

**BOUBYAN PETROCHEMICAL COMPANY K.S.C.
AND SUBSIDIARIES**

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

31 JULY 2011

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN PETROCHEMICAL COMPANY K.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Petrochemical Company K.S.C (the "parent company") and its Subsidiaries (the "group") as at 31 July 2011 and the related interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three 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 International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). 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

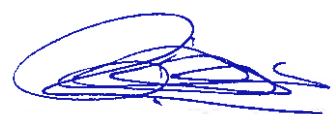
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

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, nor of the articles of association of the parent company have occurred during the three month period ended 31 July 2011 that might have had a material effect on the business of the parent company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG



ALI KHALED AL-FARAJ
LICENCE NO. 28 A
OF AL-FARAJ AUDITING OFFICE

12 September 2011
Kuwait

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 July 2011 (Unaudited)

	Notes	3 months ended 31 July	
		2011 KD	2010 KD
Sales		5,827,375	6,583,273
Cost of sales		(4,756,803)	(5,338,194)
GROSS PROFIT		1,070,572	1,245,079
Dividend income		120,143	3,262,130
Investment income		679,310	714,217
Share of results of associates	6	2,308,360	212,207
Other income		10,670	198,552
General and administrative expenses		(676,087)	(1,017,956)
Finance cost		(1,657,060)	(1,949,878)
Foreign exchange (loss) gain		(117,710)	166,537
Profit before impairment of investments available for sale		1,738,198	2,830,888
Impairment of investments available for sale (others)	5	(870,430)	(1,144,597)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT		867,768	1,686,291
Contribution to KFAS		-	(12,952)
Contribution to NLST		(911)	-
Zakat		-	(2,610)
PROFIT FOR THE PERIOD		866,857	1,670,729
<i>Other comprehensive income:</i>			
Realised gain on sale of investments available for sale (others)		(382,323)	-
Unrealised loss on investments available for sale (others)		(7,771,034)	(6,377,685)
Transfer to profit for the period on impairment of investments available for sale (others)		870,430	1,144,597
Change in other comprehensive income of associates	6	(407,133)	(139,250)
Revaluation of property, plant and equipment		(56,554)	36,870
Change in fair value of cash flow hedges	12	-	(74,014)
Others		(30,085)	-
OTHER COMPREHENSIVE INCOME		(7,776,699)	(5,409,482)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(6,909,842)	(3,738,753)
Profit attributable to:			
Equity holders of the parent company		850,473	1,659,304
Non-controlling interests		16,384	11,425
		866,857	1,670,729
Total comprehensive income attributable to:			
Equity holders of the parent company		(6,896,141)	(3,750,178)
Non-controlling interests		(13,701)	11,425
		(6,909,842)	(3,738,753)
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	1.76 fils	3.44 fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

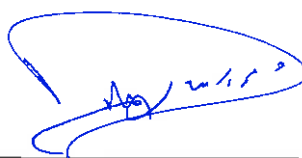
Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2011 (Unaudited)

		31 July 2011 KD	(Audited) 30 April 2011 KD	31 July 2010 KD
ASSETS				
Bank balances and short term deposits	4	3,289,302	6,586,836	17,814,027
Accounts receivable and prepayments		9,235,019	8,752,321	8,424,081
Inventories		3,643,284	3,893,650	3,398,314
Investments carried at fair value through income statement		71,821,282	71,903,533	56,652,422
Investments available for sale (Equate)		134,000,000	134,000,000	130,500,000
Investments available for sale (others)	5	150,817,075	160,541,809	176,780,621
Investment in associates	6	22,096,638	20,195,411	21,527,650
Exchange of deposits		2,629,797	2,351,279	6,015,631
Property, plant and equipment		15,230,240	15,640,755	14,521,661
Goodwill		6,002,464	6,002,464	6,002,464
TOTAL ASSETS		418,765,101	429,868,058	441,636,871
LIABILITIES AND EQUITY				
LIABILITIES				
Bank overdraft	4	-	-	867,388
Term loans		94,327,878	94,584,318	135,079,061
Islamic financing payables		58,000,000	60,500,000	53,000,000
Accounts payable and accruals		11,006,117	12,230,616	8,639,607
Dividend payable		19,409,518	2,708,886	16,912,053
Total liabilities		182,743,513	170,023,820	214,498,109
EQUITY				
Share capital		48,510,000	48,510,000	48,510,000
Share premium		2,400,000	2,400,000	2,400,000
Treasury shares	8	(949,972)	(949,972)	(753,994)
Treasury shares reserve		993,574	993,574	955,200
Statutory reserve		24,255,000	24,255,000	22,189,125
Voluntary reserve		24,255,000	24,255,000	22,189,125
Revaluation reserve		5,756,809	5,813,363	5,184,050
Cumulative changes in fair value		96,110,475	103,800,535	93,189,393
Other reserves		(181,744)	(181,744)	(181,744)
Retained earnings		33,500,217	49,562,552	32,517,297
Equity attributable to equity holders of the parent company		234,649,359	258,458,308	226,198,452
Non-controlling interests		1,372,229	1,385,930	940,310
Total equity		236,021,588	259,844,238	227,138,762
TOTAL LIABILITIES AND EQUITY		418,765,101	429,868,058	441,636,871

Marzouq A. Alghanim
(Chairman)


Dabbous M. Al-Dabbous
(Deputy Chairman)

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 July 2011 (Unaudited)

	Notes	3 months ended 31 July	
		2011 KD	2010 KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		867,768	1,686,291
Adjustments for:			
Finance cost		1,657,060	1,949,878
Depreciation		240,058	233,830
Employees' end of service benefits		52,416	31,627
Realised gain on sale of investments available for sale (others)		(382,323)	-
Impairment of investment available for sale (others)	5	870,430	1,144,597
Other income		(10,670)	(198,552)
Share of results of associates		(2,308,360)	(212,207)
Foreign exchange loss (gain)		117,710	(166,537)
Unrealised loss on investments carried at fair value through income statement		64,629	44,714
		<u>1,168,718</u>	<u>4,513,641</u>
Working capital adjustments:			
Accounts receivable and prepayments		(482,698)	911,417
Inventories		250,366	376,311
Accounts payable and accruals		(1,225,410)	(1,827,473)
		<u>(289,024)</u>	<u>3,973,896</u>
Taxation paid		(272,909)	(506,820)
Net cash (used in) from operating activities		<u>(561,933)</u>	<u>3,467,076</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,161)	-
Additions to investments available for sale (others)		(638,510)	(182,075)
Proceeds from sale of investments available for sale (others)		1,547,834	-
Dividend received from an associate		-	317,520
Acquisition of an associate	6	-	(8,178,216)
Acquisition of additional interest in a subsidiary		-	(238,774)
Net cash from (used in) investing activities		<u>899,163</u>	<u>(8,281,545)</u>
FINANCING ACTIVITIES			
Dividends paid		(212,174)	(259,306)
Net movement in term loans		383,946	6,253,521
Net movement in murabaha payables		(2,500,000)	8,000,000
Finance cost paid		(1,306,536)	(1,683,336)
Purchase of treasury shares		-	(386,555)
Proceeds from sale of treasury shares		-	98,682
Net cash (used in) from financing activities		<u>(3,634,764)</u>	<u>12,023,006</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		6,586,836	9,738,102
CASH AND CASH EQUIVALENTS AT 31 JULY	4	<u>3,289,302</u>	<u>16,946,639</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 July 2011 (Unaudited)

	Attributable to shareholders of the parent company										Non-controlling interests	Total equity	
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Revaluation reserve KD	Cumulative changes in fair value KD	Other reserves KD	Retained earnings KD			Sub total KD
Balance at 1 May 2011	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	5,813,363	103,800,535	(181,744)	49,562,550	258,458,306	1,385,930	259,844,236
Profit for the period	-	-	-	-	-	-	-	-	-	850,473	850,473	16,384	866,857
Other comprehensive income	-	-	-	-	-	-	(56,554)	(7,690,060)	-	-	(7,746,614)	(30,085)	(7,776,699)
Total comprehensive loss for the period	-	-	-	-	-	-	(56,554)	(7,690,060)	-	850,473	(6,896,141)	(13,701)	(6,909,842)
Dividends (note 7)	-	-	-	-	-	-	-	-	-	(16,912,806)	(16,912,806)	-	(16,912,806)
Balance at 31 July 2011	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	5,756,809	96,110,475	(181,744)	33,500,217	234,649,359	1,372,229	236,021,588

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the period ended 31 July 2011 (Unaudited)

	Attributable to shareholders of the parent company										Non-controlling interests	Total equity	
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Revaluation reserve KD	Cumulative changes in fair value KD	Other reserves KD	Retained earnings KD			Sub total KD
Balance at 1 May 2010	48,510,000	2,400,000	(461,841)	950,920	22,189,125	22,189,125	5,147,180	98,635,745	-	45,366,701	244,926,955	1,028,364	245,955,319
Profit for the period	-	-	-	-	-	-	-	1,659,304	-	1,659,304	1,659,304	11,425	1,670,729
Other comprehensive income	-	-	-	-	-	-	36,870	(5,446,352)	-	-	(5,409,482)	-	(5,409,482)
Total comprehensive loss for the period	-	-	-	-	-	-	36,870	(5,446,352)	-	1,659,304	(3,750,178)	11,425	(3,738,753)
Purchase of treasury shares	-	-	(386,555)	-	-	-	-	-	-	-	(386,555)	-	(386,555)
Sale of treasury shares	-	-	94,402	4,280	-	-	-	-	-	-	98,682	-	98,682
Dividends (note 7)	-	-	-	-	-	-	-	-	-	(14,508,708)	(14,508,708)	-	(14,508,708)
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	(181,744)	-	(181,744)	(74,574)	(256,318)
Other movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(24,905)	(24,905)
Balance at 31 July 2010	48,510,000	2,400,000	(753,994)	955,200	22,189,125	22,189,125	5,184,050	93,189,393	(181,744)	32,517,297	226,198,452	940,310	227,138,762

During the three months ended 31 July 2011, unrealised loss on investments available for sale (others) include an amount of KD 1,014,498 (three months ended 31 July 2010: KD 258,324) in respect of foreign currency movements.

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2011 (Unaudited)

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Boubyan Petrochemical Company K.S.C. (the "parent company") and its subsidiaries (the "group") for the period ended 31 July 2011 were authorised for issue in accordance with a resolution of the directors 12 September 2011.

The parent company is a Kuwaiti Public Shareholding Company incorporated in the State of Kuwait on 12 February 1995 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is listed on the Kuwait Stock Exchange.

The parent company's main activity since inception has been direct investment in industrial projects in general and in chemical and petrochemical projects in particular.

The parent company's primary investment to date is in Equate Petrochemical Company K.S.C. (Closed) ("Equate") and The Kuwait Olefins Company K.S.C. (Closed) ("TKOC"). Equate and TKOC are both closed shareholding companies incorporated in the State of Kuwait to build and operate petrochemical plants in the Shuaiba Industrial Area of State of Kuwait.

The parent company's registered office is at Al Khaleejia Building, 5th and 6th Floor, P.O. Box 2383, 13024 Safat, Kuwait.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the period ended 31 July 2011 are not necessarily indicative of the results that may be expected for the financial year ending 30 April 2012. For more details, please refer to the audited consolidated financial statements for the year ended 30 April 2011.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD").

Changes in accounting policy and disclosures

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 30 April 2011, except for the adoption of the following new and amended International Accounting Standards Board ("IASB") standards during the period:

IFRS 3: Business Combinations (Amendment) (effective 1 July 2010)

The measurement options available for non controlling interest have been amended. Only components of non controlling interest that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

IFRS 7: Financial Instruments: Disclosures (Amendment) (effective 1 January 2011)

The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

IAS 1: Presentation of Financial Statements (Amendment) (effective 1 January 2011)

The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2011 (Unaudited)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Changes in accounting policy and disclosures (continued)***IAS 24: Related party (Amendment) (effective 1 January 2011)*

The amendment clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

IAS 32: Financial Instruments: Presentation (Amendment) (effective 1 February 2010)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro-rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

IAS 34: Interim Financial Statements (Amendment) (effective 1 January 2011)

The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed consolidated financial information.

The adoption of the above mentioned amendments did not have any impact on the financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Application of the above standards did not have any impact on the interim condensed consolidated financial information of the Group.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding after adjusting for treasury shares as follows:

	<i>3 months ended 31 July</i>	
	<i>2011</i>	<i>2010</i>
	<i>KD</i>	<i>KD</i>
Earnings:		
Profit attributable to equity holders of the parent company	<u>850,473</u>	<u>1,659,304</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	485,100,000	485,100,000
Weighted average number of treasury shares	(1,876,793)	(2,435,606)
Weighted average number of shares for basic and diluted earnings per share	<u>483,223,207</u>	<u>482,664,394</u>
Basic and diluted earnings per share	<u>1.76 fils</u>	<u>3.44 fils</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

At 31 July 2011 (Unaudited)

4 CASH AND CASH EQUIVALENTS

	<i>31 July</i> <i>2011</i> <i>KD</i>	<i>(Audited)</i> <i>30 April</i> <i>2011</i> <i>KD</i>	<i>31 July</i> <i>2010</i> <i>KD</i>
Cash at banks and on hand	2,389,302	4,938,636	3,031,202
Murabaha deals and deposits	900,000	1,648,200	14,782,825
Bank balances and short term deposits	3,289,302	6,586,836	17,814,027
Bank overdraft	-	-	(867,388)
	<u>3,289,302</u>	<u>6,586,836</u>	<u>16,946,639</u>

5 INVESTMENTS AVAILABLE FOR SALE (OTHERS)

Management has performed a review of investments to assess whether impairment has occurred in the value of these investments. Based on specific information, management has recorded impairment loss of KD 870,430 (three months ended 31 July 2010: KD 1,144,597) in the profit for the period in respect of investments available for sale (others).

At 31 July 2011, certain unquoted investments available for sale amounting to KD 5,451,601 (30 April 2011: KD 5,451,601 and 31 July 2010: KD 13,549,175) are carried at cost due to the non availability of reliable measures of their fair values. The management is not aware of any circumstances that would indicate impairment in the value of these investments as at 31 July 2011.

6 INVESTMENT IN ASSOCIATES

The movement in the carrying amount of investment in associates during the period is as follows:

	<i>31 July</i> <i>2011</i> <i>KD</i>	<i>(Audited)</i> <i>30 April</i> <i>2011</i> <i>KD</i>	<i>31 July</i> <i>2010</i> <i>KD</i>
At the beginning of the period	20,195,411	13,593,997	13,593,997
Additions	-	8,178,218	8,178,216
Share of results	2,308,360	(768,672)	212,207
Dividends received	-	(740,880)	(317,520)
Share of cumulative changes in fair value reserve	(407,133)	(67,252)	(139,250)
At the end of the period	<u>22,096,638</u>	<u>20,195,411</u>	<u>21,527,650</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

At 31 July 2011 (Unaudited)

7 DIVIDENDS

On 25 July 2011, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 April 2011 and approved a cash dividend of 35 fils per share amounting to KD 16,912,806 (cash dividend of 30 fils per share amounting to KD 14,508,708 in respect of the year ended 30 April 2010) in respect of the year ended 30 April 2011.

8 TREASURY SHARES

	<i>31 July 2011</i>	<i>(Audited) 30 April 2011</i>	<i>31 July 2010</i>
Number of treasury shares	<u>1,876,973</u>	<u>1,876,973</u>	<u>1,476,973</u>
Percentage of issued shares	<u>0.38%</u>	<u>0.38%</u>	<u>0.31%</u>
Market value (KD)	<u>1,069,874</u>	<u>1,088,644</u>	<u>768,026</u>
Cost (KD)	<u>949,972</u>	<u>949,972</u>	<u>753,994</u>

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2011 (Unaudited)

9 SEGMENTAL INFORMATION

For management purposes, the group is organised into two major business segments. The group does not have material inter-segment transactions. The principal activities and services under these segments are as follows:

Investments

: Investing of group funds in Petrochemical (Eqate Petrochemical Co and The Kuwait Olefins Company), Industrial, Utilities, Services and other related sectors in addition to managing the group's liquidity requirements.

Manufacturing and trading

: Manufacturing of goods and providing services.

Manufacturing and trading activities represent the activities of the subsidiaries, Boubyan Plastic Industries Company KSC (Closed) (formerly Boubyan Plastic Industries Company W.L.L), National Waste Management Co. K.S.C. (Closed), Olayan Arabian Packaging Company L.L.C. and Muna Noor Manufacturing and Trading Co L.L.C. whereas the investment activity represents the activities of the parent company.

	Investments			Manufacturing and Trading			Total		
	31 July 2011	31 July 2010	KD	31 July 2011	31 July 2010	KD	31 July 2011	31 July 2010	KD
Segment revenue (3 months)	3,107,813	4,188,554		5,827,375	6,583,273		8,935,188	10,771,827	
Segment profit (3 months)	87,900	687,495		762,573	971,809		850,473	1,659,304	
	Investments			Manufacturing and Trading			Total		
	31 July 2011	31 July 2010	KD	31 July 2011	31 July 2010	KD	31 July 2011	31 July 2010	KD
	(Audited) 30 April 2011			(Audited) 30 April 2011			(Audited) 30 April 2011		
Assets	389,939,141	400,607,545	411,094,294	28,825,960	29,260,513	30,542,577	418,765,101	429,868,058	441,636,871
Liabilities	172,840,394	159,262,920	204,825,091	9,903,119	10,760,900	9,673,018	182,743,513	170,023,820	214,498,109

Both segment's operations are in Kuwait and member countries of the Gulf Co-operation Council.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2011 (Unaudited)

10 COMMITMENTS

	<i>31 July 2011 KD</i>	<i>(Audited) 30 April 2011 KD</i>	<i>31 July 2010 KD</i>
Commitments for acquisition of investments available for sale (others)	<u>711,311</u>	<u>733,221</u>	<u>1,463,648</u>

The Parent Company has given corporate guarantees amounting to KD 22,060,775 to foreign Banks on behalf of its subsidiaries.

11 RELATED PARTY TRANSACTIONS

These represent transactions with related parties i.e. associated companies, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Transactions with related parties included in the profit for the period are as follows:

	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>Three months ended 31 July</i>	
			<i>2011 KD</i>	<i>2010 KD</i>
Sales	-	312,113	312,113	300,128
Share of results	2,308,360	-	2,308,360	212,207
Other income	7,500	-	7,500	7,500

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 31 July</i>	
	<i>2011 KD</i>	<i>2010 KD</i>
Short-term benefits	45,000	45,000
Employees' end of service benefits	3,173	3,173
	<u>48,173</u>	<u>48,173</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2011 (Unaudited)

12 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of the derivative financial instruments, recorded as assets or liabilities, together with their notional amounts analysed by the term to maturity. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk:

	Positive fair value KD	Negative fair value KD	Notional amount KD	Notional amounts by term to maturity	
				Within one year KD	1 – 5 years KD
31 July 2011					
<i>Derivatives held for trading:</i>					
Interest rate swaps	<u>19,798</u>	<u>1,178,857</u>	<u>57,105,600</u>	<u>34,062,450</u>	<u>23,043,150</u>
30 April 2011					
<i>Derivatives held for trading:</i>					
Interest rate swaps	<u>41,206</u>	<u>1,250,958</u>	<u>60,957,750</u>	<u>34,311,850</u>	<u>26,645,900</u>
31 July 2010					
<i>Derivatives held for trading:</i>					
Interest rate swaps	<u>105,659</u>	<u>1,278,567</u>	<u>42,328,650</u>	<u>7,198,750</u>	<u>35,129,900</u>
	Positive fair value KD	Negative fair value KD	Notional amount KD	Notional amounts by term to maturity	
				Within one year KD	1 – 5 years KD
31 July 2011					
<i>Derivatives held for hedging:</i>					
Interest rate swaps	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 April 2011					
<i>Derivatives held for hedging:</i>					
Interest rate swaps	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 July 2010					
<i>Derivatives held for hedging:</i>					
Interest rate swaps	<u>-</u>	<u>1,063,481</u>	<u>30,643,500</u>	<u>1,875,100</u>	<u>28,768,400</u>