

ACICO INDUSTRIES CO. – K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL INFORMATION

ACICO INDUSTRIES CO. – K.S.C. (CLOSED)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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(UNAUDITED)
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
ACICO Industries Co. - K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ACICO Industries Co. - K.S.C. (Closed) (the parent company) and subsidiaries (the group) as of ~~March 31, 2008~~ March 31, 2009 and the related interim condensed consolidated statements of income, statement of comprehensive income, changes in equity and cash flows for the three month period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

We did not review the interim consolidated financial information of the subsidiaries, Ghassan Ahmed Sauod Al-Khaled and Co. – W.L.L and ACICO for Construction K.S.C. (Closed) whom their total assets and revenues constitute 8.50% and 57.59% of the respective consolidated totals. The financial information of the above mentioned subsidiaries were reviewed by other auditors, whose reports were provided to us and, our conclusion in so far as it relates to the amounts included in the interim consolidated financial information related to these subsidiaries, is based solely on the reports of other auditors.

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 consolidated 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 and the reports of other auditors nothing has come to our attention that causes us to believe that the accompanying interim 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, the interim consolidated financial information is in agreement with the books of account of the Parent Company and to the best of our knowledge and belief, there were no contraventions during the period ended ~~March 31, 2008~~ March 31, 2009 of either the Commercial Companies Law or the parent Company's Articles of Association, which might have materially affected the Group's financial position or results of its operations.

Abdul Rahman Al-Qaoud & Partners
Public Accountants
Licence No. 25-A
Member of MSI Global Alliance

Dr. Shuaib A. Shuaib
Al-Bazie & Co.
Licence No. 33-A
Member of RSM International

State of Kuwait
May 13, ~~May 13~~ 2009

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS OF ~~MARCH 31, 2008~~ MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

ASSETS	Note	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Cash and cash equivalents	3	675,302	613,557	15,160,125
Accounts receivable and other debit balances		6,192,781	13,861,338	15,466,032
Gross amount due from customers for contract work		5,151,757	8,259,323	1,412,320
Due from related parties	4	5,935,161	4,076,692	7,069,665
Inventories		4,700,988	6,758,793	4,261,212
Lands under development		164,420	164,420	164,420
Investments available for sale		3,035,520	3,035,520	6,142,606
Investment in associates	5	19,187,094	13,283,638	9,068,959
Investment properties		49,047,640	49,047,640	33,874,349
Projects under construction	6	78,639,022	69,781,267	60,729,587
Right of utilization of leasehold		766,156	780,520	823,612
Fixed assets		29,866,407	30,895,656	24,646,583
Goodwill		2,250,506	2,250,506	2,250,506
Total assets		<u>205,612,754</u>	<u>202,808,870</u>	<u>181,069,976</u>
LIABILITIES AND EQUITY				
Liabilities:				
Loans and due to banks	7	106,475,002	102,214,782	85,652,650
Accounts payable and other credit balances		10,217,457	17,765,192	12,129,573
Due to related parties	4	10,982,945	6,486,562	413,133
Dividends payable to shareholders		446,590	489,372	353,617
Provision for staff indemnity		918,463	1,109,335	923,473
Total liabilities		<u>129,040,457</u>	<u>128,065,243</u>	<u>99,472,446</u>
Equity:				
Share capital		20,467,874	20,467,874	19,493,213
Share premium		24,426,446	24,426,446	24,426,446
Statutory reserve		7,683,349	7,683,349	7,001,050
Treasury shares	8	(731,539)	(731,539)	(415,881)
Treasury shares reserve		2,583,763	2,583,763	2,583,763
Cumulative changes in fair value		(71,143)	(71,143)	9,197
Foreign currency translation adjustment		(2,096,463)	(2,648,533)	(5,353,907)
Effect of change in equity of an associate		(259,149)	(259,149)	-
Retained earnings		21,913,124	19,767,020	29,676,927
Total equity attributable to parent company's shareholders		<u>73,916,262</u>	<u>71,218,088</u>	<u>77,420,808</u>
Non controlling interests		2,656,035	3,525,539	4,176,722
Total equity		<u>76,572,297</u>	<u>74,743,627</u>	<u>81,597,530</u>
Total liabilities and equity		<u>205,612,754</u>	<u>202,808,870</u>	<u>181,069,976</u>

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information

Abdel Aziz Al-Ayuob
Chairman

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
 FOR THE THREE MONTHS ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

		For the three months ended March 31	
	Note	2009	2008
Operating income	13	15,264,627	11,498,871
Operating costs		(12,444,474)	(9,010,419)
Gross profit from operations	13	2,820,153	2,488,452
General and administrative expenses		(1,216,937)	(270,623)
Selling expenses		(312,558)	(340,855)
Depreciation and amortization		(112,859)	(131,910)
Income from operations		1,177,799	1,745,064
Rental income		1,458,401	96,450
Investment income		5,460	-
Gain on sale of a share of investment in a consolidated subsidiary		40,068	1,400,000
Group's share of result from associates		-	196,000
Finance charges		(592,151)	(951,264)
Provision for doubtful debts		(14,556)	(10,000)
Other income	9	175,124	887,114
Profit for the period from continuing operations		2,250,145	3,363,364
Profit for the period from discontinued operations	2	-	1,260,086
Profit for the period before contribution to Kuwait Foundation for the Advancement of Science and National Labor Support Tax and contribution to Zakat		2,250,145	4,623,450
Contribution to Kuwait Foundation for the Advancement of Sciences		(17,651)	(36,703)
National Labor Support Tax		(57,411)	(107,396)
Contribution to Zakat		(20,441)	(45,338)
Net profit for the period		2,154,642	4,434,013
Attributable to:			
Parent company's shareholders		2,146,104	4,106,415
Non controlling interests		8,538	327,598
Net profit for the period		2,154,642	4,434,013
		Fils	Fils
Earnings per share attributable to parent company's shareholders			
From continuing operations		10.56	15.50
From discontinued operations		-	4.64
From continuing operations and discontinued operations	10	10.56	20.14

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information

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ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (UNAUDITED)
 FOR THE THREE MONTHS ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31,	
		2009	2008
Net profit for the period		2,154,642	4,434,013
Other comprehensive income:			
Foreign currency translation adjustments		822,115	(2,833,838)
Other Comprehensive income (loss) for the period		<u>822,115</u>	<u>(2,833,838)</u>
Total comprehensive income for the period		<u>2,976,757</u>	<u>1,600,175</u>
Attributable to:			
Shareholders of the parent company		2,698,174	1,309,038
Non-controlling interests		278,583	291,137
Total comprehensive income for the period		<u>2,976,757</u>	<u>1,600,175</u>

The accompanying notes from (1) to (14) form an integral part of the interim consolidated financial information.

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE THREE MONTHS ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

	Attributable to parent company's shareholders										Non controlling Interests	Total equity
	Share capital	Share premium	Statutory reserve	Treasury shares	Treasury shares reserve	Cumulative change in fair value	Foreign currency translation adjustment	Effect of change in equity of an associate	Retained earnings	Total equity		
Balance as at December 31, 2008	20,467,874	24,426,446	7,683,349	(731,539)	2,583,763	(71,143)	(2,648,533)	(259,149)	19,767,020	71,218,088	3,525,539	74,743,627
Total comprehensive income for the period	-	-	-	-	-	-	552,070	-	2,146,104	2,698,174	278,583	2,976,757
Effect of a subsidiary resulting in an associate	-	-	-	-	-	-	-	-	-	-	(1,596,801)	(1,596,801)
Effect of sale of a portion of an investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	448,714	448,714
Balance as at March 31, 2008 March 31, 2009	20,467,874	24,426,446	7,683,349	(731,539)	2,583,763	(71,143)	(2,096,463)	(259,149)	21,913,124	73,916,262	2,656,035	76,572,297
Balance as at December 31, 2007	19,493,213	24,426,446	7,001,050	(415,881)	2,583,763	9,197	(2,556,530)	-	25,570,512	76,111,770	190,504	76,302,274
Total comprehensive income for the period	-	-	-	-	-	-	(2,797,377)	-	4,106,415	1,309,038	291,137	1,600,175
Effect of consolidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,695,081	3,695,081
Balance as at March 31, 2008	19,493,213	24,426,446	7,001,050	(415,881)	2,583,763	9,197	(5,353,907)	-	29,676,927	77,420,808	4,176,722	81,597,530

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
(All amounts are in Kuwaiti Dinars)

	For the three three months ended	
	March 31, 2009	March 31, 2008
Cash flows from operating activities		
Profit for the period from continuing operations	2,250,145	3,363,364
Profit for the period from discontinued operations	-	1,260,086
Adjustments:		
Depreciation	547,000	573,542
Amortization	14,364	14,364
Share of results from associates	-	(196,000)
Finance charges	592,151	965,018
Dividend income	(5,460)	-
(Gain) loss on sale of fixed assets	(32,454)	1,631
Rental income	(1,458,401)	(96,450)
Interest income	-	(429,839)
Provision for staff indemnity	65,399	82,511
Provision for doubtful debts	14,556	10,000
Foreign currency translation adjustments	131,674	(1,318,358)
Operating income before working capital changes	2,118,974	4,229,869
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	3,487,905	257,288
Gross amount due from customers for contract work	(712,227)	1,052,439
Due from related parties	(7,144,655)	(4,453,593)
Inventories	2,057,805	(535,490)
Accounts payable and other credit balances	(4,147,771)	(641,474)
Due to related parties	5,789,978	12,546
Payment for staff indemnity	(25,105)	(28,812)
Net cash generated from (used in) operating activities	1,424,904	(107,227)
Cash flows from investing activities		
Interest income received	-	429,839
Rental income received	1,458,401	96,450
Proceeds from sale of fixed assets	74,148	15,350
Paid for investment properties	-	(5,641)
Purchase of fixed assets	(142,007)	(652,853)
Paid for projects under construction	(9,033,267)	(7,425,429)
Dividend income received	5,460	-
Net cash used in investing activities	(7,637,265)	(7,542,284)

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTD.)
 FOR THE THREE MONTHS ENDED ~~MARCH 31, 2008~~ MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

	For the three three months ended	
	2009	March 31, 2008
Cash flows from financing activities		
Net proceeds from (payment for) loans and due to banks	6,604,272	(11,284,844)
Finance charges paid	(592,151)	(965,018)
Cash dividends paid	(42,782)	(63)
Effect of sale of a portion of an investment in a subsidiary	448,714	-
Non-controlling interests	-	3,695,081
Net cash generated (used in) from financing activities	<u>6,418,053</u>	<u>(8,554,844)</u>
Net increase (decrease) in cash and cash equivalents	205,692	(16,204,355)
Cash and cash equivalents at beginning of the period	613,557	31,364,480
Cash and cash equivalents of a subsidiary previously consolidated	<u>(143,947)</u>	-
Cash and cash equivalents at end of the period (Note 3)	<u><u>675,302</u></u>	<u><u>15,160,125</u></u>

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

ACICO Industries Co. - K.S.C. (Closed) was incorporated and authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 16540 on June 23, 1990 and registered on Commercial register under Ref. No. 41903 dated July 17, 1991.

The main objectives of the Company include the establishment of a factory for the production of all types and sizes of aerated concrete and non-concrete and all its construction requirements, import and export of all building materials. The Company is considered the sole agent in the Middle East for manufacturing 'Hebil' international products. The Company's objectives also include owning, buying and selling real estate, land and land for development for the benefit of the Company either inside or outside Kuwait, dealing in industrial companies' shares and bonds relating to the main objective of the Company either inside or outside Kuwait, preparing and submitting the studies and consultancy and also organizing the industrial exhibition for the Company's projects.

The Company may have interests or participate in any aspect in other firms conducting similar activities or which may assist the Company in achieving its objectives in Kuwait or abroad. The Company may also acquire such firms or participate in their equity.

The address of the Parent Company is Sharq – Ahmed Al-Jaber Street – Raed Center, 5th floor, P.O. Box 24079, Safat, 13101 - State of Kuwait.

The interim consolidated financial information was authorized for issue by the Board of Directors on May 13, 2009.

2. Basis of presentation:

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2008 except for the changes due to implementation of certain amendments to the following International Financial Reporting Standards:

IAS 1 "Presentation of Financial Statements" (Revised)

Effective January 1, 2009, the Group has applied IAS 1 (Revised), which has impacted the presentation of financial statements to enhance the usefulness of the information presented. The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. The revised IAS 1 has introduced a new statement of comprehensive income, wherein all changes in equity arising from transactions other than with owners in their capacity as owners should be presented. Accordingly only changes in equity arising from transactions with owners in their capacity as owners are permitted to be presented in the statement of changes in equity.

IFRS 8 "Operating Segments"

Effective January 1, 2009, the Group has applied IFRS 8, which requires disclosure of information to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Accordingly, operating segments should be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

IAS 23 "Borrowing Cost" (Revised)

Effective January 1, 2009, the Group has applied IAS 23 (Revised), which requires an entity to capitalize borrowing costs attributable to the acquisition, construction or production of a qualifying asset as a part of the cost of that asset and removing an option of expensing these borrowing costs in the consolidated statement of income. This amendment is not expected to have any impact on the consolidated financial statements.

The interim consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2008.

The interim consolidated financial information includes the financial information of ACICO Industries K.S.C. (closed) and the following subsidiaries:

Name of Subsidiary	Country of incorporation	Percentage of ownership		
		March 31, 2008 March 31, 2008	December 31, 2008 (Audited)	March 31, 2008 March 31, 2008
Ghassan Ahmed Saoud Al-Khaled & Partners W.L.L.	Kuwait	75%	75%	75%
ACICO International Contracting L.L.C.	UAE	-	75%	75%
ACICO Arabia for General Trading and Contracting W.L.L.	Kuwait	60%	60%	60%
ACICO for Construction K.S.C. (Closed)	Kuwait	75%	100%	-

Effective January 1, 2009 the Parent company decided to sell 30% of its investment in ACICO International Contracting L.L.C; as a result of the sale the parent Co's interest decreased from 75% to 45%. Therefore, the investment was classified as an investment in an associate. As a result the financial information for the period ended March 31, 2009 does not include the financial information related for the above mentioned entity that were included in the year ended December 31, 2008 and the period ended March 31, 2008, that was as follows:

Consolidated Financial Position:

	December 31, 2008 (Audited)	March 31, 2008
<u>Assets:</u>		
Cash and cash equivalents	143,948	522,954
Accounts receivable and other debit balances	4,166,096	3,121,711
Gross amount due from customers for contract work	3,819,793	3,381,853
Due from related parties	5,141	26
Fixed assets	1,115,463	1,044,947
<u>Liabilities:</u>		
Due to banks	2,344,052	1,075,642
Accounts payable and other credit balances	4,275,467	3,835,611
Due to related parties	329,502	119,954
Provision for staff indemnity	231,166	23,532

Consolidated Statement of Income:

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

	March 31, 2008
Operating income	2,059,741
Operating cost	(479,772)
General and administrative expenses	(276,949)
Depreciation and amortization	(50,569)
Finance charges	(13,754)
Other income	21,389
Profit from discontinued operations	1,260,086

During the period ended March 31, 2009 the parent company sold 25% of its investment in ACICO for Construction K.S.C. (Closed) to a related party for an amount of KD 487,782 resulting in a gain of KD 40,068

3. Cash and cash equivalents

	March 31, March 31, 2009	December 31, 2008 (Audited)	March March 31, 2008
Cash on hand and at banks	670,302	603,242	1,923,277
Time deposits	5,000	10,315	13,236,848
	<u>675,302</u>	<u>613,557</u>	<u>15,160,125</u>

Time deposits earn interest rate ranging from 6% to 7.5% per annum (December 31, 2008 – 6% to 7.5%, March 31, 2008 from 4.9% to of 6%).

4. Related party transactions

Related parties represent the Group's major shareholders, associates, subsidiaries, unconsolidated subsidiaries, members of the Board of Directors, parties related to them and senior management. There were certain transactions conducted with related parties and were included in the interim consolidated financial information as follows:

			March March 31, 2009	December 31, 2008 (Audited)	March March 31, 2008
<u>Interim condensed consolidated statement financial position</u>	Associates	Other related parties			
Due from related parties	2,598,212	3,336,949	5,935,161	4,076,692	7,069,665
Due to related parties	4,491,990	6,490,955	10,982,945	6,486,562	413,133

			<u>For the three months ended</u>	
			March March 31, 2009	March March 31, 2008
<u>Interim condensed consolidated statement of income</u>	Associates	Other related parties		
Operating income	11,170	-	11,170	544,939
Operating cost	99,381	-	99,381	281,922
Gain on sale of a share of investment in a consolidated subsidiary	-	40,068	40,068	1,400,000
Other income	130,000	-	130,000	-

		<u>For the three months ended</u>	
		March March 31, 2009	March March 31, 2008
<u>Compensation to key management personnel:</u>			
Short term benefits		23,973	35,226
Termination benefits		3,165	3,000
		<u>27,138</u>	<u>38,226</u>

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

5. Investment in associates

<u>Name of the associate company</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	<u>March 31, 2009</u>	<u>December 31, 2008 (Audited)</u>	<u>March 31, 2008</u>
ACICO Saudi Arabia – W.L.L.	Saudi Arabia	45%	226,257	226,257	375,209
ACICO Qatar – W.L.L.	Qatar	49%	3,131,546	2,176,034	406,631
Al-Masaken International for Real Estate Development - K.S.C.C.	Kuwait	35%	8,448,972	8,448,972	8,287,119
Al-Masaken Arabian Holding - K.S.C.H.	Kuwait	11.81%	2,432,375	2,432,375	-
ACICO International Contracting L.L.C.	U.A.E	45%	4,947,944	-	-
			<u>19,187,094</u>	<u>13,283,638</u>	<u>9,068,959</u>

The movement of the investment in associates during the period was as follows:

	<u>March 31, 2009</u>
Balance at the beginning of the period	13,283,638
Additions	780,000
Transferred from investment in subsidiary	4,947,944
Transfer from projects under construction	175,512
Balance at the end of the period	<u>19,187,094</u>

6. Projects under construction

The movement of projects under construction during the period was as follows:

	<u>March 31, 2009</u>	<u>December 31, 2008 (Audited)</u>	<u>March 31, 2008</u>
Balance at the beginning of the period / year	69,781,267	59,315,822	59,315,822
Additions	9,033,267	31,382,328	7,425,429
Finance charges capitalized	-	2,765,078	-
Transfer to investment properties	-	(14,829,256)	-
Transfer to investment in associate	(175,512)	(1,848,590)	-
Transfer to fixed assets	-	(6,855,577)	(5,328,701)
Transfer to inventories	-	(148,538)	(221,526)
Foreign currency translation adjustments	-	-	(461,437)
Balance at the end of the period / year	<u>78,639,022</u>	<u>69,781,267</u>	<u>60,729,587</u>

Projects under construction represent different projects in the GCC countries.

7. Loans and due to banks

During the period ended ~~March 31, 2008~~ March 31, 2009 the parent company obtained new loans from local and foreign banks for an amount of KD 13,635,002 guaranteed by promissory notes and projects under construction carrying an interest rate ranging from 1% to 2.5% per annum over the Central Bank of Kuwait discount rate, and Dubai Inter Bank Rate (DIBOR). The Parent Company also settled loans for an amount of KD 6,907,801.

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

8. Treasury shares

	March 31, March 31, 2009	December 31, 2008 (Audited)	March 31, March 31, 2008
Number of shares	1,471,286	1,471,286	802,062
Percentage of issued shares	0.72%	0.72%	0.41%
Market value (KD)	492,881	684,148	481,237
Cost (KD)	731,539	731,539	415,881

9. Other income

	For the three months ended March 31,	
	For the three months ended March 31	
	2009	2008
Interest income	-	429,839
Supervision income	130,000	-
Gain (loss) on sale of fixed assets	32,454	(1,631)
Foreign exchange (loss) gain	(53,346)	422,732
Other income	66,016	36,174
	<u>175,124</u>	<u>887,114</u>

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10. Earnings per share attributable to parent company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended March 31,	
	For the three months ended March 31	
	2009	2008
Net profit for the period attributable to parent company's shareholders	<u>2,146,104</u>	<u>4,106,415</u>
<u>Number of shares outstanding</u>		
	Shares	Shares
Weighted average number of issued shares	204,678,738	194,932,138
Bonus shares	-	9,746,607
Weighted average number of treasury shares	(1,471,286)	(842,165)
Weighted average number of shares outstanding	<u>203,207,452</u>	<u>203,836,580</u>
	Fils	Fils
Earnings per share attributable to parent company's shareholders from continuing operations	10.56	15.50
Earnings per share attributable to parent company's shareholders from discontinued operations	-	4.64
From continuing and discontinuing operations	<u>10.56</u>	<u>20.14</u>

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11. General assembly

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

The Board of directors' meeting held on March 30, 2009 recommended the distribution of cash dividend of 5 fils per share (5%) for the year ended December 31, 2008; this recommendation is subject to the approval of the Shareholders general assembly meeting.

The shareholders' General Assembly for the year ended December 31, 2008 had not been held until the date of preparation of these interim consolidated financial information. Accordingly, the consolidated financial statements for the year ended December 31, 2008 have not been approved yet. The interim consolidated financial information for the three months period ended March 31, 2009 do not include any adjustments which might have been required had the General Assembly not approved the consolidated financial statements for the year ended December 31, 2008.

12. Contingent liabilities

	March 31, March 31, 2009	December 31, 2008 (Audited)	31 March 31, 2008
Letters of guarantee	<u>280,000</u>	<u>1,698,587</u>	<u>2,983,079</u>
Letters of credit	<u>1,109,921</u>	<u>2,017,779</u>	<u>334,917</u>
	<u><u>1,389,921</u></u>	<u><u>3,716,366</u></u>	<u><u>3,317,996</u></u>

ACICO INDUSTRIES CO. - K.S.C. (CLOSED) AND ITS SUBSIDIARIES
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~~MARCH 31, 2008~~ MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

13. Segment information

	March 31, 2008 March 31, 2009					
	<u>Industry</u>	<u>Real estates and hotels</u>	<u>Contracting</u>	<u>Total</u>	<u>Inter segment transactions</u>	<u>Total</u>
Operating income	10,092,104	927,041	5,598,929	16,618,074	(1,353,447)	15,264,627
Segment gross profit	2,804,932	927,041	15,221	3,747,194	(927,041)	2,820,153
Total assets	107,811,236	97,410,429	8,306,353	213,528,018	(7,915,264)	205,612,754
Total liabilities	60,010,987	58,410,429	6,480,567	124,901,983	4,138,474	129,040,457

	March 31, 2008 March 31, 2008					
	<u>Industry</u>	<u>Real estates and hotels</u>	<u>Contracting</u>	<u>Total</u>	<u>Inter segment transactions</u>	<u>Total</u>
Operating income	4,908,176	-	11,604,961	16,513,137	(2,954,525)	13,558,612
Segment gross profit	2,142,385	-	1,365,275	3,507,660	560,761	4,068,421
Total assets	164,931,164	98,214,556	29,694,114	292,839,834	(111,769,858)	181,069,976
Total liabilities	73,647,286	103,198,949	21,949,865	198,796,100	(99,323,654)	99,472,446

14. Comparative figures

Certain of the prior period / year amounts have been reclassified to conform to the current period presentation.

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