

**The Investment Dar Company - KSC. (Closed)  
and its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
For the Six Months Ended 30 June 2008  
with  
Independent Auditors' Review Report  
(Unaudited)**

**The Investment Dar Company - KSC. (Closed)  
and its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
For the Six Months Ended 30 June 2008  
with  
Independent Auditors' Review Report  
(Unaudited)**

<b>Contents</b>	<b>Pages</b>
Independent Auditors' Review Report	
Interim Condensed Consolidated Balance Sheet (unaudited)	1
Interim Condensed Consolidated Statement of Income (unaudited)	2
Interim Condensed Consolidated Statement of Changes in Equity (unaudited)	3-4
Interim Condensed Consolidated Statement of Cash Flows (unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (unaudited)	6-15

**The Investment Dar Company K.S.C. (Closed)  
State of Kuwait**

**Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors**

***Introduction***

We have reviewed the accompanying interim condensed consolidated balance sheet of The Investment Dar Company – (K.S.C.C.) "Parent Company" and its subsidiaries "together referred to" ("the Group") as of 30 June 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation as disclosed 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 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 preparation as disclosed in Note (2).

***Report on Review of Other Legal and Regulatory Requirements***

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge, nothing has come to our attention indicating any violations of the Kuwaiti Commercial Companies Law of 1960, as amended, or of the Parent Company's Articles of Association have occurred during the six month period ended 30 June 2008 that might have materially affected the business of the Group or its financial position.

We further report that, during the course of our review, 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, the organization of banking business and its related regulations during the six month period ended 30 June 2008.

  
**Bader A. Al-Wazzan**

Licence No. 62A  
PricewaterhouseCoopers

Kuwait  
4 August 2008

  
**Safi A. Al-Mutawa**

License No. 138 "A"  
of KPMG Safi Al-Mutawa & Partners  
Member firm of KPMG International

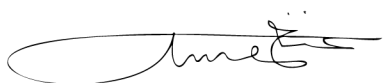
**The Investment Dar Company - KSC. (Closed)  
and its subsidiaries**

**Interim Condensed Consolidated Balance Sheet as at 30 June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars)

	Note	30 June 2008	31 December 2007 (Audited)	30 June 2007
<b>Assets</b>				
Cash and cash equivalents		25,294,144	33,385,657	54,281,592
Murabaha and Wakala investments	3	157,090,335	173,373,360	156,833,533
Investments at fair value through profit or loss	4	96,938,636	81,731,132	80,294,342
Investments available for sale	5	55,649,918	141,945,095	225,575,173
Finance receivables	6	140,309,235	146,015,754	117,847,742
Other debit balances		49,528,216	46,983,915	187,281,359
Investment properties	7	164,084,674	113,404,245	65,575,375
Land and real estates under development		2,704,021	3,580,927	27,269,866
Investments in associates	8	713,965,253	519,925,395	238,753,927
Intangible assets		15,427,404	13,029,069	12,315,470
Property and equipment	9	18,805,922	8,867,825	5,894,046
<b>Total assets</b>		<u>1,439,797,758</u>	<u>1,282,242,374</u>	<u>1,171,922,425</u>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Payables and other credit balances		43,410,189	54,464,425	47,400,272
Murabaha and Wakala payables	10	898,805,919	760,341,543	656,659,178
Islamic Sukuk		53,162,327	55,859,747	61,790,491
Employees' end of service indemnity		1,567,342	1,323,763	1,194,519
<b>Total liabilities</b>		<u>996,945,777</u>	<u>871,989,478</u>	<u>767,044,460</u>
<b>Equity</b>				
<b>Equity attributable to the shareholders of the Parent Company</b>				
Share capital	11	95,415,110	76,332,088	76,332,088
Share premium		116,968,443	116,968,443	116,968,443
Treasury shares	12	(6,801,988)	(11,389,645)	(2,259,752)
Reserves	13	53,920,739	75,205,217	78,281,193
Retained earnings		147,324,329	115,115,427	112,810,338
<b>Total</b>		<u>406,826,633</u>	<u>372,231,530</u>	<u>382,132,310</u>
Minority interest		36,025,348	38,021,366	22,745,655
<b>Total equity</b>		<u>442,851,981</u>	<u>410,252,896</u>	<u>404,877,965</u>
<b>Total liabilities and equity</b>		<u>1,439,797,758</u>	<u>1,282,242,374</u>	<u>1,171,922,425</u>

The accompanying notes from (1) to (23) form an integral part of this interim condensed consolidated financial information.



**Adnan A. Al-Musallam**  
Chairman and Managing Director

**The Investment Dar Company - KSC. (Closed)**  
**and its subsidiaries**

**Interim Condensed Consolidated Statement of Income**  
**For the Six Months ended 30 June 2008**  
**(Unaudited)**

(All amounts in Kuwaiti Dinars)

		<b>Three months ended</b>		<b>Six months ended</b>	
		<b>30 June</b>		<b>30 June</b>	
	<b>Note</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenue</b>					
Finance income		5,416,680	5,321,464	14,213,611	12,897,563
Investments income	14	2,127,916	58,332,060	5,986,796	60,079,179
Group's share in results of associates	8	58,293,495	(313,489)	101,622,394	36,098,956
Investment services revenues		1,792,202	1,267,137	3,252,767	1,899,581
Land and real estate revenues	15	8,873,950	6,965,712	15,504,595	19,566,853
Foreign exchange (Losses) / gains		(1,476,819)	77,769	3,626,068	657,930
Other income		853,388	1,377,929	2,522,689	1,968,211
		<u>75,880,812</u>	<u>73,028,582</u>	<u>146,728,920</u>	<u>133,168,273</u>
<b>Expenses and other charges</b>					
Finance charges		16,950,426	14,927,165	34,448,285	27,948,626
General and administrative expenses		5,632,182	5,380,569	9,816,053	9,561,790
Provision for impairment		(243,535)	36,790	338,765	134,246
Depreciation and amortization		504,851	380,470	986,711	736,460
Contribution to Kuwait Foundation for the Advancement of Sciences		173,299	340,560	247,170	687,017
National Labor Support Tax "NLST"		1,251,925	1,267,110	2,344,969	2,285,829
Zakat expense		225,654	-	346,055	-
		<u>24,494,802</u>	<u>22,332,664</u>	<u>48,528,008</u>	<u>41,353,968</u>
<b>Net profit for the period</b>		<u>51,386,010</u>	<u>50,695,918</u>	<u>98,200,912</u>	<u>91,814,305</u>
<b>Attributable to:</b>					
Shareholders of the Parent Company		50,703,794	50,847,814	95,946,593	91,527,537
Minority interest		682,216	(151,896)	2,254,319	286,768
		<u>51,386,010</u>	<u>50,695,918</u>	<u>98,200,912</u>	<u>91,814,305</u>
<b>Earnings per share attributable to the shareholders of the Parent company (fiis)</b>					
	16	<u>53.62</u>	<u>53.86</u>	<u>101.43</u>	<u>96.91</u>

The accompanying notes from (1) to (23) form an integral part of this interim condensed consolidated financial information.

**The Investment Dar Company - KSC. (Closed)**  
**and its subsidiaries**

**Interim Condensed Consolidated Statement of Changes in Equity**  
**For the Six Months ended 30 June 2008**  
**(Unaudited)**

(All amounts in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company							
	Share capital (Note 11)	Share premium	Treasury shares (Note 12)	Reserves (Note 13)	Retained earnings	Total	Minority interest	Total equity
Balance as of 1 January 2007	71,006,593	116,968,443	(9,794,002)	75,440,099	55,518,993	309,140,126	64,487,161	373,627,287
Change in fair value of investments available for sale	-	-	-	16,657,094	-	16,657,094	-	16,657,094
Foreign currency translation reserve	-	-	-	(32,699)	-	(32,699)	-	(32,699)
Effect of acquisition of associate	-	-	-	(11,863,288)	6,038,140	(5,825,148)	-	(5,825,148)
Gain on sale of treasury shares	-	-	-	2,068,011	-	2,068,011	-	2,068,011
Profit recognized directly in equity	-	-	-	6,829,118	6,038,140	12,867,258	-	12,867,258
Net profit for the period	-	-	-	-	91,527,537	91,527,537	286,768	91,814,305
Total profit recognized during the period	-	-	-	6,829,118	97,565,677	104,394,795	286,768	104,681,563
Cash dividends for year 2006 (Note 17)	-	-	-	-	(34,948,837)	(34,948,837)	-	(34,948,837)
Distribution of bonus shares for year 2006 (Note 17)	5,325,495	-	-	-	(5,325,495)	-	-	-
Purchase of treasury shares	-	-	(15,359,149)	-	-	(15,359,149)	-	(15,359,149)
Sale of treasury shares	-	-	22,893,399	-	-	22,893,399	-	22,893,399
Zakat For 2006	-	-	-	(3,988,024)	-	(3,988,024)	-	(3,988,024)
Net movement on investments in subsidiaries	-	-	-	-	-	-	(42,028,274)	(42,028,274)
Balance as of 30 June 2007	76,332,088	116,968,443	(2,259,752)	78,281,193	112,810,338	382,132,310	22,745,655	404,877,965

The accompanying notes from (1) to (23) form an integral part of this interim condensed consolidated financial information.

**The Investment Dar Company - KSC. (Closed)  
and its subsidiaries**

**Interim Condensed Consolidated Statement of Changes in Equity (Cont.)**

**For the Six Months ended 30 June 2008**

**(Unaudited)**

(All amounts in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company					Minority interest	Total equity
	Share capital (Note 11)	Share premium	Treasury shares (Note 12)	Reserves (Note 13)	Retained earnings		
<b>Balance as of 1 January 2008</b>	76,332,088	116,968,443	(11,389,645)	75,205,217	115,115,427	38,021,366	410,252,896
Change in fair value of investments available for sale	-	-	-	(6,952,460)	-	-	(6,952,460)
Foreign currency translation reserve	-	-	-	(11,920,830)	-	-	(11,920,830)
Effect of acquisition of an associate (Note 8)	-	-	-	-	10,107,687	-	10,107,687
Gain on sale of treasury shares	-	-	-	506,056	-	-	506,056
Transfer to Zakat from subsidiaries 2007	-	-	-	-	(1,840,767)	-	(1,840,767)
Actuarial losses	-	-	-	(2,917,244)	-	-	(2,917,244)
Total (loss) / profit recognized directly in equity	-	-	-	(21,284,478)	8,266,920	-	(13,017,558)
Net profit for the period	-	-	-	-	95,946,593	2,254,319	98,200,912
Total (loss)/ profit recognized during the period	-	-	-	(21,284,478)	104,213,513	2,254,319	85,183,354
Cash dividends for year 2007 (Note17)	-	-	-	-	(52,921,589)	-	(52,921,589)
Distribution of bonus shares for year 2007 (Note17)	19,083,022	-	-	-	(19,083,022)	-	-
Purchase of treasury shares	-	-	(5,446,297)	-	-	-	(5,446,297)
Sale of treasury shares	-	-	10,033,954	-	-	-	10,033,954
Net movement of investments in subsidiaries	-	-	-	-	-	(4,250,337)	(4,250,337)
<b>Balance as of 30 June 2008</b>	95,415,110	116,968,443	(6,801,988)	53,920,739	147,324,329	36,025,348	442,851,981

The accompanying notes from (1) to (23) form an integral part of this interim condensed consolidated financial information.

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Interim Condensed Consolidated Statement of Cash Flows  
For the Six Months ended 30 June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars)

	<b>For the Six months ended 30 June</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	98,200,912	91,814,305
<b>Adjustments:</b>		
Depreciation and amortization	986,711	736,460
Provision for impairment	517,152	134,246
Gain on sale of investments available for sale	(12,410)	(990,058)
Dividend income	(1,655,880)	(800,074)
Group's share in results of associate	(101,622,394)	(36,098,956)
Gain on sale of land , real estate and investment properties	(4,441,196)	(10,151,255)
Foreign exchange gains	(3,626,068)	-
Gain on sale of subsidiaries	-	(50,435,972)
Gain on sale of associate	(674)	(888,328)
Murabaha income	(6,390,790)	(3,061,874)
Change in fair value of investment properties	(10,667,888)	(8,955,102)
Finance costs	34,448,285	27,948,626
Employees' end of service's indemnity	339,446	383,085
Operating income before changes in operating assets and liabilities	6,075,206	9,635,103
Investments at fair value through profit or loss	(15,207,504)	(9,312,773)
Finance receivables	(10,321,169)	(17,246,756)
Other debit balances	13,144,622	(99,741,944)
Payables and other credit balances	(14,592,750)	120,464,366
Payment of end of services indemnity	(95,867)	(16,740)
Net cash (used in)/ generated from operating activities	(20,997,462)	3,781,256
<b>Cash flows from investing activities</b>		
Investments in Murabaha	16,111,811	(96,619,151)
Murabaha income received	6,390,790	3,061,874
Dividends received	1,655,880	800,074
Payment for purchase of investment in associates	(17,140,968)	(39,082,750)
Net proceeds from sale/(payment for purchase) of investments available for sale	426,740	(8,226,822)
Net Proceeds from sale of subsidiary	-	80,427,326
Net (payment for purchase)/ proceeds from sale of investment properties	(36,827,554)	8,255,675
Net payment for purchase of land and properties under development	(1,511,297)	(14,992,114)
Payment for purchase of property and equipment	(8,498,076)	(288,253)
Net (payment for purchase)/ proceeds from sale of intangible assets	(2,436,864)	205,319
Net cash used in investing activities	(41,829,538)	(66,458,822)
<b>Cash flows from financing activities</b>		
Net proceeds from Murabaha and Wakala payable	137,221,157	72,084,982
Net payment for Islamic Sukuk	(2,665,330)	(4,405,891)
Payment of finance costs	(29,439,874)	(27,948,626)
Purchase of treasury shares	(5,446,297)	(15,359,149)
Sale of treasury shares	10,540,010	24,961,410
Payment of cash dividends	(51,223,842)	(34,594,198)
Net cash generated from financing activities	58,985,824	14,738,528
Net change in minority interest	(4,250,337)	(11,990,678)
Net decrease in cash and cash equivalents	(8,091,513)	(59,929,716)
Cash and cash equivalents at the beginning of the period	33,385,657	114,211,308
Cash and cash equivalents at the end of the period	25,294,144	54,281,592

The accompanying notes from (1) to (23) form an integral part of this interim condensed consolidated financial information.

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30  
June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

---

**1. Background**

The Investment Dar Company is a Closed Kuwaiti Shareholding Company ("The Parent Company") established in Kuwait in 1994 and was registered as an investment company with the Central Bank of Kuwait on 27 August 1995. The shares of the Parent Company were listed on Kuwait Stock Exchange in April 1999.

The Parent Company's office is domiciled in Sharq, Block 5, Building 2, Kuwait Reinsurance Tower, Kuwait.

The interim condensed consolidated financial information consists of the financial information of the Parent Company and its subsidiaries, (together referred to as "the Group").

The principal activities of the Group are Murabaha investments with local & foreign Islamic financial institutions, trading in land and real estate and managing financial portfolios and investment funds for others. The Group is also engaged in selling and leasing of motor vehicles and real estate properties to consumers based on Musawama, Murabaha, Ijara and Wakala contracts.

The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

On 7 May 2008, the general assembly of the Parent Company's shareholders was held and the consolidated financial statements for the year ended 31 December 2007 were approved.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on 4 August 2008.

**2. Basis of preparation of the interim financial information**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" and the Kuwait Stock Exchange instruction No.2 of 1998.

The interim condensed consolidated financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards as adopted in the State of Kuwait for financial institutions regulated by the Central Bank of Kuwait.

The provision for impairment in finance receivable, with respect to specific provision, is determined according to the requirements of the Central Bank of Kuwait. Furthermore, the Central Bank of Kuwait requires a general provision of 1% for cash facilities and 0.5% for non cash facilities, also wakala and all Murabaha Investments placed with other than banks that are not subject to specific provision net of certain categories of collateral set by the Central Bank of Kuwait .

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 period ended 30 June 2008 are not necessarily indicative of the results that may be expected for the year ending 31 December 2008. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2007.

The accounting policies and methods of computation used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the last annual consolidated financial statements which were prepared in accordance with International Financial Reporting Standards as adopted in the State of Kuwait on financial institutions that are subject for Central Bank of Kuwait.

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**3. Murabaha and Wakala investments**

The average effective rate of return on investment in Murubaha and Wakala is 8.3% as of 30 June 2008 (8.6% as of 31 December 2007 and 8.5% as of 30 June 2007).

**4. Investments at fair value through profit or loss**

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Held for trading investments	6,263,488	114,172	3,379,370
Investments designated at fair value through profit or loss at inception	90,675,148	81,616,960	76,914,972
	<u>96,938,636</u>	<u>81,731,132</u>	<u>80,294,342</u>
Investments in local shares - quoted	18,441,553	5,168,513	12,021,194
Investments in local shares - unquoted	7,059,231	13,457,708	12,474,508
Investments in foreign shares - unquoted	634,980	634,980	634,980
Investments in local funds - unquoted	65,499,258	62,469,931	55,163,660
Investments in foreign funds - unquoted	5,303,614	-	-
	<u>96,938,636</u>	<u>81,731,132</u>	<u>80,294,342</u>

**5. Investments available for sale**

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Investments in local shares - quoted	447,056	565,195	43,791,685
Investments in local shares - unquoted	38,071,307	125,391,910	166,285,367
Investments in foreign shares - unquoted	2,724,549	2,887,246	2,662,307
Investment in local funds - unquoted	3,204,571	1,917,293	1,844,041
Investments in local portfolios	11,202,435	11,183,451	10,991,773
	<u>55,649,918</u>	<u>141,945,095</u>	<u>225,575,173</u>

5.1 Investments available for sale include an amount of KD 19,147,533 as of 30 June 2008 (KD 128,279,156 as of 31 December 2007 and KD 127,630,220 as of 30 June 2007) represents investments in unquoted shares carried at cost as it was not possible to determine their fair values and there is no indication of impairment in their value.

5.2 During the period ended 30 June 2008, The Group has reclassified its investment in Rehal Logistics Company from investments available for sale to investment in associate (Note 8.2), as the Group is exercising significant influence over the financial and operating policies of this associate, through representation in the board of directors of this company.

**6. Finance receivables**

Finance receivables include a finance granted to an associate with GBP equivalent to KD 24,747,136 as of 30 June 2008 which represents free profit finance and it is due for collection during year 2008 (equivalent to KD 15,688,923 as of 31 December 2007 - Nil as of 30 June 2007).

The average yield rate on finance receivables is 13.5% as of 30 June 2008 (12% as of 31 December 2007 and 13.91% as of 30 June 2007).

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**7. Investment properties**

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Opening balance for the period / year	113,404,245	80,830,463	80,830,463
Additions	64,643,714	133,939,773	55,925,241
Disposals	(23,374,964)	(121,947,902)	(85,674,587)
Transfer from land and real estate under development	-	19,248,435	19,248,435
Change in fair value (Note 15)	10,667,888	15,042,755	8,955,102
Effect of sale of a subsidiary	-	(13,709,279)	(13,709,279)
Effect of foreign currency translation from consolidating a subsidiary	(1,256,209)	-	-
Ending balance for the period / year	<u>164,084,674</u>	<u>113,404,245</u>	<u>65,575,375</u>

**8. Investments in associates**

- 8.1 The Group is in the process of allocating the purchase price of its investment in Boubyan Bank over the identifiable assets and liabilities of the associate and calculating the goodwill (if any). The excess of cost of the investment over the Group's share of the net book value of this investment has amounted to KD 122,222,425 as of 30 June 2008 and as of 31 December 2007.
- 8.2 During the period ended 30 June 2008, the Group has reclassified its investment in Rehal Logistics Company from investment available for sale to investment in associate, as the Group has significant influence over the financial and operational policies of the company through representation in the Board of Director. The effect of reclassification is the increase in retained earnings by an amount of KD 10,107,687 which represents the Group's share in results of Rehal Logistics Company in the previous years until 31 December 2007. The Group is in the process of allocating the purchase price over the identifiable assets and liabilities of the associate and identifying the goodwill (if any). The excess of cost of the investment over the Group's share of the net book value of this investment has amounted to KD 66,866,853 as of 30 June 2008.
- 8.3 During the period ended 30 June 2008, the Group has acquired additional shares to its acquisition in Oqyana Real Estate Company's shares to reach the total of 21% as of 30 June 2008.
- 8.4 The Group has recorded its share of profit from associates amounting to KD101,622,394 which includes an amount of KD 12,486,422 based on audited financial statements as of 31 December 2007, and share of results in associates with an amount of KD 89,378,657 has been recognized based on reviewed financial information as of 30 June 2008, in addition to share in losses of associates with an amount of KD 242,685 recognized based on management accounts as at 30 June 2008 .

**9. Property and Equipment**

During the period ended 30 June 2008, the Group has acquired a private aircraft with an amount of KD 6,641,258 through a subsidiary company working in the aviation industry.

**10. Murabaha and Wakala payables**

- 10.1 This represents Murabaha and Wakala contracts which mature over a period of three months to four years. The average effective yield rate is 8.20 % as of 30 June 2008 (8.30% as of 31 December 2007 and 7.99% as of 30 June 2007).
- 10.2 The average yield rates of Murabaha and Wakala are in line with the market rates.

**The Investment Dar Company K.S.C. (Closed)**  
and its subsidiaries

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008**  
**(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**11. Share capital**

The general assembly held on 7 May 2008 approved the proposal of the Board of Directors of the Parent company to increase the Parent company's capital by issuing bonus shares of 25%. Accordingly, the issued and paid up capital amounts to KD 95,415,110 distributed over 954,151,095 shares as of 30 June 2008 (KD 76,332,088 distributed over 763,320,876 shares as of 31 December 2007 and as of 30 June 2007).

On 21 May 2008 the share capital increase was registered in the commercial register.

**12. Treasury shares**

	30 June 2008	31 December 2007 (Audited)	30 June 2007
Number of treasury shares (Share)	9,502,720	12,860,676	3,803,176
Treasury shares to total share capital ratio (%)	0.99	1.68	0.49
Market value	8,267,366	12,860,676	4,335,621

**13. Reserves**

	Statutory reserve	Voluntary Reserve	General Reserve	Change in fair value reserve	Foreign currency translation reserve	Gain on sale of treasury shares	Actuarial reserve	Total
<b>Balance as of 1 January 2007</b>	24,019,950	24,019,950	15,000,000	11,536,921	675,143	188,135	-	75,440,099
Change in fair value	-	-	-	16,657,094	-	-	-	16,657,094
Effect of acquisition of an associate	-	-	-	(11,863,288)	-	-	-	(11,863,288)
Foreign currency translation reserve	-	-	-	-	(32,699)	-	-	(32,699)
Gain on sale of treasury shares	-	-	-	-	-	2,068,011	-	2,068,011
Transfer to Zakat for year 2006	-	(3,988,024)	-	-	-	-	-	(3,988,024)
<b>Balance as of 30 June 2007</b>	24,019,950	20,031,926	15,000,000	16,330,727	642,444	2,256,146	-	78,281,193
<b>Balance as of 1 January 2008</b>	37,044,566	37,044,566	15,000,000	(1,666,938)	(14,531,494)	2,314,517	-	75,205,217
Change in fair value	-	-	-	(6,952,460)	-	-	-	(6,952,460)
Foreign currency translation reserve	-	-	-	-	(11,920,830)	-	-	(11,920,830)
Gain on sale of treasury shares	-	-	-	-	-	506,056	-	506,056
Deficit in actuarial reserve	-	-	-	-	-	-	(2,917,244)	(2,917,244)
<b>Balance as of 30 June 2008</b>	37,044,566	37,044,566	15,000,000	(8,619,398)	(26,452,324)	2,820,573	(2,917,244)	53,920,739

**The Investment Dar Company K.S.C. (Closed)**  
and its subsidiaries

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008**

**(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**14. Investments income**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
(Losses)/ gains on sale of investments at fair value through profit or loss	(19,779)	1,388,375	126,301	1,864,219
Change in fair value of investments at fair value through profit or loss *	1,798,636	4,631,675	4,377,575	5,100,528
Dividends	505,228	404,755	1,655,880	800,074
Gain on sale of investments available for sale	6,144	585,348	12,410	990,058
Gains/ (loss) on disposal of shares in subsidiaries	15,400	50,433,509	(7,657)	50,435,972
Gain on disposal of an associate	674	888,398	674	888,328
Impairment losses	(178,387)	-	(178,387)	-
	<u>2,127,916</u>	<u>58,332,060</u>	<u>5,986,796</u>	<u>60,079,179</u>

\*Change in fair value of investments at fair value through profit or loss includes an amount of KD 3,163,580 for the period ended 30 June 2008 (KD 925,528 for the period ended 30 June 2007) pertaining to unquoted funds. Their fair value has been determined based on the net asset value for the period ended 30 June 2008.

**15. Land and real estate revenues**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Gain on sale of investment properties	188,793	1,586,014	4,441,196	8,832,351
(Loss)/ gain on sale of land and real estate under development	-	(256,461)	-	1,318,904
Change in fair value of investment properties	8,383,645	5,387,897	10,667,888	8,955,102
Rent income	301,512	10,201	395,511	222,435
Other	-	238,061	-	238,061
	<u>8,873,950</u>	<u>6,965,712</u>	<u>15,504,595</u>	<u>19,566,853</u>

Change in fair value of investment properties includes an amount of KD 8,292,798 for the period ended 30 June 2008 which represents gain on change in fair value for investment properties in Gulf Cooperation Council countries determined by independent appraisers in these countries.

**16. Earnings per share attributable to the shareholders of the Parent Company**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Net profit for the period attributable to shareholders of the Parent company	50,703,794	50,847,814	95,946,593	91,527,537
Weighted average No. of issued and outstanding shares during the period/ (share)	945,678,415	944,137,603	945,917,287	944,478,563
Earnings per share (fils)	<u>53.62</u>	<u>53.86</u>	<u>101.43</u>	<u>96.91</u>

Bonus shares issued and approved in the general assembly of the shareholders on 7 May 2008 were taken into consideration when computing earnings per share for the current and the comparative periods.

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30  
June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

---

**17. Dividends**

**Dividends for 2007:**

The General Assembly for the shareholders held on 7 May 2008 approved cash dividends of 70 fils per share, and also approved the dividends of bonus shares with 25% of the paid up capital which is 25 shares for every 100 shares of The Investment Dar Company's shares for the year ended 31 December 2007.

**Dividends for 2006:**

The General Assembly for the shareholders held on 26 March 2007 approved cash dividends of 50 fils per share, and also approved the dividends of bonus shares with 7.5% of the paid up capital which is 7.5 shares for every 100 shares of The Investment Dar Company's shares for the year ended 31 December 2006.

**The Investment Dar Company K.S.C. (Closed)**  
**and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008**  
**(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**18. Segment distribution**

The Group carries out the majority of its activities in the State of Kuwait through three major segments:

1. Financing segment: represents financing consumers and companies with all of their miscellaneous needs according to contracts complying with Noble Islamic Sharia principles.
2. Real estate segment: represents selling land and properties for trading or after development in cash or under Istisna'a contracts.
3. Investment segment: represents management of real estate portfolios and investment funds on behalf of third parties and management of the Group's investments.

Analysis of the information according to segments for the Six-month period ended 30 June is as follows:

	<b>Finance</b>		<b>Real Estate</b>		<b>Investment</b>		<b>Unallocated items</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Segment revenues	20,362,368	15,523,704	15,504,595	19,566,853	110,861,957	98,077,716	-	-	146,728,920	133,168,273
Segment expenses	(6,409,724)	(4,506,914)	(4,622,634)	(5,511,529)	(33,570,745)	(27,626,219)	(3,924,905)	(3,709,306)	(48,528,008)	(41,353,968)
Segment results	13,952,644	11,016,790	10,881,961	14,055,324	77,291,212	70,451,497	(3,924,905)	(3,709,306)	98,200,912	91,814,305
Segment assets	297,399,570	278,409,932	166,788,695	92,845,241	914,819,628	728,176,144	60,789,865	72,491,108	1,439,797,758	1,171,922,425
Segment liabilities	-	-	-	-	-	-	996,945,777	767,044,460	996,945,777	767,044,460

**The Investment Dar Company K.S.C. (Closed)**  
**and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008**

**(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**18. Segment distribution (continued)**

Analysis of the information according to segments for the three -month period ended 30 June is as follows:

	<b>Finance</b>		<b>Real Estate</b>		<b>Investment</b>		<b>Unallocated items</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Segment revenues	4,793,249	6,777,162	8,873,950	6,965,712	62,213,613	59,285,708	-	-	75,880,812	73,028,582
Segment expenses	(1,118,273)	(2,287,771)	(2,617,080)	(1,907,031)	(18,603,720)	(16,149,723)	(2,155,729)	(1,988,139)	(24,494,802)	(22,332,664)
Segment results	3,674,976	4,489,391	6,256,870	5,058,681	43,609,893	43,135,985	(2,155,729)	(1,988,139)	51,386,010	50,695,918

**The Investment Dar Company K.S.C. (Closed)**  
and its subsidiaries

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2008**  
**(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

**19. Geographical concentration of assets and liabilities**

	Assets			Liabilities		
	30 June 2008	31 December 2007	30 June 2007	30 June 2008	31 December 2007	30 June 2007
Kuwait	1,001,328,335	875,228,951	847,282,001	501,482,635	661,018,912	570,064,804
Other GCC	270,824,737	266,183,239	176,967,039	321,829,069	101,682,197	95,022,837
Europe	162,529,657	138,216,861	145,298,589	146,704,089	99,182,809	101,956,819
Others	5,115,029	2,613,323	2,374,796	26,929,984	10,105,560	-
	<u>1,439,797,758</u>	<u>1,282,242,374</u>	<u>1,171,922,425</u>	<u>996,945,777</u>	<u>871,989,478</u>	<u>767,044,460</u>

**20. Related parties transactions**

Related parties represent the Group's shareholders who have representation in the Board of Directors, members of the Board of Directors, Senior Management and associates. In the normal course of business and on approval of the Group's management, the Group entered into transactions with related parties during the period ended 30 June 2008. The significant related party transactions and outstanding balances relating to these related parties are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007
<b>Transactions</b>				
Finance costs	2,083,330	196,148	3,991,595	483,751
Purchases for resale	78	869,092	400,655	2,949,605
Executive and senior management benefits	342,743	301,523	728,382	762,245
Cash dividends received			(851,676)	
<b>Balances</b>	<b>30 June 2008</b>	<b>31 December 2007</b>	<b>30 June 2007</b>	
Investments at fair value through profit or loss	64,288,412	60,797,770	53,190,099	
Finance receivables	34,064,200	20,975,120	-	
Other debit balances	1,672,921	9,103,332	8,689,306	
Murabaha payables	(1,690,540)	(52,943,944)	(9,062,001)	
Payables and other credit balances	(2,427,944)	(6,832,919)	(4,033,783)	

All related parties transactions are subject to the approval of the shareholders in the general assembly.

**21. Capital commitments**

	30 June 2008	31 December 2007	30 June 2007
Uncalled capital installments on investment companies	240,000	240,000	4,141,830
Guarantee against the uncovered portion of Qard Hassan due to Aston Martin Holding Company	-	16,718,683	-
	<u>240,000</u>	<u>16,958,683</u>	<u>4,141,830</u>

**The Investment Dar Company K.S.C. (Closed)  
and its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended  
30 June 2008  
(Unaudited)**

(All amounts in Kuwaiti Dinars unless otherwise stated)

---

**22. Off balance sheet items**

The Group manages portfolios on behalf of others, which are not included in the balance sheet of the Group. The net assets managed on behalf of others amounted to KD 244,294,000 as of 30 June 2008 (KD 251,823,878 as of 31 December 2007 and KD 280,799,000 as of 30 June 2007), out of which an amount of KD 46,210,000 as of 30 June 2008 for related parties (KD 22,226,408 as at 31 December 2007, KD 90,295,000 as of 30 June 2007).

**23. Comparative figures**

Certain comparative figures have been reclassified to conform to the current presentation of the interim condensed consolidated financial information as at 30 June 2008.