

**Al Madar Finance and Investment  
Company K.S.C (Closed)**  
and its Subsidiaries  
Kuwait

**Interim condensed consolidated  
financial information  
for the three months  
ended March 31, 2009  
with review report  
(Unaudited)**

**Al Madar Finance and Investment  
Company K.S.C (Closed)  
and its Subsidiaries  
Kuwait**

**Interim condensed consolidated  
financial information  
for the three months  
ended March 31, 2009  
with review report  
(Unaudited)**

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**The Board of Directors**

**Al Madar Finance and Investment Company  
K.S.C (Closed)  
Kuwait**

**Review Report on the Interim Condensed Consolidated Financial Information**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Finance and Investment Company K.S.C (Closed) - (the Parent company) and its subsidiaries (“refereed to as the Group”) as of March 31, 2009 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the three months period then ended. Management of the Parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No (34) “Interim Financial Reporting”. 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 the 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 inquires, 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 respect, in accordance with International Accounting Standard No. (34) “Interim Financial Reporting”.

**Report on review of other legal and regulatory matters**

Furthermore, based on our review, the interim condensed consolidated financial information are in agreement with the books of the Parent company. Also, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the Memorandum of Association of the Parent company and the provisions of law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulations have occurred during the three months period ended March 31, 2009 that might have had a material effect on the business of the Group or on its financial position



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Member firm of Moore Stephens international

June 4, 2009  
State of Kuwait

**Al Madar Finance and Investment Company**

**K.S.C (Closed)  
and its subsidiaries  
Kuwait**

**Interim condensed consolidated statement of financial position as of March 31, 2009  
(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	Note	March 31, 2009	(Audited) December 31, 2007	March 31, 2008
<b>Assets</b>				
Cash and cash equivalents	4	5,493,092	1,172,818	8,721,321
Time deposits	5	100,000	350,000	350,000
Financial investments at fair value - statement of income	6	29,116,518	30,788,945	49,116,898
Receivables and other debit balances	7	70,388,358	78,412,795	84,414,681
Available for sale investments	8	5,659,617	5,932,567	4,051,810
Investment properties	9	16,951,107	17,146,312	10,967,250
Properties under development	10	7,365,477	13,673,995	10,848,030
Investment in an associate		3,350,000	3,350,000	-
Investments in unconsolidated subsidiaries		3,225,231	3,225,231	3,203,614
Property and equipment	11	7,049,981	282,530	386,676
Goodwill		174,671	174,671	174,671
<b>Total assets</b>		<b>148,874,052</b>	<b>154,509,864</b>	<b>172,234,951</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Wakala payables		87,253,103	86,965,769	96,645,932
Payables and other credit balances	12	3,546,236	5,230,938	4,727,336
Provision for staff end of service indemnity		976,836	930,480	771,662
		<b>91,776,175</b>	<b>93,127,187</b>	<b>102,144,930</b>
<b>Equity</b>				
Share capital		36,735,600	36,735,600	33,396,000
Share premium		20,141,487	20,141,487	20,141,487
Statutory reserve		3,463,593	3,463,593	3,463,593
Voluntary reserve		1,989,845	1,989,845	2,538,621
Treasury shares		(4,573,296)	(4,573,296)	(4,573,296)
Cumulative changes in fair value		(239,581)	(53,631)	10,229
Employees' share option reserve		417,000	417,000	372,520
(Accumulated losses)/retained earnings		(5,574,783)	(1,604,480)	14,644,142
<b>Equity attributable to Parent company's shareholders</b>		<b>52,359,865</b>	<b>56,516,118</b>	<b>69,993,296</b>
Non-controlling interests		4,738,012	4,866,559	96,725
<b>Total equity</b>		<b>57,097,877</b>	<b>61,382,677</b>	<b>70,090,021</b>
<b>Total liabilities and equity</b>		<b>148,874,052</b>	<b>154,509,864</b>	<b>172,234,951</b>

The accompanying notes form an integral part of the interim condensed consolidated financial information.

**Nabeel Ahmed Ameen**  
Chairman and Managing Director

**Al Madar Finance and Investment Company**  
**K.S.C (Closed)**  
**and its subsidiaries**  
**Kuwait**

**Interim condensed consolidated statement of income for the three months ended March 31, 2009**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	Note	The three months ended	
		March 31	
		2009	2008
<b>Revenue</b>			
Finance revenue		1,717,245	2,500,441
Losses from financial investments	13	(1,263,372)	(4,156,864)
Income from investing services		79,814	73,473
(Losses)/gains from investment properties	14	(579,113)	1,437,817
Other (Losses)/income		(412,485)	454,069
		<u>(457,911)</u>	<u>308,936</u>
<b>Expenses and other charges</b>			
Staff costs		430,555	369,654
General and administrative expenses		270,675	178,109
Provision for doubtful debts		709,766	212,955
Depreciation		26,207	20,038
Finance charges		2,203,736	1,895,300
		<u>3,640,939</u>	<u>2,676,056</u>
<b>Net loss for the period before deductions</b>		<u>(4,098,850)</u>	<u>(2,367,120)</u>
Board of Directors' remuneration		-	(12,250)
<b>Net loss for the period</b>		<u>(4,098,850)</u>	<u>(2,379,370)</u>
<b>Attributable to:</b>			
Parent company's shareholders		(3,970,303)	(2,391,545)
Non-controlling interests		(128,547)	12,175
<b>Net loss for the period</b>		<u>(4,098,850)</u>	<u>(2,379,370)</u>
<b>Loss per share attributable to Parent company's shareholders/(fils)</b>	15	<u>(11.17)</u>	<u>(6.72)</u>

The accompanying notes form an integral part of the interim condensed consolidated financial information.

**Al Madar Finance and Investment Company**  
**K.S.C (Closed)**  
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**Kuwait**

**Interim condensed consolidated comprehensive income for the three months ended March 31, 2009**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	<b>The three months ended</b>	
	<b>March 31</b>	
	<u>2009</u>	<u>2008</u>
Net loss for the period	(4,098,850)	(2,379,370)
<b>Other comprehensive income:</b>		
Change in fair value for available for sale investments	(185,950)	-
Share-based payments	-	22,240
	<u>(185,950)</u>	<u>22,240</u>
<b>Total comprehensive income</b>	<u>(4,284,800)</u>	<u>(2,357,130)</u>
<b>Attributable to:</b>		
Parent company's shareholders	(4,156,253)	(2,369,305)
Non-controlling interests	(128,547)	12,175
	<u>(4,284,800)</u>	<u>(2,357,130)</u>

The accompanying notes form an integral part of the interim condensed consolidated financial information

**Al Madar Finance and Investment Company**  
**K.S.C (Closed)**  
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**Kuwait**

**Interim condensed consolidated statement of cash flows for the three months ended March 31, 2009**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	The three months ended March 31	
	2009	2008
<b>Cash flows from operating activities</b>		
Net loss for the period	(3,970,303)	(2,391,545)
<b>Adjustments:</b>		
Depreciation	26,207	20,038
Finance charges	2,203,736	1,895,300
Losses form investments at fair value - statement of income	1,302,772	4,945,374
Gains from sale of investment properties	-	(658,500)
Gains on sale of properties under development	-	(160,897)
Loss on sale of available for sale investments	23,475	-
Change in fair value of investment properties	697,455	(438,500)
Provision for doubtful debts	709,766	212,955
Cash dividends	(80,933)	(454,356)
Provision for staff end of service indemnity	46,356	51,853
Employee's share option plan cost	-	22,240
Adjusted profit before the effect of changes in working capital items	958,531	3,043,962
Investments at fair value - statement of income	369,655	(5,421,844)
Receivables and other debit balances	5,228,662	6,812,865
Payables and other credit balances	(1,684,702)	473,758
<b>Net cash generated from operating activities</b>	<b>4,872,146</b>	<b>4,908,741</b>
<b>Cash flows from investing activities</b>		
Investments in unconsolidated subsidiaries	-	(500,000)
Investment properties	(502,250)	(1,122,250)
Available for sale investments	-	(157,948)
Proceeds on sale of available for sale investments	63,525	960,564
Proceeds on sale of investment properties	-	2,300,000
Cash dividends received	80,933	454,356
Properties under development	(484,106)	(3,750,060)
Proceeds on sale of properties under development	-	1,500,000
Time deposits	250,000	-
Property and equipment	(1,034)	(19,802)
<b>Net cash used in investing activities</b>	<b>(592,932)</b>	<b>(335,140)</b>
<b>Cash flows from financing activities</b>		
Wakala payables	2,373,343	3,233,455
Finance charges paid	(2,203,736)	(1,895,300)
Changes in non-controlling interests	(128,547)	12,175
<b>Net cash generated from financing activities</b>	<b>41,060</b>	<b>1,350,330</b>
Net increase in cash and cash equivalents	4,320,274	5,923,931
Cash and cash equivalents at beginning of the period	1,172,818	2,797,390
<b>Cash and cash equivalents at end of the period</b>	<b>5,493,092</b>	<b>8,721,321</b>

The accompanying notes form an integral part of the interim condensed consolidated financial information.

**Al Madar Finance and Investment Company**  
**K.S.C (Closed)**  
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**Interim condensed consolidated Statement of changes in equity for the three months ended March 31, 2009**  
**(unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	Equity attributable to Parent company's shareholders								Total equity attributable to Parent company's shareholders	Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Cumulative changes in fair value	Employees' share option reserve	Retained earnings/ (accumulated Losses)			
Balance at January 1, 2008	33,396,000	20,141,487	3,463,593	2,538,621	(4,573,296)	10,229	350,280	17,035,687	84,550	72,447,151	
Total comprehensive income for the period							22,240	(2,391,545)	12,175	(2,357,130)	
Balance at March 31, 2008	33,396,000	20,141,487	3,463,593	2,538,621	(4,573,296)	10,229	372,520	14,644,142	96,725	70,090,021	
Balance at January 1, 2009	36,735,600	20,141,487	3,463,593	1,989,845	(4,573,296)	(53,631)	417,000	(1,604,480)	4,866,559	61,382,677	
Total comprehensive income for the period						(185,950)	-	(3,970,303)	(128,547)	(4,284,800)	
Balance at March 31, 2009	36,735,600	20,141,487	3,463,593	1,989,845	(4,573,296)	(239,581)	417,000	(5,574,783)	4,738,012	57,097,877	

The accompanying notes form an integral part of the interim condensed consolidated financial information.

**Al Madar Finance and Investment Company**  
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**(Unaudited)**

*"All amounts are in Kuwaiti Dinars unless stated otherwise"*

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**1- Incorporation and activities**

Al Madar Finance and Investment Company K.S.C. (Closed) ("the Parent company") was incorporated on 23 November 1998. The Company is registered with the Central Bank of Kuwait as an investment company.

The Parent company is principally engaged in the following activities in compliance with the Islamic Sharee'a, which are: investment in all types of movable assets. Lending, borrowing, financing the international trade operations and owning, selling, purchasing and developing real estates and lands, managing third party properties and providing investing and financial services.

The Parent company's shares have been listed in the Kuwait Stock Exchange market since June 20, 2005.

The Head Office of the Parent company is located in Kuwait and its registered office address is P.O. Box 1376 Al Safat, 13014 Kuwait.

The Parent company is a subsidiary of Istihwaz Holding Company K.S.C. (Closed) (the ultimate Parent company)

The interim condensed financial information for the three months ended March 31, 2009 has been authorized for issue by the Board of Directors on June 4, 2009.

**2- Basis of preparation**

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" as adopted for use by the State of Kuwait for financial institutions supervised by the Central Bank of Kuwait and by the Kuwait Stock Exchange Market instructions No. 2 for 1998, and accordingly recognized only selected explanatory notes. In accordance with the regulations of the Central Bank of Kuwait and its amendments, the requirements for the accumulated provision as required under IAS 39 have been replaced by the central bank of Kuwait requirements concerning with the minimum of the general provision for impairment established at 1% for loans and advances, and 0.5% for non-monetary facilities except for those which are subject to specified provision and those which have to be excluded in calculating the general provisions as per the Central Bank of Kuwait instructions dated December 15, 1996, and its amendments.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent, with those used in the preparation of the consolidated financial statements for the year ended December 31, 2008.

The preparation of the interim condensed consolidated financial information is in conformity with International Financial Reporting Standards and requires management to make estimates and assumptions that may affect the amounts reported in these interim condensed consolidated financial information. The estimates and underlying assumptions are revised on an ongoing basis. Revision to accounting estimates are recognized in the period of revision and in the future periods if the revision affects both current and future periods.

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In the opinion of management all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. The operating results for the three months period ended March 31, 2009 are not necessarily indicator of the results that may be expected for the year ending December 31, 2009.

The consolidated financial information include the financial statements of the parent company and its following subsidiaries:

	<u>Country</u>	<u>Activity</u>	<u>Percentage of ownership</u>	
			<u>2008</u>	<u>2007</u>
Kuwait Premises Real Estate Co. - K.S.C.C. (previous Al Shumokh Al-Arabi for General Trading and Contracting W.L.L)	Kuwait	Real estates	<b>100%</b>	100%
Dar Al- Thuraya Real Estate Co. - K.S.C.C.	Kuwait	Real estates	<b>71.74%</b>	100%
Pack & Move for General Trading & Contracting Company - W.L.L	Kuwait	Transportation	<b>90%</b>	90%

The financial information of the subsidiaries for the three months ended March 31, 2009 have been prepared by the management.

**3- Significant accounting policies**

This interim condensed financial information has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended December 31, 2008 except for the adoption of:

IAS 1 (Revised 2007): *Presentation of Financial Statements*  
 IFRS 8: *Operating Segments*

The adoption of IAS 1 (Revised 2007) affects certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Company's assets, liabilities, income and expenses is unchanged. However, some items that were recognized directly in equity are now recognized in other comprehensive income.

The adoption of IFRS 8 has not affected the identified operating segments for the Company. However, reported segment results are now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Company's risks and returns.

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**4- Cash and cash equivalents**

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Cash on hand	50,246	40,714	5,900
Cash at banks	5,442,846	1,132,104	8,715,421
	<u>5,493,092</u>	<u>1,172,818</u>	<u>8,721,321</u>

**5- Time deposits**

This item represents time deposits with a local bank, for a period exceeding 3 months but due within one year. The average effective rate of return for these time deposits as of March 31, 2009 is 4.3% (4.3% as of December 31, 2008, 8.4% as of March 31, 2008).

**6- Investments at fair value – statement of income**

The investments at fair value - statement of income represented in investments have been evaluated at their fair value as of March 31, 2009 as follows:

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Investments held for trading	622,162	1,153,859	17,278,588
Investments at fair value - statement of income – at acquisition	28,494,356	29,635,086	31,838,310
	<u>29,116,518</u>	<u>30,788,945</u>	<u>49,116,898</u>

The details of the investments at fair value – statement of income are as follows:

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Investments in quoted local shares	4,204,169	4,735,865	21,327,394
Investments in unquoted local shares	20,132,489	21,257,599	22,976,062
Investments in quoted foreign shares	932,312	925,291	67,188
Investments in unquoted foreign shares	1,394,252	1,394,252	1,353,341
Investments in unquoted local funds	1,241,286	1,298,409	1,470,300
Investments in unquoted foreign funds	1,212,010	1,177,529	1,922,613
	<u>29,116,518</u>	<u>30,788,945</u>	<u>49,116,898</u>

Some of unquoted foreign and local investments are recorded at cost as the fair value of these investments could not be reliably measured at the date of condensed consolidated financial position.

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**Notes to the interim condensed consolidated financial information for the three months ended March 31, 2009**

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**7- Receivables and other debit balances**

	(Audited)		
	March	December	March
	31, 2009	31, 2008	31, 2008
Trade receivables	61,423,638	67,231,261	75,633,730
Provision for doubtful debts	<u>(2,729,244)</u>	<u>(2,019,478)</u>	<u>(2,627,923)</u>
	58,694,394	65,211,783	73,005,807
Receivables from sale of financial investments, investments properties and services	2,702,121	3,634,650	3,268,702
Due from related parties	5,896,826	3,066,764	-
Advances paid for purchasing financial investments	-	-	626,443
Forward deals receivables	297,973	756,207	3,053,505
Investment in subsidiary under inception	-	-	500,000
Accrued revenues	174,653	154,428	137,871
Employees' receivables	44,955	50,619	36,973
Kuwait Clearing Company	277,975	3,223,540	3,401,457
Prepaid expenses and advances	1,964,520	1,830,322	91,649
Others	334,941	484,482	292,274
	<u>70,388,358</u>	<u>78,412,795</u>	<u>84,414,681</u>

The maximum exposure to credit risks at reporting date is the fair value of each category of receivables. The Group holds guarantees amounting to KD 34,113,278 against trade receivables as of March 31, 2009 (KD 38,108,739 as of December 31, 2008, KD 53,190,860 as of March 31, 2008).

Analysis of provisions for doubtful debts is as follows:

	(Audited)		
	March	December	March
	31, 2009	31, 2008	31, 2008
Specific provision	2,215,768	1,380,126	1,102,991
General provision	513,476	1,327,924	1,524,932
Surplus of general provision transferred to statement of income	-	(688,572)	-
	<u>2,729,244</u>	<u>2,019,478</u>	<u>2,627,923</u>

The above analysis of general and specific provisions is made in accordance with the Central Bank of Kuwait ("CBK") instructions. According to CBK instructions, a 1% of general provision is made for financial assets which are not subject to specific provisions, after excluding specific repayment guaranties.

The other debit balances do not contain impaired assets. The maximum exposure to credit risk at date of financial information reporting date is the fair value of each class of receivables mentioned above which approximates its fair value.

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"All amounts are in Kuwaiti Dinars unless stated otherwise"

8- Available for sale investments

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Investments in quoted local shares	893,012	1,165,962	-
Investments in unquoted local shares	1,923,924	1,923,924	1,583,376
Investments in unquoted foreign shares	2,842,681	2,842,681	2,468,434
	<u>5,659,617</u>	<u>5,932,567</u>	<u>4,051,810</u>

Some of the foreign and local unquoted shares are recorded at cost because of unavailability of reliable method to measure its fair value at the date of interim condensed consolidated financial position. The management believes that there is no impairment in value and does not require making any related provisions.

Investments available for sale include an investment amounting to KD 1,763,937 with an interest of 46.67 % stated at cost, which has not been reclassified as investment in associate as the management believes that it has no significant influence on the financial and operating policies of the associate.

The movement of available for sale investments during the period/ year is as follows:

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Balance at beginning of the period/ year	5,932,567	4,854,426	4,854,426
Additions	-	2,582,234	157,948
Disposals	(87,000)	(3,129,226)	(960,564)
Impairment of available for sale investments	-	(3,334,401)	-
Transferred from financial investments at fair value – statement of income	-	5,023,394	-
Change in fair value	(185,950)	(63,860)	-
Balance at ending of the period/year	<u>5,659,617</u>	<u>5,932,567</u>	<u>4,051,810</u>

9- Investment properties

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Balance at beginning of the period/ year	17,146,312	11,048,000	11,048,000
Additions	502,250	5,356,445	1,122,250
Disposals	-	(4,467,000)	(1,641,500)
Change in fair value	(697,455)	2,239,012	438,500
Net transferred from/to properties under development	-	2,969,855	-
	<u>16,951,107</u>	<u>17,146,312</u>	<u>10,967,250</u>

The fair value of the Group's investment properties has been determined by independent valuers and based on the prices of similar properties

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Notes to the interim condensed consolidated financial information for the three months ended March 31, 2009

(Unaudited)

"All amounts are in Kuwaiti Dinars unless stated otherwise"

**10- Properties under development**

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Balance at beginning of the period/ year	13,673,995	8,437,073	8,437,073
Additions	484,106	11,631,889	3,750,060
Disposals	-	(3,425,112)	(1,339,103)
Transferred to property and equipment	(6,792,624)	-	-
Net transferred from/to investment properties	-	(2,969,855)	-
	<u>7,365,477</u>	<u>13,673,995</u>	<u>10,848,030</u>

**11- Property and equipment**

	Lands	Furniture, equipment and computers	Vehicles	Total
<b>Cost</b>				
Balance at January 1, 2009	-	631,473	97,606	729,079
Additions during the period	-	1,034	-	1,034
Transferred from properties under development	6,792,624	-	-	6,792,624
<b>Balance at March 31, 2009</b>	<u>6,792,624</u>	<u>632,507</u>	<u>97,606</u>	<u>7,522,737</u>
<b>Accumulated depreciation</b>				
Balance at January 1, 2009	-	390,178	56,371	446,549
Charged for the period	-	21,281	4,926	26,207
<b>Balance at March 31, 2009</b>	<u>-</u>	<u>411,459</u>	<u>61,297</u>	<u>472,756</u>
<b>Net book value</b>				
<b>At March 31, 2009</b>	<u>6,792,624</u>	<u>221,048</u>	<u>36,309</u>	<u>7,049,981</u>
At December 31, 2008	<u>-</u>	<u>241,295</u>	<u>41,235</u>	<u>282,530</u>

**12- Payables and other credit balances**

	March 31, 2009	(Audited) December 31, 2008	March 31, 2008
Trade payables	1,063,823	3,417,483	2,257,503
Accrued expenses	1,675,841	1,003,702	320,247
Land and financial investments payables	806,572	809,753	476,604
Due to unconsolidated subsidiaries	-	-	1,397,005
National Labor Support Tax "NLST"	-	-	221,727
Board of Directors' remuneration	-	-	54,250
	<u>3,546,236</u>	<u>5,230,938</u>	<u>4,727,336</u>

## Al Madar Finance and Investment Company

K.S.C (Closed)  
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Kuwait

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### 13- Losses from financial investments

	The three months ended	
	March 31	
	2009	2008
Realized losses on sale of available for sale investments	(23,475)	-
Realized losses on sale of investments at fair value - statement of income	1,048	-
Realized gains on sale of investments held for trading	(19,106)	334,154
Change in fair value of investments at fair value - statement of income	(1,302,772)	(4,945,374)
Cash dividends	80,933	454,356
	<u>(1,263,372)</u>	<u>(4,156,864)</u>

### 14- (Losses)/gains from investment properties

	The three months ended	
	March 31	
	2009	2008
Gains on sale of investment properties	-	658,500
Gains on sale of properties under development	-	160,897
Change in fair value of investment properties	(697,455)	438,500
Rental income	118,342	179,920
	<u>(579,113)</u>	<u>1,437,817</u>

### 15- Loss per share (fils)

Loss per share is calculated by dividing net loss for the period by the weighted average number of shares outstanding during the period as follows:

	The three months ended	
	March 31	
	2009	2008
Net loss for the period	(3,970,303)	(2,391,545)
Weighted average number of outstanding shares during the period	355,599,065	355,599,065
Loss per share (fils)	<u>(11.17)</u>	<u>(6.72)</u>

### 16- Related parties transactions

Related parties principally comprise of subsidiaries, shareholders, directors and executive officers of the Parent company, their families and companies of which they are the principle owners. Parent company determines the terms and conditions of the transactions and services received/rendered from/to related parties besides other expenses. Amounts due from/to related parties are without maturity dates.

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The balances and transactions with related parties during the period/year are as follows:

<b>Transactions</b>	<b>March</b>	(Audited) December	<b>March</b>
	<b>31, 2009</b>	<b>31, 2008</b>	<b>31, 2008</b>
Key management remunerations	-	-	12,250
Finance income	<b>21,575</b>	77,192	11,267
Cost of Wakala due to Parent company	<b>135,513</b>	426,990	38,257
Loss of financial investments	<b>(1,055,106)</b>	(3,221,377)	1,454,350
<b>Balances</b>			
Investments at fair value - statement of income	<b>1,336,167</b>	2,391,273	4,158,300
Due to ultimate Parent company	<b>2,132,401</b>	4,942,847	4,638,588
Due from unconsolidated subsidiaries	<b>5,896,826</b>	3,066,764	-

**Compensation of Key management personnel**

Compensation for key management including the executive officers during the period/year is as follow:

<b>Transactions</b>	<b>March</b>	(Audited) December	<b>March</b>
	<b>31, 2009</b>	<b>31, 2008</b>	<b>31, 2008</b>
Salaries and other short term benefits	<b>76,556</b>	266,186	70,379
Employees stock option expenses	-	20,016	6,672
Provision for end of service indemnity	<b>16,340</b>	100,744	34,170
Board of Directors' remuneration	-	-	12,250

**17- Consignment assets**

Consignment assets comprise of investments and funds managed on behalf of clients. These are not assets of the Parent Company and accordingly, are not included in the interim condensed consolidated financial information. As at the condensed consolidated statement of financial position date, total consignment assets managed on behalf of clients are amounting to 16,296 Million Kuwaiti Dinars (December 31, 2008 - 32,576 Million Kuwaiti Dinars, March 31, 2008 - 66,326 Million Kuwaiti Dinars), including a portfolio managed on behalf of the Parent Company amounting to KD 526,611 as at March 31, 2009 (December 31, 2008 KD 1,145,426, March 31, 2008 KD 999,000).

**18- General Assembly**

The General Assembly was held on June 4, 2009 to approve the financial statements for the year ended December 31, 2008 and to approve the Board of Directors proposal not to distribute dividends for the financial year ended December 31, 2008.

**19- Comparative figures**

Certain comparative figures have been reclassified to conform with current period presentation.

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### Al Madar Finance and Investment Company

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#### 20- Operating segments

##### Businesses segments

The Group operates in the following business segments. These businesses segments represent the basis of the Group's primary segmental information reports.

- Corporate finance, where the Group is carrying out corporate finance activities in local Kuwaiti market.
- Real estates, where the Group is investing in real estates
- Investments, where the Group is carrying out investment activities for its own behalf in the local Kuwaiti market.

The segmental financial statements for businesses segments as of March 31, 2009 and March 31, 2008 are as follows:

	Corporate finance		Real estates		Investments		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Segment revenues	1,717,245	2,500,441	-	1,437,817	-	-	-	-
Unallocated revenues	-	-	(579,113)	-	(1,596,043)	(3,629,322)	(457,911)	308,936
Segment expenses	(3,014,422)	(2,108,255)	-	-	(436,936)	-	(3,569,603)	(2,339,018)
Unallocated expenses	-	-	-	(76,756)	-	-	(71,336)	(349,288)
Segment results	(1,297,177)	392,186	(697,358)	1,361,061	(2,032,979)	(3,783,329)	(4,098,850)	(2,379,370)
Segment assets	65,094,467	77,136,131	31,532,345	25,083,982	51,336,406	64,303,728	147,963,218	166,523,841
Unallocated assets	-	-	-	-	-	-	910,834	5,711,110
Segment liabilities	90,729,338	98,961,485	-	-	-	-	148,874,052	172,234,951
Unallocated liabilities	-	-	1,022,225	515,349	(916,390)	84,273	90,835,173	99,561,107
Net assets	-	-	-	-	-	-	941,002	2,583,823
	-	-	-	-	-	-	57,097,877	70,090,021

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**Al Madar Finance and Investment Company**  
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**Notes to the interim condensed consolidated financial information for the three months ended March 31, 2009**  
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▪ **Geographical segments**

The Group operates from one location in Kuwait and majority of its customers are in Kuwait. The Group's assets are distributed among different geographical areas of the world.

	Kuwait		G.C.C.		U.S.A.		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Segment revenues	(431,891)	436,665	(32,399)	20,156	15,898	(146,957)	(9,519)	(928)	(457,911)	308,936
Segment expenses	(3,445,470)	(2,688,306)	(195,469)	-	-	-	-	-	(3,640,939)	(2,688,306)
Segment results	(3,877,361)	(2,251,641)	(227,868)	20,156	15,898	(146,957)	(9,519)	(928)	(4,098,850)	(2,379,370)
Segment assets	132,660,014	169,962,610	12,023,149	133,372	1,614,837	1,647,595	2,576,052	491,374	148,874,052	172,234,951
Segment liabilities	82,131,864	102,144,930	9,644,311	-	-	-	-	-	91,776,175	102,144,930
Net assets	50,528,150	67,817,680	2,378,838	133,372	1,614,837	1,647,595	2,576,052	491,374	57,097,877	70,090,021