

**First Investment Company K.S.C. (Closed)
and its Subsidiaries**

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

31 MARCH 2010

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of First Investment Company K.S.C. (Closed) (the “parent company”) and its subsidiaries (the “group”) as at 31 March 2010 and the related interim condensed consolidated statements of income, 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 basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

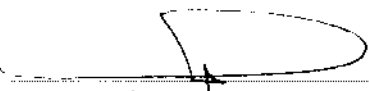

Conclusion

Based on 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.

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 March 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 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 three month period ended 31 March 2010.


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ACCOUNTANTS

18 May 2010
Kuwait

First Investment Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 31 March 2010

	Note	Three months ended 31 March	
		2010 KD	2009 KD
INCOME			
Murabaha and ijara income		70,414	519,893
Realised gain on investments carried at fair value through income statement		277,901	11,180
Unrealised gain on investments carried at fair value through income statement		110,521	11,918
Gain (loss) on disposal of available for sale investments		799,541	(268,584)
Placement and arrangement fees		-	57,888
Management fees		137,467	259,339
Dividend income		56,563	17,458
Share of results of associates		(1,419,885)	(425,968)
Other income		78,016	-
		<u>110,538</u>	<u>183,124</u>
EXPENSES			
Provision against murabaha and ijara receivables - net		-	193,561
Impairment of available for sale investments		-	1,634,609
Provision against other assets		479,425	-
Staff costs		248,599	377,586
Foreign exchange gain		(98,091)	(1,058,345)
Depreciation		14,235	28,210
Finance costs		1,515,807	1,878,551
Other expenses		79,531	331,603
		<u>2,239,506</u>	<u>3,385,775</u>
LOSS FOR THE PERIOD			
		<u>(2,128,968)</u>	<u>(3,202,651)</u>
Attributable to:			
Equity holders of the parent company		(2,127,997)	(3,200,293)
Non-controlling interests		(971)	(2,358)
		<u>(2,128,968)</u>	<u>(3,202,651)</u>
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY			
	3	<u>(3.27) fils</u>	<u>(4.93) fils</u>

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

First Investment Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 March 2010

	<i>Three months ended 31 March</i>	
	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Loss for the period	(2,128,968)	(3,202,651)
Other comprehensive (loss) income		
Available for sale investments:		
Unrealised loss on available for sale investments	(2,239,563)	(4,916,303)
Impairment of available for sale investments	-	1,634,609
Net unrealised loss on available for sale investments	<u>(2,239,563)</u>	<u>(3,281,694)</u>
Share of other comprehensive income of associates	152,326	979,419
Exchange differences on translation of foreign operations	<u>524,236</u>	<u>5,568,174</u>
Other comprehensive (loss) income for the period included directly in equity	<u>(1,563,001)</u>	<u>3,265,899</u>
Total comprehensive (loss) income for the period	<u>(3,691,969)</u>	<u>63,248</u>
Attributable to:		
Equity holders of the parent company	(3,792,000)	(424,560)
Non-controlling interests	<u>100,031</u>	<u>487,808</u>
	<u>(3,691,969)</u>	<u>63,248</u>

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

First Investment Company K.S.C. (Closed) and its Subsidiaries

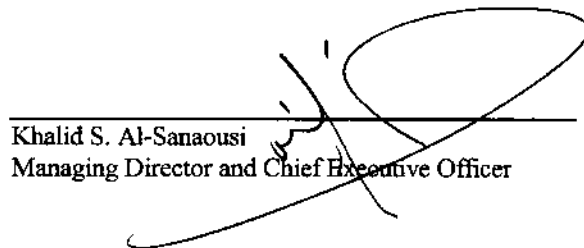
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 March 2010

		(Audited)	
	31 March 2010	31 December 2009	31 March 2009
	KD	KD	KD
Notes			
ASSETS			
Bank balances and cash	2,380,985	2,591,465	576,100
Investments carried at fair value through income statement	4 29,253,095	28,025,293	25,587,821
Murabaha and ijara receivables	3,160,508	3,628,108	15,031,369
Available for sale investments	5 93,991,706	99,790,333	110,658,685
Investment in associates	6 52,204,545	53,472,104	56,788,053
Properties under development	35,439,726	34,725,180	33,291,097
Investment properties	1,977,365	1,964,018	-
Other assets	8,131,225	8,072,567	9,422,415
Furniture and equipment	96,205	112,157	127,182
TOTAL ASSETS	226,635,360	232,381,225	251,482,722
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	7 65,107,055	65,107,055	65,107,055
Share premium	32,909,612	32,909,612	32,909,612
Treasury shares	-	-	(351,724)
Statutory reserve	7,275,988	7,275,988	7,275,988
General reserve	7,046,396	7,046,396	7,046,396
Share options reserve	3,016,890	3,016,890	3,016,890
Treasury shares reserve	1,090,539	1,090,539	1,118,012
Cumulative changes in fair value	(3,061,425)	(821,862)	(1,549,154)
Foreign currency translation reserve	2,881,817	2,306,257	4,284,774
(Accumulated losses) / retained earnings	(20,593,422)	(18,465,425)	1,233,585
	95,673,450	99,465,450	120,091,434
Non-controlling interests	9,494,771	9,394,740	9,215,864
Total equity	105,168,221	108,860,190	129,307,298
Liabilities			
Murabaha payables	8 112,947,373	111,849,011	111,259,386
Other liabilities	8,519,766	11,672,024	10,916,038
Total liabilities	121,467,139	123,521,035	122,175,424
TOTAL EQUITY AND LIABILITIES	226,635,360	232,381,225	251,482,722



Dr. Mohammed A. Al-Alloush
Chairman



Khalid S. Al-Sanaousi
Managing Director and Chief Executive Officer

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

First Investment Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED)

For the period ended 31 March 2010

	<i>Three months ended 31 March</i>	
	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES		
Loss for the period	(2,128,968)	(3,202,651)
Adjustments for:		
Murabaha and ijara income	(70,414)	(519,893)
Realised gain on investments at fair value through income statement	(277,901)	(11,180)
Unrealised gain on investments at fair value through income statement	(110,521)	(11,918)
(Gain) loss on disposal of available for sale investments	(799,541)	268,584
Dividend income	(56,563)	(17,458)
Share of results of associates	1,419,885	425,968
Impairment of available for sale investments	-	1,634,609
Provision against other assets	479,425	-
Foreign exchange gain	(98,091)	(1,058,345)
Depreciation	14,235	28,210
Finance costs	1,515,807	1,878,551
	(112,647)	(585,523)
Changes in operating assets and liabilities:		
Investments carried at fair value through income statement	(680,598)	1,328,945
Murabaha and ijara receivables	33,000	22,617
Other assets	(516,223)	(736,627)
Other liabilities	(697,321)	(606,371)
	(1,973,789)	(576,959)
Murabaha and ijara income received	5,014	456,587
Finance costs paid	(1,086,327)	(1,330,753)
Net cash used in operating activities	(3,055,102)	(1,451,125)
INVESTING ACTIVITIES		
Dividends income received	34,703	17,458
Purchase of available for sale investments	-	(36,475)
Proceeds from disposal of available for sale investments	1,960,744	1,749,779
Additions to properties under development	(478,567)	(60,506)
Purchase of furniture and equipment	-	(7,032)
Net cash from investing activities	1,516,880	1,663,224
FINANCING ACTIVITIES		
Net movement in murabaha payables	1,327,742	(449,955)
Purchase of treasury shares	-	(618,922)
Sale of treasury shares	-	262,913
Net cash from (used in) financing activities	1,327,742	(805,964)
DECREASE IN BANK BALANCES AND CASH	(210,480)	(593,865)
Bank balances and cash at 1 January	2,591,465	1,169,965
BANK BALANCES AND CASH AT 31 MARCH	2,380,985	576,100

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

First Investment Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2010

	Attributable to equity holders of the parent company										Non- controlling interests	Total equity	
	Share capital KD	Share premium KD	Treasury shares KD	Statutory reserve KD	General reserve KD	Share options reserve KD	Treasury shares reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	(Accumulated losses) / retained earnings KD	Total KD	KD	KD
Balance at 1 January 2010	65,107,055	32,909,612	-	7,275,988	7,046,396	3,016,890	1,090,539	(821,862)	2,306,257	(18,465,425)	99,465,450	9,394,740	108,860,190
Loss for the period	-	-	-	-	-	-	-	-	-	(2,127,997)	(2,127,997)	(971)	(2,128,968)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	-	(2,239,563)	575,560	-	(1,664,003)	101,002	(1,563,001)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(2,239,563)	575,560	(2,127,997)	(3,792,000)	100,031	(3,691,969)
Balance at 31 March 2010	65,107,055	32,909,612	-	7,275,988	7,046,396	3,016,890	1,090,539	(3,061,425)	2,881,817	(20,593,422)	95,673,450	9,494,771	105,168,221
Balance at 1 January 2009	65,107,055	32,909,612	-	7,275,988	7,046,396	3,016,890	1,122,297	1,732,540	(1,772,653)	4,433,878	120,872,003	8,728,056	129,600,059
Loss for the period	-	-	-	-	-	-	-	-	-	(3,200,293)	(3,200,293)	(2,358)	(3,202,651)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	-	(3,281,694)	6,057,427	-	2,775,733	490,166	3,265,899
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(3,281,694)	6,057,427	(3,200,293)	(424,560)	487,808	63,248
Purchase of treasury shares	-	-	(618,922)	-	-	-	-	-	-	-	(618,922)	-	(618,922)
Sale of treasury shares	-	-	267,198	-	-	-	(4,285)	-	-	-	262,913	-	262,913
Balance at 31 March 2009	65,107,055	32,909,612	(351,724)	7,275,988	7,046,396	3,016,890	1,118,012	(1,549,154)	4,284,774	1,233,585	120,091,434	9,215,864	129,307,298

First Investment Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of First Investment Company K.S.C. (Closed) ("the parent company") and its subsidiaries ("the group") for the period ended 31 March 2010 was authorised for issue in accordance with a resolution of the board of directors on 18 May 2010.

The parent company is a Kuwaiti closed shareholding company incorporated on 26 July 1997 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is registered with the Central Bank of Kuwait as an investment company and is listed on the Kuwait Stock Exchange.

The parent company's registered office is at Souk Al Safat, Abdullah Mubarak Street, Kuwait City.

The group is principally engaged in the provision of investment and financial services. All activities of the group are carried out in compliance with the Islamic Sharia.

2 BASIS OF PRESENTATION

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

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 except as mentioned below. 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 a 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.

During the period, the group has adopted the following standards effective for the annual periods beginning on or after 1 January 2010:

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements:

IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21. The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with non-controlling interests.

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 three months ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

First Investment Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

3 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share are computed by dividing the loss for the period attributable to the equity holders of the parent company by the weighted average number of shares outstanding during the period, after adjusting for treasury shares, as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2010</i>	<i>2009</i>
Loss attributable to equity holders of the parent company (KD)	<u>(2,127,997)</u>	<u>(3,200,293)</u>
Total weighted average number of shares	<u>651,070,551</u>	651,070,551
Less: weighted average number of treasury shares	<u>-</u>	<u>(1,357,556)</u>
Weighted average number of outstanding shares	<u>651,070,551</u>	<u>649,712,995</u>
Basic and diluted loss per share attributable to the equity holders of the parent company	<u>(3.27) fils</u>	<u>(4.93)</u>

4 INVESTMENTS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Held for trading:			
Quoted equity securities	5,902,936	4,811,587	-
Managed funds	781,364	774,646	998,087
Designated:			
Real estate portfolio	22,372,237	22,242,502	24,393,176
Unquoted equity securities	196,558	196,558	196,558
	<u>29,253,095</u>	<u>28,025,293</u>	<u>25,587,821</u>

Managed funds have primarily invested in money market instruments.

Unquoted equity investments amounting to KD 196,558 (31 December 2009: KD196,558 and 31 March 2009: KD 196,558) are carried at cost as the acquisition price of these investments is determined to be the fair value of these securities.

5 AVAILABLE FOR SALE INVESTMENTS

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2010</i>	<i>2009</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Unquoted equity securities	34,602,450	34,460,648	44,304,278
Quoted equity securities	34,055,181	35,368,587	35,668,671
Sukuk	24,498,720	24,333,360	24,740,400
Real estate portfolio	-	4,823,708	5,102,854
Unquoted funds	653,567	652,085	826,485
Managed funds	181,788	151,945	15,997
	<u>93,991,706</u>	<u>99,790,333</u>	<u>110,658,685</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2010

5 AVAILABLE FOR SALE INVESTMENTS (continued)

Certain unquoted equity investments amounting to KD Nil (31 December 2009: KD 35,913 and 31 March 2009: KD 36,475) are carried at cost as the acquisition price of these investments is deemed to be the fair value because these securities relate to either recently formed or acquired companies.

Certain unquoted equity investments amounting to KD 34,602,450 (31 December 2009: KD 34,424,735 and 31 March 2009: KD 44,267,803) are carried at cost less impairment, if any, due to the unpredictable nature of their future cash flows and lack of other suitable methods for arriving at a reliable fair value of these investments. There is no active market for these financial assets and the group intends to hold them for the long term. Management has performed a review of its unquoted equity investments to assess whether impairment has occurred in the value of these investments. Based on the latest available financial information, management is of the view that no further impairment provision is required as at 31 March 2010 in respect of these investments.

Certain investments in quoted equity securities amounting to KD 8,779,302 (31 December 2009: KD 9,414,317 and 31 March 2009: KD 8,121,358) are registered in the names of nominees, as nominees for the parent company. These nominees have confirmed in writing that the parent company is the beneficial owner of these quoted equity securities.

Sukuk are carried at cost as their fair values cannot be measured reliably. Management is of the opinion that there has been no impairment in value of these sukuk and given the difficulty in arriving at a reliable valuation, believe it is more appropriate to carry these at cost. The issuer of the sukuk has confirmed its commitment to buy back these sukuk.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

6 INVESTMENT IN ASSOCIATES

	County of incorporation	Percentage of ownership	31 March 2010	Percentage of ownership	(Audited) 31 December 2009	Percentage of ownership	31 March 2009
			KD		KD		KD
First Arabian Equity 2000 Fund	Bahrain	42.73%	644,617	42.73%	583,506	48.30%	745,315
First Real Estate Investment Company K.S.C.(Closed)	Kuwait	19.79%	3,017,277	19.79%	3,353,716	19.79%	3,986,670
First Education Company K.S.C.(Closed)	Kuwait	16.49%	2,243,492	16.49%	2,243,492	16.49%	2,713,874
Mashair Al-Ola L.L.C.	Saudi Arabia	30.00%	4,681,560	30.00%	4,649,961	30.00%	4,727,743
Taameer Investment Company (O.L.L.C.)	Oman	37.40%	11,018,934	37.40%	11,012,448	37.40%	12,987,594
First Energy Resource Company K.S.C.(Closed)	Kuwait	33.21%	7,309,680	33.21%	7,855,037	33.21%	7,818,247
Arkan Al-Kuwait Real Estate Company K.S.C.(Closed)	Kuwait	28.86%	10,107,152	28.86%	10,571,268	28.83%	11,161,994
First Investment Bank B.S.C.(Closed)	Bahrain	26.66%	8,650,964	26.66%	8,639,412	26.66%	9,049,421
First Gulf Equity Fund	Bahrain	-	-	-	-	20.31%	423,794
Sahab Al-Khalij Real Estate Company B.S.C.(Closed)	Bahrain	35.29%	2,026,984	35.29%	2,021,696	35.29%	2,568,573
Q80 Valve Industries Factory	Kuwait	50.00%	475,000	50.00%	475,000	50.00%	475,000
Asian Petroleum Facilities Maintenance Company W.L.L.	Kuwait	50.00%	70,487	50.00%	95,448	50.00%	129,828
Adeem Capital (Saudi Closed Joint Stock Company)	Saudi Arabia	40.00%	1,958,398	40.00%	1,971,120	-	-
			<u>52,204,545</u>		<u>53,472,104</u>		<u>56,788,053</u>

Share of results of associates amounting to a loss of KD 955,769 (31 March 2009: profit of KD 252,238) are based on management accounts. In the opinion of the management of the parent company, the profit reported in the management accounts will not be materially different if these management accounts had been reviewed by the auditors of the respective entities.

The reporting dates of the associates are not more than three months from that of the group. In the opinion of the management, there were no significant events or transactions between the date of accounts of associates, used for equity accounting, and 31 March 2010. In addition, the management does not expect any material differences in the figures in case reviewed interim condensed financial information would have been available as at 31 March 2010 in respect of these associates.

First Investment Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

7 SHARE CAPITAL AND DIVIDENDS

At 31 March 2010, issued and fully paid up capital of the parent company amounted to 651,070,551 shares (31 December 2009: 651,070,551 and 31 March 2009: 651,070,551 shares) of 100 fils each.

On 27 April 2010, the Annual General Assembly of the shareholders of the parent company approved no cash dividends or bonus shares for the year ended 31 December 2009. It was further approved to write-off accumulated losses of KD 18,465,425 against general reserve of KD 7,046,396 and share premium of KD 11,419,029.

8 MURABAHA PAYABLES

Murabaha payables represent murabaha contracts with financial institutions with maturities ranging from 1 month to 27 months from the statement of financial position date. The average effective cost attributable to these contracts ranges from 3.25 % to 7.75 % per annum (31 December 2009: 3.65 % to 7.75 % and 31 March 2009: 6.25 % to 15.98 %).

Included in murabaha payables are murabaha contracts amounting to KD 7,500,000 (31 December 2009: KD 7,500,000 and 31 March 2009: KD 7,500,000) secured against quoted investments amounting to KD 13,448,684 (31 December 2009: KD 13,754,088 and 31 March 2009: KD 14,296,493).

9 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, managed funds, major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management.

Transactions with related parties are as follows:

Interim condensed consolidated income statement	Associates KD	Other related parties KD	Three months ended 31 March	
			2010 Total KD	2009 Total KD
Management fees	7,996	24,144	32,140	48,898

Interim condensed consolidated statement of financial position	Associates KD	Other related parties KD	31 March	(Audited)	31 March
			2010 Total KD	31 December 2009 KD	31 March 2009 KD
Due from related parties	3,319,503	-	3,319,503	3,319,503	3,319,503
Management fees receivable	6,509	24,569	31,078	19,118	13,045
Murabaha payables	5,700,000	-	5,700,000	5,700,000	5,650,000

Key management compensation:

	Three months ended 31 March	
	2010 KD	2009 KD
Salaries and other short term benefits	58,275	77,400
Terminal benefits	7,900	7,900
	<u>66,175</u>	<u>85,300</u>

Assets amounting to KD 13,013,163 (31 December 2009: KD 15,700,219 and 31 March 2009: KD 17,737,121) are managed on behalf of related parties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

10 SEGMENTAL INFORMATION

For management purpose the group is organised into three major geographical segments:

- Kuwait.
- Saudi Arabia
- Others

	Kuwait		Saudi Arabia		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	KD	KD	KD	KD	KD	KD	KD	KD
For three months ended 31 March								
Segment revenue	(1,158,184)	520,261	1,303,816	(96,559)	(35,094)	(240,578)	110,538	183,124
Segment expenses	(2,208,315)	(2,178,539)	(31,191)	(1,207,236)	-	-	(2,239,506)	(3,385,775)
Segment results	(3,366,499)	(1,658,278)	1,272,625	(1,303,795)	(35,094)	(240,578)	(2,128,968)	(3,202,651)
At 31 March								
Segment assets	49,768,341	67,169,807	133,496,400	137,459,464	43,370,619	46,853,451	226,635,360	251,482,722
Segment liabilities	103,557,011	111,610,468	12,210,128	4,914,956	5,700,000	5,650,000	121,467,139	122,175,424

First Investment Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

11 LIQUIDITY RISK

Liquidity risk is the risk that the group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturity profile of the group's assets and liabilities. The maturity profile of bank balances and cash, murabaha and ijara receivables, and murabaha payables at the period end is based on contractual repayment arrangements. The maturity profile for the remaining assets and liabilities is determined based on the management estimate of liquidation of those financial assets. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The maturity profile of the assets, equity and liabilities at 31 March 2010 and 31 December 2009 is as follows:

<i>31 March 2010</i>	<i>Within 3 months KD</i>	<i>3 to 6 months KD</i>	<i>6 to 12 months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Bank balances and cash	2,380,985	-	-	-	2,380,985
Investments carried at fair value through income statement	5,902,936	16,471,981	781,364	6,096,814	29,253,095
Murabaha and ijara receivables	1,926,352	1,234,156	-	-	3,160,508
Available for sale investments	-	3,528,288	1,827,544	88,635,874	93,991,706
Investment in associates	-	-	-	52,204,545	52,204,545
Properties under development	-	10,400,400	-	25,039,326	35,439,726
Investment properties	-	-	-	1,977,365	1,977,365
Other assets	-	-	1,670,508	6,460,717	8,131,225
Furniture and equipment	-	-	-	96,205	96,205
TOTAL ASSETS	10,210,273	31,634,825	4,279,416	180,510,846	226,635,360
LIABILITIES					
Murabaha payables	69,029,382	32,798,400	7,800,000	3,319,591	112,947,373
Other liabilities	1,710,725	484,716	-	6,324,325	8,519,766
TOTAL LIABILITIES	70,740,107	33,283,116	7,800,000	9,643,916	121,467,139
NET LIQUIDITY GAP	(60,529,834)	(1,648,291)	(3,520,584)	170,866,930	105,168,221

As disclosed in the table above, the group's liabilities due within three months exceeded its assets by KD 60,529,834 (31 December 2009: KD 34,525,906).

The group is dependent on availability of the continued support from the financial institutions. As at 31 March 2010, murabaha payable of KD 15,560,742 matured but not settled. Subsequent to the statement of financial position date up to the date of issuance of these interim condensed consolidated financial information, murabaha payables of KD 26,899,382 have matured. Management has renewed the terms of settlement of matured murabaha payables of KD 11,338,640 and is in process of negotiating the terms of settlement of murabaha payables amounting to KD 15,560,742. The management is confident that they will be able to renew the terms of these murabaha payables.

First Investment Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

11 LIQUIDITY RISK (continued)

<i>31 December 2009 (Audited)</i>	<i>Within 3 months KD</i>	<i>3 to 6 months KD</i>	<i>6 to 12 months KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
ASSETS					
Bank balances and cash	2,591,465	-	-	-	2,591,465
Investments carried at fair value through income statement	4,811,587	-	15,787,122	7,426,584	28,025,293
Murabaha and ijara receivables	2,001,908	714,293	911,907	-	3,628,108
Available for sale investments	8,360,567	7,073,717	31,619,954	52,736,095	99,790,333
Investment in associates	-	-	-	53,472,104	53,472,104
Properties under development	-	10,791,879	8,225,591	15,707,710	34,725,180
Investment properties	-	-	-	1,964,018	1,964,018
Other assets	399,858	-	-	7,672,709	8,072,567
Furniture and equipment	-	-	-	112,157	112,157
TOTAL ASSETS	<u>18,165,385</u>	<u>18,579,889</u>	<u>56,544,574</u>	<u>139,091,377</u>	<u>232,381,225</u>
LIABILITIES					
Murabaha payables	49,436,782	39,183,000	20,754,200	2,475,029	111,849,011
Other liabilities	3,254,509	-	3,206,579	5,210,936	11,672,024
TOTAL LIABILITIES	<u>52,691,291</u>	<u>39,183,000</u>	<u>23,960,779</u>	<u>7,685,965</u>	<u>123,521,035</u>
NET LIQUIDITY GAP	<u>(34,525,906)</u>	<u>(20,603,111)</u>	<u>32,583,795</u>	<u>131,405,412</u>	<u>108,860,190</u>

12 COMMITMENTS AND CONTINGENCIES

The group has commitments in respect of following:

	<i>31 March 2010 KD</i>	<i>(Audited) 31 December 2009 KD</i>	<i>31 March 2009 KD</i>
Uncalled capital of available for sale investments	375,000	375,000	2,375,000
Uncalled capital of investment in associates	8,323,250	8,323,250	9,482,000
Capital commitments for properties under development	8,847,713	8,340,680	3,568,078
Operating lease rentals due within one year	82,197	109,596	63,369
Contingent liability in respect of bank guarantees	1,919,305	1,916,237	1,464,769
	<u>19,547,465</u>	<u>19,064,763</u>	<u>16,953,216</u>