</b>	2,301,653	2,299,943

9 MURABAHA PAYABLES

	<b>30 June 2010 KD</b>	<i>(Audited)</i> <b>31 December 2009 KD</b>	<b>30 June 2009 KD</b>
Gross amount	<b>57,591,835</b>	61,323,529	63,536,474
Less: deferred cost	<b>(814,070)</b>	(1,206,427)	(2,037,500)
	<b><u>56,777,765</u></b>	<u>60,117,102</u>	<u>61,498,974</u>

10 RELATED PARTY TRANSACTIONS

These represent transactions with major shareholders, directors and executive officers of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The Group's management approves pricing policies and terms of these transactions. Significant transactions with Group's related parties included are as follows:

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

	<i>Major shareholders KD</i>	<i>Other related parties KD</i>	<b>30 June 2010 KD</b>	<i>(Audited)</i> <b>31 December 2009 KD</b>	<b>30 June 2009 KD</b>
Cash and cash equivalents	<b>3,088,254</b>	-	<b>3,088,254</b>	7,968,343	8,714,712
Wakala receivables	-	-	-	-	204,697
Staff loans receivables	-	<b>15,560</b>	<b>15,560</b>	12,378	11,029
Amounts due from related parties	-	-	-	-	10,612
Murabaha payables	<b>36,782,315</b>	-	<b>36,782,315</b>	23,154,444	23,795,926

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

	<i>Major shareholders KD</i>	<i>Other related parties KD</i>	<i>Six months ended 30 June</i>	
			<b>2010 KD</b>	<b>2009 KD</b>
Murabaha and wakala income	-	-	-	7,902
Murabaha charges	<b>864,853</b>	-	<b>864,853</b>	558,949
Loss on sale of an investment property	-	-	-	323,000

Gulf Investment House K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

10 RELATED PARTY TRANSACTIONS (continued)

Key management compensation:

	<i>Six months ended 30 June</i>	
	<b>2010</b>	<b>2009</b>
	<b>KD</b>	<b>KD</b>
Salaries and other short-term benefits	<b>222,024</b>	278,531
Terminal benefits	<b>44,947</b>	70,772
	<b><u>266,971</u></b>	<b><u>349,303</u></b>

11 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three main business segments based on internal reporting provided to the chief operating decision maker:

- Islamic financing : Providing a range of Islamic products to corporate customers;
- Investment : Managing direct investments and investments in subsidiaries and associates; and
- Real estate : Managing trading and investment properties.

	<i>Islamic financing KD</i>	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<b>Six months ended 30 June 2010</b>					
Segment income	<b>96,472</b>	<b>914,858</b>	<b>152,327</b>	<b>36,852</b>	<b>1,200,509</b>
Segment profit (loss)	<b>81,011</b>	<b>(1,053,384)</b>	<b>152,327</b>	<b>(1,115,643)</b>	<b>(1,935,689)</b>
<b>30 June 2010</b>					
Total assets	<b>8,143,417</b>	<b>83,807,071</b>	<b>6,642,091</b>	<b>182,128</b>	<b>98,774,707</b>
<b>Six months ended 30 June 2009</b>					
Segment income	140,574	1,041,476	(280,287)	57,800	959,563
Segment loss	(837,492)	(2,435,999)	(12,626)	(470,722)	(3,756,839)
<b>30 June 2009</b>					
Total assets	5,863,808	98,076,699	8,224,539	11,252,699	123,417,745

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION

30 June 2010 (Unaudited)

**12 COMMITMENTS**

As at 30 June 2010, the Group has purchase commitments in respect of financial assets available for sale and investment in associates amounting to KD 1,015,595 and KD 3,240,000 respectively and for investment properties amounting to KD 221,042 (31 December 2009: KD 1,017,315 and KD 3,240,000 in respect of financial assets available for sale and investment in associates respectively and 30 June 2009: KD 3,435,840 and KD 3,240,000 in respect of financial assets available for sale and investment in associates respectively).