

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

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

30 JUNE 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 June 2010 and the related interim condensed consolidated statement of income and comprehensive income for the three month and six month period then ended, and the related interim condensed consolidated statements of cash flows and changes in equity for the six 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

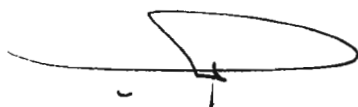
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Commercial Companies Law of 1960,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

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

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 six month period ended 30 June 2010.

Emphasis of Matter

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



WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG
31 August 2010
Kuwait

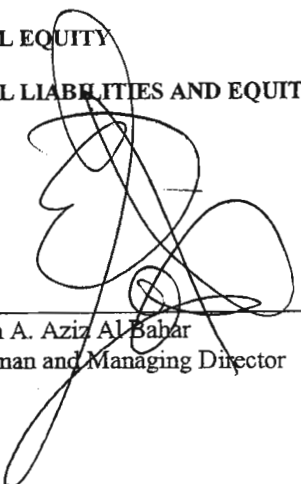


ALI A. AL-HASAWI
LICENCE NO. 30 A
RÖDL MIDDLE EAST
BURGAN - INTERNATIONAL ACCOUNTANTS

The International Investor Company K.S.C. (Closed) and Subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)**

At 30 June 2010

		<i>(Audited)</i>	<i>(Restated)</i>
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS	<i>Note</i>		
Cash and bank balances	10	2,855,828	4,159,749
Murabaha investments	10	-	5,116,527
Financial assets at fair value through income statement	3	8,052,945	8,829,342
Receivables	4	614,740	5,709,907
Amount paid to Dallah Albaraka		-	233,483
Assets used in operating leases		26,101,951	31,732,356
Other assets		9,861,304	14,917,207
Financial assets available for sale	5	12,316,575	6,857,260
Investment in associates	6	13,309,109	23,138,000
Investment property		930,962	930,962
Furniture and equipment		5,791,905	7,313,855
Goodwill		13,097,770	13,160,879
TOTAL ASSETS		92,933,089	122,099,527
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accruals		16,042,050	13,109,284
Due to banks		56,202,547	68,063,453
Lease obligations		211,393	1,108,979
TOTAL LIABILITIES		72,455,990	82,281,716
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		(26,028,232)	(32,079,019)
Foreign currency translation reserve		(5,221,899)	(5,159,538)
Cumulative changes in fair values		491,113	543,605
Equity attributable to shareholders of the Parent Company		11,344,586	28,867,328
Non controlling interests		9,132,513	10,950,483
TOTAL EQUITY		20,477,099	39,817,811
TOTAL LIABILITIES AND EQUITY		92,933,089	122,099,527


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 Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

Period ended 30 June 2010

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2010</i>	<i>(Restated)</i>	<i>2010</i>	<i>(Restated)</i>
<i>Note</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Management fees	18,729	5,049	37,092	7,678
Murabaha and ijara (expense) income	(96,822)	159,842	1,781	243,138
Rental income from operating lease transactions	1,460,175	1,778,032	5,315,353	2,768,214
Gain (loss) on sale of assets used in operating lease	261,630	(259,210)	254,782	(534,437)
Unrealised gain (loss) on financial assets at fair value through income statement	2,494	(26,921)	532,536	1,066,378
Realised (loss) gain from sale of financial assets available for sale	(48,259)	-	118,141	-
(Loss) gain on sale of mutual fund Investment	(104,731)	-	90,974	-
Realised gain on financial assets at fair value through income statement	-	17,911	-	17,911
Dividend income	138,750	399	138,750	19,979
Finance income	320,715	387,916	636,576	774,697
Foreign exchange gain (loss)	162,458	(1,796,987)	548,803	(1,661,216)
Other income	485,928	559,996	1,171,611	1,373,639
INCOME	2,601,067	826,027	8,846,399	4,075,981
General and administrative expenses	1,328,918	2,015,987	3,758,332	3,769,514
Murabaha and finance costs	1,115,109	1,721,862	2,513,740	3,102,312
Depreciation	1,231,825	1,205,461	3,293,717	2,641,428
Share of results of associates	815,719	1,806,039	1,432,904	2,407,148
Provision for (reversal of) credit losses	2,234,568	(39,428)	3,839,395	3,197
Impairment of financial assets available for sale	-	187,500	-	935,280
Loss on disposal of investment in an Associate	6	-	103,536	-
Restructuring cost on investment in an Associate	6	429,095	-	429,095
Impairment of receivables	-	17,960	-	17,960
Loss recovery from mudaraba contract	16	(296,752)	(331,914)	(883,187)
EXPENSES	6,429,387	6,712,505	14,609,710	12,422,747
Loss before tax	(3,828,320)	(5,886,478)	(5,763,311)	(8,346,766)
Provision for deferred tax liability	-	830,997	-	1,254,099
LOSS FOR THE PERIOD	(3,828,320)	(5,055,481)	(5,763,311)	(7,092,667)
Attributable to:				
Shareholders of the Parent Company	(3,553,552)	(4,856,963)	(5,423,791)	(6,633,299)
Non controlling interests	(274,768)	(198,518)	(339,520)	(459,368)
	(3,828,320)	(5,055,481)	(5,763,311)	(7,092,667)
BASIC AND DILUTED LOSS PER SHARE	9	(7.68) fils	(11.64) fils	(14.97) 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 Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended 30 June 2010

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2010</i>	<i>(Restated)</i>	<i>2010</i>	<i>(Restated)</i>
	<i>KD</i>	<i>2009</i>	<i>KD</i>	<i>2009</i>
		<i>KD</i>		<i>KD</i>
Loss for the period	(3,828,320)	(5,055,481)	(5,763,311)	(7,092,667)
Other comprehensive (loss) income				
Changes in fair value of financial assets available for sale	(157,250)	695,026	19,965	698,187
Foreign currency translation adjustment	18,974	(1,727,443)	(81,892)	(2,460,580)
Other comprehensive loss for the period included in equity	(138,276)	(1,032,417)	(61,927)	(1,762,393)
Total comprehensive loss for the period	(3,966,596)	(6,087,898)	(5,825,238)	(8,855,060)
Attributable to:				
Shareholders of the Parent Company	(3,782,409)	(6,132,585)	(5,535,098)	(8,645,983)
Non controlling interests	(184,187)	44,687	(290,140)	(209,077)
	(3,966,596)	(6,087,898)	(5,825,238)	(8,855,060)

The attached notes 1 to 16 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 June 2010

	Note	Six months ended 30 June	
		2010 KD	(Restated) 2009 KD
OPERATING ACTIVITIES			
Loss for the period		(5,763,311)	(7,092,667)
Adjustments for:			
Depreciation		3,293,717	2,641,428
Provision for credit losses		3,839,395	3,197
Unrealised gain on financial assets at fair value through income statement		(532,536)	(1,066,378)
(Gain) loss on sale of assets used in operating lease		(254,782)	534,437
Impairment of financial assets available for sale		-	935,280
Impairment of receivables		-	17,960
Realised gain from sale of financial assets available for sale		(118,141)	-
Loss on disposal of investment in an associate		103,536	-
Dividend income		(138,750)	(19,979)
Share of results of associates		1,432,904	2,407,148
Restructuring cost on investment in an associate		-	429,095
Finance income		(636,576)	(774,697)
Loss recovered from mudaraba contract		(331,914)	(883,187)
		<u>893,542</u>	<u>(2,868,363)</u>
Changes in operating assets and liabilities:			
Financial assets at fair value through statement of income		-	(496,186)
Receivables		(17,029)	1,644,688
Other assets		371,879	(408,150)
Accounts payable and accruals		(156,669)	(3,025,955)
Net cash flows from (used in) operating activities		<u>1,091,723</u>	<u>(5,153,966)</u>
INVESTING ACTIVITIES			
Acquisition of a subsidiary		-	(77,510)
Purchase of financial assets available for sale		(141,440)	(101,221)
Proceeds from sale of financial assets available for sale		843,104	-
Purchase of assets used in operating leases		(11,263,585)	(13,981,802)
Proceeds from disposal of assets used in operating leases		11,921,992	21,189,596
Purchase of furniture and equipment		-	(1,076,774)
Dividend income received		138,750	19,979
Net cash flows (used in) from investing activities		<u>1,498,821</u>	<u>5,972,268</u>
FINANCING ACTIVITIES			
Due to banks		(3,722,807)	(12,893,107)
Lease obligations		(591,598)	(764,594)
Net movement in non controlling interests		(123,911)	1,184,832
Net cash used in financing activities		<u>(4,438,316)</u>	<u>(12,472,869)</u>
Foreign currency translation reserve		<u>1,106,708</u>	<u>6,318,348</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(741,064)</u>	<u>(5,336,219)</u>
Cash and cash equivalents at 1 January		<u>3,596,892</u>	<u>14,612,495</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	10	<u><u>2,855,828</u></u>	<u><u>9,276,276</u></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 Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 Period ended 30 June 2010

	<i>Attributable to the equity holders of the Parent Company</i>										
	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	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
Loss for the period	-	-	-	-	-	(5,423,791)	-	-	(5,423,791)	(339,520)	(5,763,311)
Other comprehensive loss for the period	-	-	-	-	-	-	(131,272)	19,965	(111,307)	49,380	(61,927)
Total comprehensive loss	-	-	-	-	-	(5,423,791)	(131,272)	19,965	(5,535,098)	(290,140)	(5,825,238)
Transferred accumulated losses (Note 7)	-	(26,972,353)	-	-	(1,180,931)	28,153,284	-	-	-	-	-
Sale of treasury shares	-	-	4,698,875	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	(123,911)	(123,911)
At 30 June 2010	49,222,195	-	(7,118,591)	-	-	(26,028,232)	(5,221,899)	491,113	11,344,586	9,132,513	20,477,099
At 1 January 2009, as previously stated	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(29,653,535)	(2,592,011)	(169,211)	33,147,523	10,225,019	43,372,542
Effect of restatement (Note 16)	-	-	-	-	-	4,207,815	143,344	14,629	4,365,788	-	4,365,788
At 1 January 2009, as 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	-	-	-	-	-	(6,633,299)	-	-	(6,633,299)	(459,368)	(7,092,667)
Other comprehensive loss for the period	-	-	-	-	-	-	(2,710,871)	698,187	(2,012,684)	250,291	(1,762,393)
Total comprehensive loss	-	-	-	-	-	(6,633,299)	(2,710,871)	698,187	(8,645,983)	(209,077)	(8,855,060)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	(649,151)	(649,151)
Other non controlling interests movements	-	-	-	-	-	-	-	-	-	1,583,692	1,583,692
At 30 June 2009, as restated (Note 16)	49,222,195	26,972,353	(11,817,466)	4,267	1,180,931	(32,079,019)	(5,159,538)	543,605	28,867,328	10,950,483	39,817,811

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

30 June 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 June 2010 were authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 31 August 2010 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 5,423,791 attributable to equity holders of the Parent Company for the period ended 30 June 2010 (30 June 2009: KD 6,633,299) and as of that date, the Group has total accumulated losses of KD 26,028,232 (31 December 2009: KD 44,805,079 and 30 June 2009: KD 32,079,019).

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

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.

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 addition, results for the six month ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The International Investor Company K.S.C. (Closed) and Subsidiaries
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
 INFORMATION (UNAUDITED)
 At 30 June 2010

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>30 June</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 June</i> <i>2009</i> <i>KD</i>
Designated on initial recognition:			
Quoted securities	60,320	130,000	528,001
Unquoted securities	7,992,625	7,390,409	8,301,341
	<u>8,052,945</u>	<u>7,520,409</u>	<u>8,829,342</u>

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

The fair value of certain unquoted equity securities has been determined using valuation techniques other than quoted market prices which involve uncertainties and estimates based on independent external valuers and the Group management's judgment. Unrealised gain recorded based on such valuation techniques amounted to KD 602,216 (31 December 2009: KD 1,144,214 and 30 June 2009: KD 1,029,926) and it relates to an investment in a real estate development company with a carrying value of KD 3,727,474 which has been determined based on the valuation of the company's underlying assets.

4 RECEIVABLES

	<i>30 June</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 June</i> <i>2009</i> <i>KD</i>
Murabaha receivables	3,955,849	3,933,636	3,936,413
Lease receivables	2,545,805	2,538,272	3,016,252
	<u>6,501,654</u>	<u>6,471,908</u>	<u>6,952,665</u>
Less: provision	(5,886,914)	(2,034,803)	(1,242,758)
	<u>614,740</u>	<u>4,437,105</u>	<u>5,709,907</u>

Certain murabaha receivables amounting to KD 332,500 (31 December 2009: KD 332,500 and 30 June 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 June</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>31 March</i> <i>2009</i> <i>KD</i>
Quoted securities	3,148,402	4,150,795	3,902,430
Unquoted securities	9,168,173	2,867,537	2,954,830
	<u>12,316,575</u>	<u>7,018,332</u>	<u>6,857,260</u>

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

At 30 June 2010

5 FINANCIAL ASSETS AVAILABLE FOR SALE (continued)

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

Included under unquoted equities are financial assets amounting to KD 2,851,567 (31 December 2009: KD 2,867,537 and 30 June 2009 KD 2,954,830) 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.

Certain financial assets available for sale amounting to KD 2,765,356 (31 December 2009: KD 3,159,296 and 30 June 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 June 2009: KD Nil). The proceeds from the sale were utilised to partially settle borrowings payable to the same lender.

7 SHARE PREMIUM AND STATUTORY RESERVE

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

8 TREASURY SHARES

	<i>30 June</i> <i>2010</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i>	<i>30 June</i> <i>2009</i>
Number of treasury shares	29,580,000	49,105,313	49,105,313
Percentage of treasury shares	6.01	9.98	9.98
Cost of treasury shares (KD)	7,118,591	11,817,466	11,817,466
Market value of treasury shares (KD)	887,400	2,357,055	3,191,845

29,580,000 treasury shares (31 December 2009: 49,100,000 and 30 June 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.

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9 BASIC AND DILUTED LOSS PER SHARE (continued)

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2010</i>	<i>2009</i> <i>(Restated)</i>	<i>2010</i>	<i>2009</i> <i>(Restated)</i>
Loss for the period attributable to the shareholders of the Parent Company (KD)	<u>(3,553,552)</u>	<u>(4,856,963)</u>	<u>(5,423,791)</u>	<u>(6,633,299)</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>466,077,618</u>	<u>443,116,637</u>
Basic and diluted loss per share	<u>(7.68) fils</u>	<u>(10.96) fils</u>	<u>(11.64) fils</u>	<u>(14.97) 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 June</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 June</i> <i>2009</i> <i>KD</i>
Cash and bank balances	<u>2,855,828</u>	<u>2,837,522</u>	<u>4,159,749</u>
Murabaha investments	<u>-</u>	<u>759,370</u>	<u>5,116,527</u>
	<u>2,855,828</u>	<u>3,596,892</u>	<u>9,276,276</u>

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 June</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31</i> <i>December</i> <i>2009</i> <i>KD</i>	<i>30 June</i> <i>2009</i> <i>KD</i>
Transactions included in interim condensed consolidated statement of financial position			
Amounts due from related parties:			
Due from an associate	<u>40,486</u>	<u>4,960</u>	<u>138,737</u>

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11 RELATED PARTY TRANSACTIONS (continued)

	<i>Six months period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Transactions included in the interim condensed consolidated statement of income		
Finance income (from an associate)	636,576	774,697
Key management compensation:		
Salaries and other short term benefits	340,358	651,353
Employees' end of service benefits	35,608	61,527

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 June 2010 amounted to KD 15,976,035 (31 December 2009: KD 15,713,614 and 30 June 2009: KD 20,421,113). Management fees from fiduciary activities during the period amounted to KD 37,092 (30 June 2009: KD 7,678).

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>Six months ended</i>	<i>Investment</i>		
<i>30 June 2010</i>	<i>management</i>	<i>Leasing</i>	<i>Total</i>
	<i>and advisory</i>	<i>KD</i>	<i>KD</i>
	<i>services</i>		
	<i>KD</i>		
Segment revenue	2,558,394	6,288,005	8,846,399
Segment expenses	6,420,457	8,189,253	14,609,710
Segment results before tax	<u>(3,862,063)</u>	<u>(1,901,248)</u>	<u>(5,763,311)</u>
Total assets	<u>57,268,895</u>	<u>35,664,194</u>	<u>92,933,089</u>

<i>Six months ended</i>	<i>Investment</i>		
<i>30 June 2009, (Restated)</i>	<i>management</i>	<i>Leasing</i>	<i>Total</i>
	<i>and advisory</i>	<i>KD</i>	<i>KD</i>
	<i>services</i>		
	<i>KD</i>		
Segment revenue	1,842,204	2,233,777	4,075,981
Segment expenses	5,850,052	6,572,695	12,422,747
Segment results before tax	<u>(4,007,848)</u>	<u>(4,338,918)</u>	<u>(8,346,766)</u>
Total assets	<u>74,825,337</u>	<u>47,274,190</u>	<u>122,099,527</u>

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

15 CONTINGENCIES AND COMMITMENTS

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

16 COMPARATIVE INFORMATION

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 June 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 is not able to obtain confirmation from the foreign bank for the losses allocated to them or outstanding balance. In the opinion of the Parent Company's 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 by circumstances beyond the control of the Parent Company.

During the period ended 30 June 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 restatement is summarised as follows:-

	<i>At</i> <i>1 January</i> <i>2009</i> <i>KD</i>	<i>At</i> <i>30 June</i> <i>2009</i> <i>KD</i>
Net decrease in liabilities	4,365,788	5,748,461
Net decrease in loss	3,968,608	1,114,695
Net increase in total equity	4,365,788	5,748,461

The effect on loss per share and diluted loss per share related to the restatement for three months period ended on 30 June 2009 was less than 2 fils and for six months period ended on 30 June 2009 was less than 3 fils.