

**THE INTERNATIONAL INVESTOR COMPANY
K.S.C (CLOSED) AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

30 SEPTEMBER 2009



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE INTERNATIONAL INVESTOR COMPANY K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The International Investor Company K.S.C. (Closed) ("the Parent Company") and its subsidiaries ("the Group") as at 30 September 2009 and the related interim condensed consolidated statements of income and comprehensive income for the three months and nine months period then ended, and the related interim condensed statement of cash flows and changes in equity for the nine months period then ended and explanatory notes. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the 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 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 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.

Emphasis of Matter

Without qualifying our conclusion above, we draw attention to Note 16 to the interim condensed consolidated financial information, which explains that there is a potential dispute with respect to one of the Mudaraba agreements with a foreign bank.



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE INTERNATIONAL INVESTOR COMPANY K.S.C. (CLOSED) (continued)

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the Parent Company have occurred during the nine months period ended 30 September 2009 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, 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 months period ended 30 September 2009.

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LICENCE NO. 68 A
OF ERNST & YOUNG

ALI A. AL HASAWI
LICENCE NO. 30 A
BDO BURGAN
INTERNATIONAL ACCOUNTANTS

19 November 2009

Kuwait

The International Investor Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL

POSITION (UNAUDITED)

At 30 September 2009

		<i>(Audited)</i> <i>(Restated)</i>	<i>(Restated)</i>
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Cash and bank balances	3,194,397	3,667,971	4,951,099
Mutual fund investments	-	-	4,816,766
Murabaha investments	3,583,435	10,944,524	11,169,361
Financial assets at fair value through income statement	8,661,738	7,266,778	7,220,481
Receivables	4,937,046	7,357,792	7,199,624
Amount paid to DBHC	-	251,443	623,542
Assets used in operating leases	31,484,860	49,540,338	53,591,864
Other assets	15,168,816	14,509,057	19,335,461
Financial assets available for sale	6,960,284	6,993,132	8,943,849
Investment in associates	22,109,591	25,955,721	28,455,325
Investment property	930,962	930,962	930,962
Furniture and equipment	7,082,458	6,732,911	6,837,932
Goodwill	13,334,473	10,370,972	10,379,808
TOTAL ASSETS	117,448,060	144,521,601	164,456,074
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accruals	15,060,633	13,161,889	10,941,626
Due to banks	68,631,828	82,099,884	84,473,728
Lease obligations	920,153	1,873,573	2,354,120
TOTAL LIABILITIES	84,612,614	97,135,346	97,769,474
Equity			
Share capital	49,222,195	49,222,195	49,222,195
Share premium	26,972,353	26,972,353	26,972,353
Treasury shares	(11,817,466)	(11,817,466)	(11,817,466)
Treasury shares reserve	4,267	4,267	4,267
Statutory reserve	1,180,931	1,180,931	1,180,931
Accumulated losses	(39,039,275)	(25,684,927)	(9,195,493)
Foreign currency translation reserve	(4,475,279)	(2,554,696)	(1,166,461)
Cumulative changes in fair values	431,697	(161,421)	(1,775,907)
Equity attributable to shareholders of the Parent Company	22,479,423	37,161,236	53,424,419
Non controlling interests	10,356,023	10,225,019	13,262,181
TOTAL EQUITY	32,835,446	47,386,255	66,686,600
TOTAL LIABILITIES AND EQUITY	117,448,060	144,521,601	164,456,074

Adnan A. Aziz Al Bahar
Chairman and Managing Director

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

Period ended 30 September 2009

	Notes	Three months ended 30 September		Nine months ended 30 September	
		(Restated)		(Restated)	
		2009 KD	2008 KD	2009 KD	2008 KD
Management fees		39,938	226,581	47,616	463,508
Murabaha and ijara income		126,339	604,162	369,477	675,829
Brokerage fees		-	-	-	2,326,808
Compensation received on advance for acquisition of a subsidiary		-	91,033	-	418,768
Rental income from operating lease transactions		1,646,942	2,003,093	4,415,156	6,329,841
Loss on disposal of assets used in operating leases		(99,215)	(348,418)	(633,652)	(689,207)
Gain on mutual fund investments		-	48,701	-	189,995
Unrealised (loss) gain on financial assets at fair value through income statement		(7,194)	230,136	1,059,184	1,316,481
Realised gain (loss) on financial assets at fair value through income statement		105,763	-	123,674	(14,908)
Realised gain (loss) from disposal of financial Assets available for sale		-	24,016	-	(80,443)
Share of results of associates		(616,408)	199,663	(3,023,556)	(1,802,621)
Dividend income		32,485	-	52,464	634,220
Finance income		181,103	297,222	955,800	857,592
Other income		615,192	216,315	1,988,831	2,199,745
INCOME		2,024,945	3,592,504	5,354,994	12,825,608
General and administrative expenses		3,761,978	2,899,655	7,549,453	9,690,886
Murabaha and finance costs		1,989,923	1,899,382	5,129,189	4,803,188
Depreciation		1,912,022	1,277,913	4,553,450	3,385,478
Foreign exchange (gain) loss		(179,800)	(951,799)	1,481,416	3,581,375
Provision for credit losses		796,050	60,279	799,247	70,279
Restructuring cost on investment in an associate	5	1,673,592	-	2,102,687	-
Impairment of financial assets available for sale		-	-	935,280	-
Loss recovery from mudaraba contract	16	(700,755)	(203,960)	(1,611,076)	(1,158,522)
Loss on disposal of investment in an associated company		-	-	-	2,096
Loss on disposal of investment in a subsidiary	7	-	-	-	1,045,137
EXPENSES		9,253,010	4,981,470	20,939,646	21,419,917
Loss before tax		(7,228,065)	(1,388,966)	(15,584,652)	(8,594,309)
(Provision) release for deferred tax Liability		-	(78,207)	1,254,099	(1,044,056)
LOSS FOR THE PERIOD		(7,228,065)	(1,467,173)	(14,330,553)	(9,638,365)
Attributable to:					
Shareholders of the Parent Company		(6,711,228)	(1,569,311)	(13,354,348)	(8,476,763)
Non controlling interests		(516,837)	102,138	(976,205)	(1,161,602)
		(7,228,065)	(1,467,173)	(14,330,553)	(9,638,365)
BASIC LOSS PER SHARE	8	(15.15) fils	(3.54) fils	(30.14) fils	(18.10) fils
DILUTED LOSS PER SHARE	8	(15.15) fils	(3.51) fils	(30.14) fils	(17.94) fils

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended 30 September 2009

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2009</i> <i>KD</i>	<i>(Restated)</i> <i>2008</i> <i>KD</i>	<i>2009</i> <i>KD</i>	<i>(Restated)</i> <i>2008</i> <i>KD</i>
Loss for the period	(7,228,065)	(1,467,173)	(14,330,553)	(9,638,365)
Other comprehensive (loss) income				
Net unrealised (loss) gain on financial assets available for sale	(161,903)	(861,921)	627,393	(1,750,110)
Realised gain on disposal of on financial assets available for sale	-	-	-	186,908
Foreign currency translation adjustment	815,656	231,505	(1,736,052)	514,499
Other comprehensive income (loss) for the period included in equity	653,753	(630,416)	(1,108,659)	(1,048,703)
Total comprehensive loss for the period	(6,574,312)	(2,097,589)	(15,439,212)	(10,687,068)
Attributable to:				
Shareholders of the Parent Company	(6,025,990)	(2,217,818)	(14,681,813)	(9,041,813)
Non controlling interests	(548,322)	120,229	(757,399)	(1,645,255)
	(6,574,312)	(2,097,589)	(15,439,212)	(10,687,068)

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
Period ended 30 September 2009

	Notes	Nine months ended 30 September	
		2009 KD	(Restated) 2008 KD
OPERATING ACTIVITIES			
Loss for the period		(14,330,553)	(9,638,365)
Adjustments for:			
Depreciation		4,553,450	3,385,478
Provision for credit losses		799,247	70,279
Loss on disposal of assets used in operating lease		633,652	689,207
Loss on disposal of investment in an associated company		-	2,096
Dividend income		(52,464)	(634,220)
Impairment of financial assets available for sale		935,280	-
Impairment of DBHC receivables		17,960	-
Unrealised gain on financial assets at fair value through income statements		(1,059,184)	(1,316,481)
Share of results of associates		3,023,556	1,802,621
Restructuring cost on investment in an associate	5	2,102,687	-
Loss recovery from mudaraba contract	16	(1,611,076)	(1,158,522)
Loss on investment in a subsidiary classified as held for sale	7	-	1,045,137
		<u>(4,987,445)</u>	<u>(5,752,770)</u>
Changes in operating assets and liabilities:			
Murabaha investments		-	380,102
Financial assets at fair value through income statement		(335,776)	(3,277,665)
Receivables		1,621,499	(3,660,193)
Other assets		(659,759)	2,729,995
Accounts payable and accruals		(1,166,542)	(354,752)
Cash flows used in operating activities		<u>(5,528,023)</u>	<u>(9,935,283)</u>
Payment of contribution to KFAS		-	(111,883)
Payment of provision for NLST		-	(331,989)
Payment of directors remuneration		-	(90,000)
Net cash flows used in operating activities		<u>(5,528,023)</u>	<u>(10,469,155)</u>
INVESTING ACTIVITIES			
Partial recovery of amount paid to DBHC		233,483	16,552,119
Acquisition of subsidiaries	9	(77,510)	15,559,345
Acquisition of associates		-	(23,240)
Purchase of investment properties		-	(930,962)
Purchase of financial assets available for sale		(309,314)	(4,878,195)
Purchase of investment in associates		(1,203,521)	-
Proceeds from disposal of investment in an associate		-	4,500,000
Purchase of assets used in operating leases		(15,725,345)	(9,805,427)
Proceeds from disposal of assets used in operating leases		25,045,068	8,740,728
Purchase of furniture and equipment		(1,160,017)	(888,194)
Dividend received		52,464	634,220
Net cash flows from investing activities		<u>6,855,308</u>	<u>29,460,394</u>
FINANCING ACTIVITIES			
Due to banks		(11,856,980)	(8,788,670)
Lease obligations		(953,420)	(1,535,306)
Purchase of treasury shares		-	(11,954,060)
Proceeds from disposal of treasury shares		-	267,369
Dividend paid		-	(6,712,045)
Net movement in non controlling interests		1,107,209	(557,489)
Net cash flows used in financing activities		<u>(11,703,191)</u>	<u>(29,280,201)</u>
Foreign currency translation reserve		<u>2,541,243</u>	<u>4,990,728</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(7,834,663)</u>	<u>(5,298,234)</u>
Cash and cash equivalents at 1 January		<u>14,612,495</u>	<u>26,235,460</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	10	<u>6,777,832</u>	<u>20,937,226</u>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 30 September 2009

	Atributable to the equity holders of the Parent Company										
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	(Accumulated losses) retained earnings KD	Foreign currency translation reserve KD	Cumulative changes in fair values KD	Sub total KD	Non controlling interests KD	Total equity KD
At 1 January 2009, restated (Note 16)	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(25,684,927)	(2,554,696)	(161,421)	37,161,236	10,225,019	47,386,255
Loss for the period	-	-	-	-	-	(13,354,348)	-	-	(13,354,348)	(976,205)	(14,330,553)
Other comprehensive (loss) gain for the period	-	-	-	-	-	-	(1,920,583)	593,118	(1,327,465)	218,806	(1,108,659)
Total comprehensive (loss) gain	-	-	-	-	-	(13,354,348)	(1,920,583)	593,118	(14,681,813)	(757,399)	(15,439,212)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	(649,151)	(649,151)
Other non controlling interests movements	-	-	-	-	-	-	-	-	-	1,537,554	1,537,554
At 30 September 2009	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(39,039,275)	(4,475,279)	431,697	22,479,423	10,356,023	32,835,446
At 1 January 2008, restated (Note 16)	44,747,450	26,972,353	(126,508)	-	1,180,931	10,468,060	(2,274,408)	(102,910)	80,864,968	10,856,172	91,721,140
Loss for the period	-	-	-	-	-	(8,476,763)	-	-	(8,476,763)	(1,161,602)	(9,638,365)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,107,947	(1,672,997)	(565,050)	(483,653)	(1,048,703)
Total comprehensive (loss) income	-	-	-	-	-	(8,476,763)	1,107,947	(1,672,997)	(9,041,813)	(1,645,255)	(10,687,068)
Cash dividend for 2007	-	-	-	-	-	(6,712,045)	-	-	(6,712,045)	-	(6,712,045)
Issue of bonus shares (10%)	4,474,745	-	-	-	-	(4,474,745)	-	-	-	-	-
Purchase of treasury shares	-	-	(11,954,060)	-	-	-	-	-	(11,954,060)	-	(11,954,060)
Sale of treasury shares	-	-	263,102	4,267	-	-	-	-	267,369	-	267,369
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	4,125,099	4,125,099
Other non controlling interests movements	-	-	-	-	-	-	-	-	-	(73,835)	(73,835)
At 30 September 2008, restated (Note 16)	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(9,195,493)	(1,166,461)	(1,775,907)	53,424,419	13,262,181	66,686,600

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2009 (Unaudited)

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of The International Investor Company K.S.C. (Closed) (the Parent Company) and its subsidiaries (the Group) for the period ended 30 September 2009 were authorised for issue in accordance with a resolution of the Parent Company's directors on 19 November 2009 and were approved by the relevant regulatory authorities before issuance.

The Parent Company was legally incorporated as a closed shareholding company on 29 November 1992 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is regulated by the Central Bank of Kuwait as an investment company.

The Parent Company operates under the Islamic Sharee'a and is principally engaged in providing banking and investment advisory and financial services permissible under Islamic Sharee'a. Its registered office is at Wafra Real Estate Building, Ahmad Al-Jaber Street, Sharq, Kuwait.

The Group primarily operates in the Gulf Co-operation Council countries and Turkey.

2 BASIS OF PRESENTATION

The interim condensed consolidated financial information of the Group has been 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 annual consolidated financial statements for the year ended 31 December 2008.

The annual consolidated financial statements for the year ended 31 December 2008 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.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2008. In addition, results for the nine months ended 30 September 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 Presentation of Financial Statements (Revised):

The revised standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in income) to be presented in the consolidated statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in the consolidated statement of comprehensive income. Components of comprehensive income are not permitted to be presented in the consolidated statement of changes in equity.

IFRS 8 'Operating segments':

The new standard which replaced IAS 14 'Segment reporting' requires a management approach for segment reporting under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker.

The International Investor Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>30 September</i> <i>2009</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD</i>	<i>(Restated)</i> <i>30 September</i> <i>2008</i> <i>KD</i>
Designated on initial recognition:			
Quoted securities	366,311	105,001	1,874,267
Unquoted securities	8,295,427	7,161,777	5,346,214
	<u>8,661,738</u>	<u>7,266,778</u>	<u>7,220,481</u>

Quoted equity securities represent investments in local shares quoted on the Kuwait Stock Exchange.

The fair value of certain unquoted equity securities had been determined using valuation techniques other than quoted market prices which involve uncertainties and determinations based on independent external valuers and the Group management's judgment. Unrealised gain recorded based on such valuation techniques amounted to KD 1,024,012 (30 September 2008: KD 1,314,394).

4 FINANCIAL ASSETS AVAILABLE FOR SALE

	<i>30 September</i> <i>2009</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD</i>	<i>(Restated)</i> <i>30 September</i> <i>2008</i> <i>KD</i>
Quoted securities	4,005,457	3,741,165	4,666,538
Unquoted securities	2,954,827	3,251,967	4,277,311
	<u>6,960,284</u>	<u>6,993,132</u>	<u>8,943,849</u>

Quoted equity securities represent investment in shares quoted on the Kuwait Stock Exchange.

Included under unquoted equities are financial assets amounting to KD 2,214,341 (31 December 2008: KD 2,214,341 and 30 September 2008 KD 3,264,811) that are carried at cost, less impairment if any, due to the unpredictable nature of their future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these financial assets. There is no market for these financial assets and the Group intends to hold them for the long term.

Investments amounting to KD 498,227 (31 December 2008: KD 498,227 and 30 September 2008: KD Nil) have been provided as collateral towards Islamic financing facility.

An impairment of KD 935,280 (30 September 2008: Nil) has been recognised against financial assets available for sale on which there has been a significant or prolonged decline in value.

5 INVESTMENT IN ASSOCIATES

During the period, Asia Retail group Limited (SPV) increased its holding in one of its existing subsidiaries, as a result of these acquisitions it has recognised a total negative goodwill of KD 965,655 (30 September 2008: KD 3,507,327) based on the management accounts for the period ended 30 June 2009. The group's share in the results based on management accounts of the SPV includes an amount of KD 369,653 (30 September 2008: KD 1,534,455) which is related to the negative goodwill.

Due to the restructuring of Asia Retail Group Limited's murabaha facility, the Group disposed off 5.47% voting rights in this associate and has recognised as restructuring cost of KD 2,102,687 (30 September 2008: KD Nil) in the interim condensed consolidated statement of income.

The International Investor Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

6 TREASURY SHARES

	<i>30 September 2009</i>	<i>(Audited) 31 December 2008</i>	<i>30 September 2008</i>
Number of treasury shares	<u>49,105,313</u>	<u>49,105,313</u>	<u>49,105,313</u>
Percentage of treasury shares	<u>9.98</u>	<u>9.98</u>	<u>9.98</u>
Cost of treasury shares (KD)	<u>11,817,466</u>	<u>11,817,466</u>	<u>11,817,466</u>
Market value of treasury shares (KD)	<u>2,504,371</u>	<u>3,437,371</u>	<u>5,990,848</u>

Out of the above treasury shares, 49,100,000 (31 December 2008 and 30 September 2008: 49,100,000) shares are pledged as security for a Mudaraba contract.

7 LOSS ON DISPOSAL OF A SUBSIDIARY

During the period ended 30 September 2008 the Group disposed off its 60% stake in Fleet Corp Jordan at a loss of KD 1,045,137.

8 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares.

Diluted loss per share is calculated by dividing loss attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (adjusted for the effect of dilutive options).

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2009</i>	<i>2008 (Restated)</i>	<i>2009</i>	<i>2008 (Restated)</i>
Loss for the period attributable to the shareholders of the Parent Company (KD)	<u>(6,711,228)</u>	<u>(1,569,311)</u>	<u>(13,354,348)</u>	<u>(8,476,763)</u>
Weighted average number of ordinary shares outstanding for basic loss per share	<u>492,221,950</u>	<u>492,221,950</u>	<u>492,221,950</u>	<u>492,221,950</u>
Less: weighted average number of treasury shares	<u>49,105,313</u>	<u>49,105,313</u>	<u>49,105,313</u>	<u>23,900,131</u>
	<u>443,116,637</u>	<u>443,116,637</u>	<u>443,116,637</u>	<u>468,321,819</u>
Effect of dilution from weighted average number of share options outstanding	<u>-</u>	<u>3,622,085</u>	<u>-</u>	<u>4,052,900</u>
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>443,116,637</u>	<u>446,738,722</u>	<u>443,116,637</u>	<u>472,374,720</u>
Basic loss per share	<u>(15.15) fils</u>	<u>(3.54) fils</u>	<u>(30.14) fils</u>	<u>(18.10) fils</u>
Diluted loss per share	<u>(15.15) fils</u>	<u>(3.51) fils</u>	<u>(30.14) fils</u>	<u>(17.94) fils</u>

The International Investor Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

9 ACQUISITION OF SUBSIDIARIES

During the period, the Group had the following transactions:-

- Acquired additional equity interest of 25% in Fleetcorp, Turkey; accordingly, the effective equity interest increased from 75% to 100%. The purchase consideration of KD 3,065,286 is to be paid with in a maximum period of 18 months and is currently classified under accounts payable and accruals. The amount payable is secured by the pledge of 25% equity shares in Fleetcorp.
- Acquired additional equity interest of 3.3% in Bayt Al Mal Holding Company K.S.C. (Holding) Kuwait, from a related party; accordingly, the effective equity interest increased to 56.99%. The purchase consideration of KD 584,495 was off-set against a Murabaha receivable from the same seller.
- Acquired 100% shareholdings in Saudi Leasing Company by paying KD 77,510.

The fair value of assets and liabilities on acquisition of the companies has preliminarily been assessed by the management to approximate book value and based on this assessment goodwill of KD 2,963,501 net of foreign exchange, has been provisionally recognised. This goodwill will be reassessed during the course of the following 12 months.

10 CASH AND CASH EQUIVALENTS

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

	<i>30 September 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>(Restated) 30 September 2008 KD</i>
Cash and bank balances	3,194,397	3,667,971	4,951,099
Mutual fund investments	-	-	4,816,766
Murabaha investments	3,583,435	10,944,524	11,169,361
	<u>6,777,832</u>	<u>14,612,495</u>	<u>20,937,226</u>

11 RELATED PARTY TRANSACTIONS

Related parties represent shareholders, associates, directors and senior management of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Related party balances and transactions consist of the following:

	<i>30 September 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>(Restated) 30 September 2008 KD</i>
Transactions included in interim condensed consolidated statement of financial position			
Amounts due from related parties	1,029	237,487	1,676,837

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At 30 September 2009

11 RELATED PARTY TRANSACTIONS (continued)

	<i>Nine months period ended 30 September 2009 KD</i>	<i>(Restated) Nine months period ended 30 September 2008 KD</i>
Transactions included in the interim condensed consolidated statement of income		
Finance income	955,800	857,592
Key management compensation:		
Salaries and other short term benefits	941,129	905,020
Employees' end of service benefits	89,374	83,711

12 FIDUCIARY ASSETS

The Group manages funds and portfolios on behalf of others and maintains cash balances and securities in fiduciary accounts which are not reflected in the Group's interim condensed consolidated statement of financial position. Assets under management at 30 September 2009 amounted to KD 19,273,198 (31 December 2008: KD 25,969,910 and 30 September 2008: KD 29,481,974). Management fees from fiduciary activities during the period amounted to KD 47,616 (30 September 2008: KD 463,508).

13 SEGMENTAL ANALYSIS

For management purposes, the Group is organised in two operating segments based on business units as follows:

- Investment management and advisory services: comprising non-discretionary portfolio management, fund management, brokerage and structured finance advisory services
- Leasing: engaged in automotive leasing

<i>Nine months ended 30 September 2009</i>	<i>Investment management and advisory services KD</i>	<i>Leasing KD</i>	<i>Total KD</i>
Segment revenue	1,573,490	3,781,504	5,354,994
Segment expenses	11,927,267	9,012,379	20,939,646
Segment results before tax	<u>(10,353,777)</u>	<u>(5,230,875)</u>	<u>(15,584,652)</u>
Total assets	<u>70,174,733</u>	<u>47,273,327</u>	<u>117,448,060</u>

The International Investor Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

13 SEGMENTAL ANALYSIS (continued)

<i>Nine months ended 30 September 2008 (Restated)</i>	<i>Investment management and advisory services KD</i>	<i>Leasing KD</i>	<i>Total KD</i>
Segment revenue	6,766,206	6,059,402	12,825,608
Segment expenses	10,269,950	11,149,967	21,419,917
Segment results before tax	<u>(3,503,744)</u>	<u>(5,090,565)</u>	<u>(8,594,309)</u>
Total assets	<u>94,545,678</u>	<u>69,910,396</u>	<u>164,456,074</u>

14 PROFIT-SHARING SCHEME

There has been no change to the profit sharing scheme as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2008. Further, there were no options granted or exercised since 31 December 2008.

15 CONTINGENCIES AND COMMITMENTS

There were no material changes in contingencies and commitments since 31 December 2008.

16 COMPARATIVE INFORMATION

- a) Consequent to the restatement as explained in Note 36 of the audited consolidated financial statements of the Group for the year ended 31 December 2008, the interim condensed consolidated financial information for the period ended 30 September 2008 has also been restated.
- b) During the year 2007 the Parent Company entered in to Mudaraba contract with a foreign bank to share profit and loss in the ratio of 88.25% and 11.75%. The Parent Company has not accounted for the share of losses from the date of the contract to 30 September 2009. As part of this Mudaraba agreement 49,100,000 shares of the Parent Company and 40% shares of a local subsidiary are pledged as security. The management was not able to obtain confirmation from the foreign bank for the losses allocated to them or outstanding balance. In the opinion of in-house legal counsel, as supported by the shari'a advisor's opinion, the Parent Company bears no liability towards foreign bank for the losses that took place in their Mudaraba in view of the fact that the losses were caused beyond the control of the Parent Company.

During the period ended 30 September 2009 the Parent Company management allocated the loss between the Parent Company and the foreign bank in accordance with the terms of the Mudaraba agreement. Accordingly the comparative figures are restated.

The result of above two restatements are summarized as follows

	As of 1 January 2008 KD	As of 30 September 2008 KD	As of 31 December 2008 KD
Net increase in assets	9,604,306	14,350,623	-
Net increase (decrease) in liabilities	4,647,356	3,441,151	(4,013,713)
Net decrease in loss	-	2,421,264	3,968,608
Net increase in total equity	4,956,950	10,906,472	4,013,713

The effect on earning per share and diluted earning per share related to the restatements as of 30 September 2008 was less than 4.50 fils.