

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**30 SEPTEMBER 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 September 2010 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and nine month period then ended and the related interim condensed consolidated statements of cash flows and changes in equity for the nine 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, we are not aware of any 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 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 nine month period ended 30 September 2010.

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

ALI A. AL HASAWI  
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RÖDL MIDDLE EAST  
BURGAN - INTERNATIONAL ACCOUNTANTS

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

30 September 2010 (Unaudited)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2010 KD	2009 KD	2010 KD	2009 KD
<b>INCOME</b>					
Murabaha and wakala income		44,106	65,601	140,578	206,175
Placement, arrangement and management fee		500	46,046	1,139,966	255,284
Realised loss on sale of financial assets at fair value through income statement		(1,855)	(16,243)	(4,421)	(34,833)
Unrealised loss on financial assets at fair value through income statement	5	(1,384,618)	(411,127)	(2,769,421)	(306,513)
Realised gain (loss) on sale of financial assets available for sale		-	301	1,020,793	(33,869)
Share of results of associates	7	(366,586)	(212,460)	(308,576)	401,030
Dividend income		70,203	28,753	154,161	195,647
Realised gain (loss) on sale of investment properties		-	-	103,181	(332,777)
Rental income from investment properties		38,238	17,010	87,384	69,500
Other income (expenses)		606	(3,547)	37,458	54,253
		<u>(1,599,406)</u>	<u>(485,666)</u>	<u>(398,897)</u>	<u>473,897</u>
<b>EXPENSES</b>					
Administrative expenses		(173,763)	(144,385)	(526,987)	(596,955)
Staff cost		(254,604)	(249,996)	(781,485)	(694,711)
Foreign exchange gain (loss)		2,589	37,863	(269,800)	(961,857)
Reversal of (provision for) credit losses		52,030	(500,544)	36,569	(1,007,946)
Impairment of financial assets available for sale	6	(416,102)	(616,683)	(760,095)	(616,683)
Murabaha charges		(714,544)	(1,035,684)	(2,282,228)	(3,113,513)
Investment expenses		(7,804)	(50,563)	(64,370)	(284,729)
		<u>(1,512,198)</u>	<u>(2,559,992)</u>	<u>(4,648,396)</u>	<u>(7,276,394)</u>
<b>LOSS FOR THE PERIOD</b>		<u>(3,111,604)</u>	<u>(3,045,658)</u>	<u>(5,047,293)</u>	<u>(6,802,497)</u>
<b>Basic and diluted loss per share</b>	3	<u>(7.38) fils</u>	<u>(7.22) fils</u>	<u>(11.97) fils</u>	<u>(16.13) 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 September 2010 (Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</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>(3,111,604)</b>	<b>(3,045,658)</b>	<b>(5,047,293)</b>	<b>(6,802,497)</b>
<b>Other comprehensive income</b>				
Financial assets available for sale				
- Net change in fair value	<b>(416,102)</b>	(616,683)	<b>260,698</b>	(631,727)
- Transfer to interim condensed consolidated income statement on sale	-	-	<b>(1,020,793)</b>	111,504
- Impairment	<b>416,102</b>	616,683	<b>760,095</b>	616,683
<b>Other comprehensive income</b>	-	-	-	96,460
<b>Total comprehensive expense for the period</b>	<b>(3,111,604)</b>	<b>(3,045,658)</b>	<b>(5,047,293)</b>	<b>(6,706,037)</b>

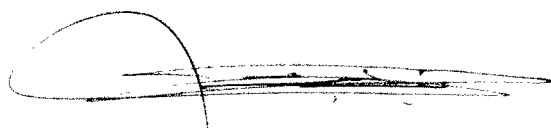
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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

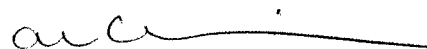
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010 (Unaudited)

		30 September 2010 KD	(Audited) 31 December 2009 KD	30 September 2009 KD
<b>ASSETS</b>				
Bank balances and short-term deposits	4	3,094,204	7,983,521	6,645,079
Financial assets at fair value through income statement	5	8,768,168	11,757,076	15,000,070
Trading properties		865,000	865,000	1,288,750
Financial assets available for sale	6	21,190,425	24,893,899	34,553,314
Wakala receivables		8,100,899	4,278,881	5,542,820
Investment in associates	7	46,477,342	45,983,918	46,990,065
Investment properties		5,777,091	6,531,472	6,939,539
Other assets		1,952,565	1,536,285	1,417,071
Furniture and equipment		145,803	259,651	298,224
<b>TOTAL ASSETS</b>		<b>96,371,497</b>	<b>104,089,703</b>	<b>118,674,932</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		(15,782,756)	(10,735,463)	2,993,500
<b>Total equity</b>		<b>36,910,280</b>	<b>41,957,573</b>	<b>56,835,204</b>
<b>Liabilities</b>				
Murabaha payables	9	56,985,588	60,117,102	59,857,453
Other liabilities		2,475,629	2,015,028	1,982,275
<b>Total liabilities</b>		<b>59,461,217</b>	<b>62,132,130</b>	<b>61,839,728</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96,371,497</b>	<b>104,089,703</b>	<b>118,674,932</b>



Faisal Abdullah Al-Khazam  
(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 September 2010 (Unaudited)

	Notes	Nine months ended 30 September	
		2010 KD	2009 KD
<b>OPERATING ACTIVITIES</b>			
Loss for the period		(5,047,293)	(6,802,497)
<i>Non-cash adjustment to reconcile loss for the period to net cash flows:</i>			
Depreciation		113,848	136,254
Share of results of associates	7	308,576	(401,030)
Realised (gain) loss on sale of financial assets available for sale		(1,020,793)	33,869
Realised (gain) loss on sale of investment properties		(103,181)	332,777
Dividend income		(154,161)	(195,647)
(Reversal of) provision for credit losses		(36,569)	1,007,946
Impairment of financial assets available for sale		760,095	616,683
Murabaha charges		2,282,228	3,113,513
<b>Working capital adjustments:</b>			
Financial assets at fair value through income statement		2,988,908	1,488,410
Wakala receivables		(3,785,449)	(233,759)
Other assets		(416,280)	(172,681)
Other liabilities		539,735	(306,823)
Net cash used in operating activities		(3,570,336)	(1,382,985)
<b>INVESTING ACTIVITIES</b>			
Purchase of furniture and equipment		-	(2,380)
Purchase of financial assets available for sale		(1,640)	(2,985,545)
Capital redemption of financial assets available for sale		928,906	866,437
Proceeds from sale of financial assets available for sale		3,036,907	964,641
Additions to investment in associates	7	(802,000)	-
Dividends received from associates		-	1,165,010
Dividends received from others		154,161	195,647
Proceeds from sale of investment properties		857,562	3,257,982
Purchase of trading properties		-	(3,750)
Net cash from investing activities		4,173,896	3,458,042
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(79,135)	(1,326,404)
Net movement in murabaha payables		(5,413,742)	2,416,678
Net movement in restricted bank accounts		79,135	1,326,404
Net cash (used in) from financing activities		(5,413,742)	2,416,678
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(4,810,182)	4,491,735
Cash and cash equivalents at beginning of the period		7,441,508	1,600,927
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	4	<u>2,631,326</u>	<u>6,092,662</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 September 2010 (Unaudited)

	Other reserves							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		Treasury shares KD	(Accumulated losses) retained earnings KD
At 1 January 2010	44,219,114	658,108	737,322	8,755,890	6,265,204	15,021,094	(1,035,306)	940,578	(10,735,463)	41,957,573
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	-	(5,047,293)	(5,047,293)
<b>Balance at 30 September 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>940,578</b>	<b>(15,782,756)</b>	<b>36,910,280</b>
At 1 January 2009	44,219,114	658,108	737,322	8,755,890	6,378,566	15,134,456	(96,460)	940,578	9,795,997	63,541,241
Loss for the period	-	-	-	-	-	-	-	-	(6,802,497)	(6,802,497)
Other comprehensive income	-	-	-	-	-	-	96,460	-	-	96,460
Total comprehensive income (expense) for the period	-	-	-	-	-	-	96,460	-	-	-
Balance at 30 September 2009	44,219,114	658,108	737,322	8,755,890	6,378,566	15,134,456	-	940,578	2,993,500	56,835,204

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 September 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 September 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 29 December 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 September 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 September 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 follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</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>(3,111,604)</b>	(3,045,658)	<b>(5,047,293)</b>	(6,802,497)
	<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>421,655,945</b>	421,655,945	<b>421,655,945</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>(7.38)</b>	(7.22)	<b>(11.97)</b>	(16.13)

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>(Audited)</i>		
	<i>30 September 2010</i>	<i>31 December 2009</i>	<i>30 September 2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Bank balances and short-term deposits	<b>3,094,204</b>	7,983,521	6,645,079
Less: balances in restricted bank accounts	<b>(462,878)</b>	(542,013)	(552,417)
	<b>2,631,326</b>	7,441,508	6,092,662

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

	<i>(Audited)</i>		
	<i>30 September 2010</i>	<i>31 December 2009</i>	<i>30 September 2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Held for trading:</b>			
Quoted securities	<b>26,115</b>	38,899	50,520
<b>Designated at fair value through income statement:</b>			
Quoted securities	<b>1,969,228</b>	1,354,735	1,798,410
Unquoted securities	<b>6,060,394</b>	9,415,595	12,156,922
Quoted funds managed by external fund managers	<b>712,431</b>	947,847	994,218
	<b>8,768,168</b>	11,757,076	15,000,070

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2010 (Unaudited)

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

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

Unrealised loss is analysed as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
<i>Held for trading:</i>				
- Quoted securities	3,450	1,593	1,022	(3,017)
<i>Designated at fair value through income statement:</i>				
- Quoted securities	(123,750)	(223,700)	(1,514,695)	(592,805)
- Unquoted securities	(1,226,014)	(132,920)	(1,226,014)	(209,644)
-Quoted funds managed by external fund managers	(38,304)	(56,100)	(29,734)	498,953
	<u>(1,384,618)</u>	<u>(411,127)</u>	<u>(2,769,421)</u>	<u>(306,513)</u>

**6 FINANCIAL ASSETS AVAILABLE FOR SALE**

	<i>30 September</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 September</i> <i>2009</i> <i>KD</i>
Investments carried at fair value	11,187,936	14,459,669	-
Investments carried at cost less impairment	10,002,489	10,434,230	34,553,314
	<u>21,190,425</u>	<u>24,893,899</u>	<u>34,553,314</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 760,095 in the interim condensed consolidated income statement.

**7 INVESTMENT IN ASSOCIATES**

	<i>30 September</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 September</i> <i>2009</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	(308,576)	(605,117)	401,030
Dividends received	-	(1,165,010)	(1,165,010)
Balance at the end of the period	<u>46,477,342</u>	<u>45,983,918</u>	<u>46,990,065</u>

During the period ended 30 September 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 September 2010 (Unaudited)

**8 TREASURY SHARES**

	<i>30 September 2010</i>	<i>(Audited) 31 December 2009</i>	<i>30 September 2009</i>
Number of treasury shares	20,535,195	20,535,195	20,535,195
Percentage of issued shares	4.64%	4.64%	4.64%
Market value (KD)	1,088,365	1,622,280	1,909,773

**9 MURABAHA PAYABLES**

	<i>30 September 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Gross amount	57,620,242	61,323,529	61,617,980
Less: deferred cost	(634,654)	(1,206,427)	(1,760,527)
	<u>56,985,588</u>	<u>60,117,102</u>	<u>59,857,453</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>	<i>30 September 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Bank balances and short-term deposits	3,061,016	-	3,061,016	7,968,343	6,471,157
Staff loans receivables	-	13,855	13,855	12,378	16,130
Amounts due from related parties	-	-	-	-	10,612
Murabaha payables	43,602,600	-	43,602,600	23,154,444	-

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>Nine months ended 30 September</i>	
			<i>2010 KD</i>	<i>2009 KD</i>
Murabaha and wakala income	-	-	-	7,902
Murabaha charges	1,375,109	-	1,375,109	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 September 2010 (Unaudited)

10 RELATED PARTY TRANSACTIONS (continued)

Key management compensation:

	<i>Nine months ended 30 September</i>	
	<b>2010</b>	<b>2009</b>
	<b>KD</b>	<b>KD</b>
Salaries and other short-term benefits	334,737	382,391
Terminal benefits	47,471	23,726
	<u><b>382,208</b></u>	<u><b>406,117</b></u>

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>Nine months ended 30 September 2010</b>					
Segment income	140,578	(767,498)	190,565	37,458	(398,897)
Segment profit (loss)	177,147	(3,874,191)	190,565	(1,540,814)	(5,047,293)
<b>30 September 2010</b>					
Total assets	8,100,899	81,482,704	6,642,091	145,803	96,371,497
	<i>Islamic financing KD</i>	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Others KD</i>	<i>Total KD</i>
<b>Nine months ended 30 September 2009</b>					
Segment income	206,175	476,746	(263,277)	54,253	473,897
Segment profit (loss)	2,705,542	(6,765,112)	(3,454,866)	711,939	(6,802,497)
<b>30 September 2009</b>					
Total assets	5,542,820	96,543,449	8,228,289	8,360,374	118,674,932

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION

30 September 2010 (Unaudited)

**12 COMMITMENTS**

As at 30 September 2010, the Group has purchase commitments in respect of financial assets available for sale and investment in associates amounting to KD 992,845 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 September 2009: KD 3,435,840 and KD 3,240,000 in respect of financial assets available for sale and investment in associates respectively).