

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

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

30 SEPTEMBER 2010



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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 Subsidiaries (collectively “the Group”) as at 30 September 2010 and the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month period then ended, and the related interim condensed consolidated statements of cash flows and changes in equity for the nine month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2.2. 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 presentation set out in Note 2.2.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the Parent Company during the nine month period ended 30 September 2010 that might have had a material effect on the business of the Parent Company or on its financial position.

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



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

Emphasis of Matter

Without qualifying our conclusion above, we draw attention to the Note 16 to the interim condensed consolidated financial information, which describes a potential dispute in respect of a Mudaraba agreement with a foreign bank.

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5 April 2012

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2010

		(Restated) (Audited)	(Restated)
	30 September 2010	31 December 2009	30 September 2009
	KD	KD	KD
ASSETS			
Cash and bank balances	10	2,311,895	3,194,397
Murabaha investments	10	-	3,583,435
Financial assets at fair value through income statement	3	7,987,011	8,661,738
Receivables	4	604,928	4,984,929
Assets used in operating leases		28,249,066	31,484,860
Other assets		4,879,608	13,370,011
Inventories		2,460,353	1,750,922
Financial assets available for sale	5	16,510,813	6,960,284
Investment in associates	6	12,757,897	22,109,591
Investment property		930,962	930,962
Furniture and equipment		5,555,463	7,082,458
Goodwill		12,682,281	13,334,473
TOTAL ASSETS		94,930,277	117,448,060
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accruals		18,507,958	15,060,633
Due to banks		59,476,618	68,279,753
Lease obligations		79,414	920,153
TOTAL LIABILITIES		78,063,990	84,260,539
Equity			
Share capital		49,222,195	49,222,195
Share premium	7	-	26,972,353
Treasury shares	8	(7,118,591)	(11,817,466)
Treasury shares reserve		-	4,267
Statutory reserve	7	-	1,180,931
Accumulated losses		(29,163,363)	(38,800,068)
Foreign currency translation reserve		(5,717,226)	(4,369,250)
Cumulative changes in fair values		628,361	438,536
Equity attributable to shareholders of the Parent Company		7,851,376	22,831,498
Non-controlling interests		9,014,911	10,356,023
TOTAL EQUITY		16,866,287	33,187,521
TOTAL LIABILITIES AND EQUITY		94,930,277	117,448,060

Adnan A. Aziz Al Bahar
Chairman and Managing Director

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

Period ended 30 September 2010

	Note	Three months ended 30 September		Nine months ended 30 September	
		2010 KD	2009 KD	2010 KD	2009 KD
Management fees		10,311	39,938	47,403	47,616
Murabaha and ijara income		84,839	126,339	86,620	369,477
Rental income from operating lease transactions		1,553,899	1,646,942	6,869,252	4,415,156
Gain on sale of assets used in operating leases		300,872	-	555,654	-
Unrealised (loss) gain on financial assets at fair value through income statement		(65,934)	(7,194)	466,602	1,059,184
Gain on sale of mutual fund investment		32,463	-	123,437	-
Realised (loss) gain from sale of financial assets available for sale		(306,684)	105,763	(188,543)	123,674
Dividend income		-	32,485	138,750	52,464
Finance income	11	326,481	181,103	963,057	955,800
Foreign exchange (loss) gain		(26,905)	179,800	521,898	(1,481,416)
Recovery from mudaraba contract	16	-	700,755	331,914	1,611,076
Other income		321,542	615,192	1,493,153	1,988,831
INCOME		2,230,884	3,621,123	11,409,197	9,141,862
General and administrative expenses		3,027,557	3,761,978	6,785,889	7,549,453
Murabaha and finance costs		1,271,013	1,989,923	3,784,753	5,129,189
Depreciation		1,096,926	1,912,022	4,390,643	4,553,450
Share of results of associates		499,752	616,408	1,932,656	3,023,556
Loss on sale of assets used in operating leases		-	99,215	-	633,652
(Reversal of) provision for credit losses		(22,795)	796,050	3,816,600	799,247
Impairment of financial assets available for sale		-	-	-	935,280
Loss on sale of investment in associate	6	-	-	103,536	-
Restructuring cost on investment in associate		-	1,673,592	-	2,102,687
EXPENSES		5,872,453	10,849,188	20,814,077	24,726,514
Loss before tax		(3,641,569)	(7,228,065)	(9,404,880)	(15,584,652)
Release of deferred tax liability		704,316	-	704,316	1,254,099
LOSS FOR THE PERIOD		(2,937,253)	(7,228,065)	(8,700,564)	(14,330,553)
Attributable to:					
Shareholders of the Parent Company		(2,444,279)	(6,711,228)	(7,868,070)	(13,354,348)
Non-controlling interests		(492,974)	(516,837)	(832,494)	(976,205)
		(2,937,253)	(7,228,065)	(8,700,564)	(14,330,553)
BASIC AND DILUTED LOSS PER SHARE	9	(5.28) Fils	(15.15) Fils	(17.09) Fils	(30.14) Fils

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended 30 September 2010

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2010 KD</i>	<i>2009 KD</i>	<i>2010 KD</i>	<i>2009 KD</i>
Loss for the period	<u>(2,937,253)</u>	<u>(7,228,065)</u>	<u>(8,700,564)</u>	<u>(14,330,553)</u>
Other comprehensive income (loss)				
Changes in fair value of financial assets available for sale	63,750	(161,903)	83,715	627,393
Foreign currency translation adjustment	<u>(691,056)</u>	<u>815,656</u>	<u>(772,948)</u>	<u>(1,736,052)</u>
Other comprehensive (loss) income for the period	<u>(627,306)</u>	<u>653,753</u>	<u>(689,233)</u>	<u>(1,108,659)</u>
Total comprehensive loss for the period	<u>(3,564,559)</u>	<u>(6,574,312)</u>	<u>(9,389,797)</u>	<u>(15,439,212)</u>
Attributable to:				
Shareholders of the Parent Company	<u>(2,715,905)</u>	<u>(6,025,990)</u>	<u>(8,251,003)</u>	<u>(14,681,813)</u>
Non-controlling interests	<u>(848,654)</u>	<u>(548,322)</u>	<u>(1,138,794)</u>	<u>(757,399)</u>
	<u>(3,564,559)</u>	<u>(6,574,312)</u>	<u>(9,389,797)</u>	<u>(15,439,212)</u>

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

Period ended 30 September 2010

	Note	Nine months ended 30 September	
		2010 KD	2009 KD
OPERATING ACTIVITIES			
Loss for the period		(8,700,564)	(14,330,553)
Adjustments for:			
Unrealised gain on financial assets at fair value through income statements		(466,602)	(1,059,184)
Realised loss (gain) from sale of financial assets available for sale		188,543	(123,674)
Impairment of receivables		-	17,960
Dividend income		(138,750)	(52,464)
Finance income	11	(963,057)	(955,800)
Recovery from mudaraba contract	16	(331,914)	(1,611,076)
Depreciation		4,390,643	4,553,450
Share of results of associates		1,932,656	3,023,556
(Gain) loss on sale of assets used in operating leases		(555,654)	633,652
Provision for credit losses		3,816,600	799,247
Impairment of financial assets available for sale		309,000	935,280
Loss on sale of investment in an associate	6	103,536	-
Restructuring cost on investment in an associate		-	2,102,687
		(415,563)	(6,066,919)
Changes in operating assets and liabilities:			
Financial assets at fair value through statement of income		-	(335,776)
Receivables		27,660	1,621,499
Other assets		(2,156,929)	(659,759)
Accounts payable and accruals		2,229,803	(1,166,542)
Net cash flows used in operating activities		(315,029)	(6,607,497)
INVESTING ACTIVITIES			
Partial recovery of amount paid to DBHC		-	233,483
Acquisition of a subsidiary		-	(77,510)
Purchase of financial assets available for sale		-	(185,640)
Purchase of investment in associates		-	(247,721)
Proceeds from sale of financial assets available for sale		366,583	-
Purchase of assets used in operating leases		(17,085,359)	(15,725,345)
Proceeds from disposal of assets used in operating leases		16,599,013	25,045,068
Purchase of furniture and equipment		-	(1,160,017)
Dividend income received		138,750	52,464
Net cash flows from investing activities		18,987	7,934,782
FINANCING ACTIVITIES			
Due to banks		(448,736)	(11,856,980)
Lease obligations		(723,577)	(953,420)
Net movement in non-controlling interests		1,201,019	1,107,209
Net cash from (used in) financing activities		28,706	(11,703,191)
Foreign currency translation reserve		(1,017,661)	2,541,243
DECREASE IN CASH AND CASH EQUIVALENTS		(1,284,997)	(7,834,663)
Cash and cash equivalents at 1 January		3,596,892	14,612,495
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	10	2,311,895	6,777,832

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

The International Investor Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 Period ended 30 September 2010

Attributable 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 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 2010, as previously stated	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(44,805,079)	(5,090,627)	471,148	16,137,722	9,546,564	25,684,286
Effect of restatement (Note 17)	-	-	-	-	-	(690,852)	(139,629)	53,176	(777,305)	(593,878)	(1,371,183)
At 1 January 2010, as restated	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(45,495,931)	(5,230,256)	524,324	15,360,417	8,952,686	24,313,103
Loss for the period	-	-	-	-	-	(7,868,070)	-	-	(7,868,070)	(832,494)	(8,700,564)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(486,970)	104,037	(382,933)	(306,300)	(689,233)
Total comprehensive (loss) income transferred accumulated losses (Note 7)	-	(26,972,353)	-	-	(1,180,931)	(7,868,070)	(486,970)	104,037	(8,251,003)	(1,138,794)	(9,389,797)
Sale of treasury shares	-	-	4,698,875	-	-	28,153,284	-	-	4,698,875	-	4,698,875
Loss on sale of treasury shares	-	-	-	(4,267)	-	(3,952,646)	-	-	(3,956,913)	-	(3,956,913)
Other non-controlling interests movements	-	-	-	-	-	-	-	-	-	1,201,019	1,201,019
At 30 September 2010	49,222,195	-	(7,118,591)	-	-	(29,163,363)	(5,717,226)	628,361	7,851,376	9,014,911	16,866,287
At 1 January 2009, as previously stated	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
Effect of restatement (Note 16)	-	-	-	-	-	239,207	106,029	6,839	352,075	-	352,075
At 1 January 2009, restated	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(25,445,720)	(2,448,667)	(154,582)	37,513,311	10,225,019	47,738,330
Loss for the period	-	-	-	-	-	(13,354,348)	-	-	(13,354,348)	(976,205)	(14,330,553)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(1,920,583)	593,118	(1,327,465)	218,806	(1,108,659)
Total comprehensive (loss) income	-	-	-	-	-	(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	(38,800,068)	(4,369,250)	438,536	22,831,498	10,556,023	33,187,521

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 30 September 2010 (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 (collectively "the Group") for the period ended 30 September 2010 were authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 5 April 2012 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 Shareea'a and is principally engaged in providing investment advisory and financial services permissible under Islamic Shareea'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.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

The Group incurred a loss of KD 7,868,070 attributable to equity holders of the Parent Company for the period ended 30 September 2010 (30 September 2009: KD 13,354,348) and as of that date, the Group has total accumulated losses of KD 29,163,363 (31 December 2009: KD 45,495,931 and 30 September 2009: KD 38,800,068).

The ability of the Group to continue as a going concern is dependent on availability of the continued support from the financial institutions (i.e. rescheduling of the profit bearing murabaha payables and other bank borrowings), related parties and the shareholders and the ability of the Group to improve profitability and cash flows.

The management of the Parent Company has been evaluating various strategies to improve the operating performance, financial position and adequacy of financial resources of the Group to enable the Group to continue to operate as a going concern.

If the Group is unable to continue in operational existence for the foreseeable future, it may be unable to discharge its liabilities in the normal course of business. Accordingly, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the interim condensed consolidated statement of financial position. In addition, the Group may have to reclassify the maturity analysis of its assets and liabilities. No such adjustments have been made to the interim condensed consolidated financial information.

2.2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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 2009.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

2.2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2009. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the nine month ended 30 September 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The following new standards and amendments to existing standards are applicable for the Group effective 1 January 2010:

IFRS 3 (Revised) – Business Combinations and consequential amendments to IAS 27 – Consolidated and Separate Financial Statements including consequential amendments to IFRS 7, IAS 28 and IAS 39. The main changes in the Group's accounting policies are as follows:

- Acquisition related costs are expensed in the statement of income in the period in which the costs are incurred;
- Changes in ownership interest in a subsidiary that do not result in a loss of control are treated as transaction between equity holders and are accounted for within equity;
- Equity interest held prior to control being obtained is remeasured to fair value at the date of obtaining control, and any gain or loss is recognised in the statement of income.

The new standards and amendments to existing standards have not had a significant impact on the Group's interim condensed consolidated financial information.

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>30 September 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Designated on initial recognition:			
Quoted securities	21,061	130,000	366,311
Unquoted securities	7,965,950	7,390,409	8,295,427
	<u>7,987,011</u>	<u>7,520,409</u>	<u>8,661,738</u>

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

The fair value of certain unquoted equity securities of KD 3,700,800 (31 December 2009: KD 3,125,259 and 30 September 2009: KD 3,876,331) has been determined using an acceptable method of valuation by an independent value. Based on such valuation, unrealised gain of KD 575,542 (31 December 2009: KD 1,144,214 and 30 September 2009: KD 1,024,012) was recorded in the consolidated statement of income.

Fair value of certain unquoted equity securities of KD 2,745,783 (31 December 2009: KD 2,745,783 and 30 September 2009: KD 2,745,783) has been determined by management in prior years using valuation techniques that are not based on observable market prices or rates.

Financial assets carried at fair value through income statement of KD 1,519,367 (31 December 2009: KD 1,519,367 and 30 September 2009: KD 768,295) have been carried at cost due to the non-availability of publicly available fair value information or other reliable measures of their fair values.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

4 RECEIVABLES

	<i>30 September 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Murabaha receivables	3,955,851	3,933,636	3,931,415
Lease receivables	2,506,349	2,538,272	3,049,766
Other receivables	12,083	38,540	47,883
	<u>6,474,283</u>	<u>6,510,448</u>	<u>7,029,064</u>
Less: provision	<u>(5,869,355)</u>	<u>(2,034,803)</u>	<u>(2,044,135)</u>
	<u>604,928</u>	<u>4,475,645</u>	<u>4,984,929</u>

Certain murabaha receivables amounting to KD 332,500 (31 December 2009: KD 332,500 and 30 September 2009: KD 332,500) are secured against equity securities. Whenever necessary, murabaha receivables are secured by acceptable forms of collateral to mitigate the related credit risks.

5 FINANCIAL ASSETS AVAILABLE FOR SALE

	<i>30 September 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Quoted securities	3,254,141	2,834,555	4,005,457
Unquoted securities	13,256,672	9,354,237	2,954,827
	<u>16,510,813</u>	<u>12,188,792</u>	<u>6,960,284</u>

The fair value of quoted equity securities is determined based on the market bid prices.

Included under unquoted equities are financial assets amounting to KD 2,170,840 (31 December 2009: KD 2,867,537 and 30 September 2009: KD 2,214,341) 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 active market for these financial assets and the Group intends to hold them for the long term. Based on the latest information available, the management is not aware of any circumstances that would indicate further impairment in the value of these investments.

Certain financial assets available for sale amounting to KD 2,876,356 (31 December 2009: KD 3,159,296 and 30 September 2009: KD 498,227) have been provided as collateral towards Islamic financing facility. During the current period, the Group has disposed of 2,080,000 shares of a quoted security that has been provided as collateral towards an Islamic financing facility.

6 INVESTMENT IN ASSOCIATES

During the period, the Group has sold its investments in Credit One Kuwait for Trading and Programming Company K.S.C. (Closed) to one of its lenders and recognised loss of KD 103,536 (30 September 2009: KD nil). The proceeds from the sale were utilised to partially settle borrowings payable to the same lender.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

7 SHARE PREMIUM AND STATUTORY RESERVE

On 1 June 2010, the Annual General Assembly of the Parent Company approved the extinguishment of accumulated losses amounting to KD 28,153,284 against the existing share premium and statutory reserve.

8 TREASURY SHARES

	<i>30 September 2010</i>	<i>(Audited) 31 December 2009</i>	<i>30 September 2009</i>
Number of treasury shares	<u>29,580,000</u>	<u>49,105,313</u>	<u>49,105,313</u>
Percentage of treasury shares	<u>6.01</u>	<u>9.98</u>	<u>9.98</u>
Cost of treasury shares (KD)	<u>7,118,591</u>	<u>11,817,466</u>	<u>11,817,466</u>
Market value of treasury shares (KD)	<u>872,610</u>	<u>2,357,055</u>	<u>2,504,371</u>

29,580,000 treasury shares (31 December 2009: 49,100,000 and 30 September 2009: 49,100,000) have been pledged as collateral in respect of a mudaraba payable (included within due to banks). During the current period, the Group has disposed of 19,525,313 treasury shares that were pledged as collateral for a mudaraba payable.

9 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted 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.

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Loss for the period attributable to the shareholders of the Parent Company (KD)	<u>(2,444,279)</u>	<u>(6,711,228)</u>	<u>(7,868,070)</u>	<u>(13,354,348)</u>
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<u>462,641,950</u>	<u>443,116,637</u>	<u>460,274,294</u>	<u>443,116,637</u>
Basic and diluted loss per share	<u>(5.28) Fils</u>	<u>(15.15) Fils</u>	<u>(17.09) Fils</u>	<u>(30.14) Fils</u>

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 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>30 September 2009 KD</i>
Cash and bank balances	<u>2,311,895</u>	<u>2,837,522</u>	<u>3,194,397</u>
Murabaha investments	<u>-</u>	<u>-</u>	<u>3,583,435</u>
	<u>2,311,895</u>	<u>2,837,522</u>	<u>6,777,832</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

11 RELATED PARTY TRANSACTIONS

Related parties represent major 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 management of the Parent Company. Related party balances and transactions consist of the following:

	<i>30 September</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 September</i> <i>2009</i> <i>KD</i>
Transactions included in the interim condensed consolidated statement of financial position:			
Amounts due from related parties:			
Due from associate	42,726	4,960	1,029
		<i>Nine months period ended</i>	
		<i>30 September</i> <i>2010</i> <i>KD</i>	<i>30 September</i> <i>2009</i> <i>KD</i>
Transactions included in the interim condensed consolidated statement of income:			
Finance income (from associate)		963,057	955,800
Key management compensation:			
Salaries and other short term benefits		510,626	941,129
Employees' end of service benefits		51,399	89,374
		<u>562,025</u>	<u>1,030,503</u>

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 2010 amounted to KD 15,510,750 (31 December 2009: KD 15,713,614 and 30 September 2009: KD 19,273,199). Management fees from fiduciary activities during the period amounted to KD 47,403 (30 September 2009: KD 47,616).

13 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 2009.

Further, there were no options granted or exercised since 31 December 2009.

14 CONTINGENCIES AND COMMITMENTS

There were no material changes in contingencies and commitments since 31 December 2009.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

15 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 2010</i>	<i>Investment management and advisory services KD</i>	<i>Leasing KD</i>	<i>Total KD</i>
Segment revenue	3,302,568	8,106,629	11,409,197
Segment expenses	(11,505,479)	(9,308,598)	(20,814,077)
Segment results before tax	<u>(8,202,911)</u>	<u>(1,201,969)</u>	<u>(9,404,880)</u>
Total assets	<u>55,189,805</u>	<u>39,740,472</u>	<u>94,930,277</u>

<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	5,360,358	3,781,504	9,141,862
Segment expenses	(15,714,135)	(9,012,379)	(24,726,514)
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>

16 ACCOUNTING FOR MUDARABA CONTRACT

The Parent Company (the "Mudarib") has entered in 13 of November 2007 in a Mudaraba contract with a foreign bank ("Rab Al-Mal") for three years in accordance with Sharia principles for Mudaraba contracts. The Mudaraba contract stipulates that the Mudarib and Rab Al-Mal shall be entitled to 1% and 99% of the net profit generated from the Mudaraba capital respectively. The Mudaraba contract also stipulates, the Mudarib is not entitle to any remuneration if the Mudaraba has not made any profit.

The Mudaraba contract also stipulates that in case of loss situation, Rab Al-Mal will absorb the loss alone unless the Mudarib acted in willful misconduct, negligence or fraud.

The Parent Company made payments on account to the foreign bank during 2008 and 2009. The management believes that the Parent Company has overpaid the foreign bank by USD 5,219,198, therefore, the bank must repay the amount back to the Parent Company at the final settlement of the Mudaraba.

In 13 November 2010 the Mudaraba contract expired with losses due to reasons and circumstances beyond the control of the Mudarib as a result of the world-wide economic crisis.

The management is not able to obtain confirmation from the foreign bank on the amount of losses or the current balance. In the opinion of the External & Internal legal counsel as supported by the Sharia advisor opinion the company bears no liability toward the foreign bank. The Parent Company has start legal proceeding against the foreign bank for determining the final balance of the Mudaraba contract.

The International Investor Company K.S.C. (Closed) and Subsidiaries
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2010

17 COMPARATIVE INFORMATION

The interim condensed consolidated financial statements of the Group for the year ended 31 December 2009 included the consolidated management accounts of Bayt Al Mal Holding Company K.S.C. (Holding) (a "subsidiary"). During the period ended 30 September 2010 management of the Parent Company adjusted its prior year balances based on the audited consolidated financial statements of the subsidiary. Accordingly the comparative figures are restated.

The result of above restatement is summarised as follows:

	<i>At 31 December 2009</i>
	<i>KD</i>
Net decrease in assets	1,291,748
Net increase in liabilities	79,435
Net increase in loss for the year	1,212,233
Net decrease in total equity	1,371,183

The effect on basic and diluted loss per share per share related to the restatement in 2009 was less than 2 Fils.