

**KUWAIT HOTELS COMPANY K.S.C.
AND ITS SUBSIDIARIES**

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

30 SEPTEMBER 2013



Building a better
working world

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Hotels Company K.S.C. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2013 and the related interim condensed consolidated income statement and the related interim condensed consolidated statements of comprehensive income for three months and nine months period then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months 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 Financial Reporting Standard, IAS 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 condensed 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, 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 IAS 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 account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No 25 of 2012, as amended, or of the Articles of Association and Memorandum of Incorporation of the Parent Company, during the nine months period ended 30 September 2013 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2013.

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LICENCE NO. 68-A
EY
AL AIBAN, AL OSAIMI & PARTNERS

ALI OWAID RUKHEYES
LICENCE NO. 72-A
MEMBER OF THE INTERNATIONAL
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13 November 2013
Kuwait

Kuwait Hotels Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Period ended 30 September 2013

	Note	<i>Three months ended 30</i>		<i>Nine months ended 30</i>	
		<i>September</i>		<i>September</i>	
		<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenues		2,497,313	2,495,204	7,696,922	8,065,944
Management fees		148,404	212,076	723,262	796,152
Cost of revenues		(2,195,785)	(2,186,065)	(6,604,404)	(6,811,463)
GROSS PROFIT		449,932	521,215	1,815,780	2,050,633
Net (loss) income on financial assets at fair value through income statement		(86)	696	(333)	208
Other income		14,908	14,246	59,372	56,177
Administrative expenses		(541,661)	(588,519)	(1,727,713)	(1,786,578)
Finance costs		(397)	-	(1,070)	(1,270)
Share of results of an associate		(19,897)	(4,537)	(27,175)	(19,023)
Provision for slow moving inventories		(4,980)	-	(14,940)	-
Impairment of intangible assets		-	-	(22,500)	-
Gain on disposal of plant, property and equipment		2,883	-	2,883	8,550
(LOSS) PROFIT BEFORE INCOME TAXES ON OVERSEAS SUBSIDIARY AND NATIONAL LABOUR SUPPORT TAX ("NLST")		(99,298)	(56,899)	84,304	308,697
Income taxes on overseas subsidiary		(2,918)	(4,779)	(14,890)	(19,539)
NLST		1,850	1,341	-	(7,264)
(LOSS) PROFIT FOR THE PERIOD		(100,366)	(60,337)	69,414	281,894
Attributable to					
Equity holders of the Parent Company		(90,029)	(60,501)	79,955	282,011
Non-controlling interests		(10,337)	164	(10,541)	(117)
		(100,366)	(60,337)	69,414	281,894
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDER OF PARENT COMPANY	3	(1.6) fils	(1.1) fils	1.4 fils	5.0 fils

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended 30 September 2013

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2013 KD</i>	<i>2012 KD</i>	<i>2013 KD</i>	<i>2012 KD</i>
(Loss) profit for the period	(100,366)	(60,337)	69,414	281,894
Other comprehensive (loss) income				
Exchange difference on translation of foreign operations	(1,394)	734	(24,910)	(10,011)
Total comprehensive (loss) income for the period	(101,760)	(59,603)	44,504	271,883
Attributable to				
Equity holders of the Parent Company	(92,924)	(59,439)	53,544	272,000
Non-controlling interests	(8,836)	(164)	(9,040)	(117)
	(101,760)	(59,603)	44,504	271,883


The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

At 30 September 2013

	Note	30 September 2013 KD	(Audited) 31 December 2012 KD	30 September 2012 KD
ASSETS				
Non-current assets				
Property, plant and equipment		5,005,372	5,328,127	5,202,877
Intangible assets		1,193,762	1,143,352	1,174,959
Investment in an associate		108,340	142,462	140,534
Financial assets available-for-sale		1,024,563	1,024,563	1,024,563
		<u>7,332,037</u>	<u>7,638,504</u>	<u>7,542,933</u>
Current assets				
Inventories		832,585	650,420	627,289
Accounts receivable and prepayments		3,632,440	3,411,899	3,476,751
Financial assets at fair value through income statement		97,609	97,942	134,367
Cash and cash equivalents	4	1,839,966	1,532,955	1,447,653
		<u>6,402,600</u>	<u>5,693,216</u>	<u>5,686,060</u>
TOTAL ASSETS		<u><u>13,734,637</u></u>	<u><u>13,331,720</u></u>	<u><u>13,228,993</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		5,775,000	5,775,000	5,775,000
Statutory reserve		673,485	673,485	673,485
Voluntary reserve		611,390	611,390	611,390
Treasury shares		(223,952)	(223,952)	(223,952)
Cumulative changes in fair value reserve		(35,347)	(35,347)	(35,347)
Foreign currency translation reserve		(150,692)	(124,281)	(118,552)
Other reserve		(513,600)	(513,600)	(513,600)
Accumulated losses		(156,434)	(236,389)	(426,260)
Equity attributable to equity holders of the Parent Company		<u>5,979,850</u>	<u>5,926,306</u>	<u>5,742,164</u>
Non-controlling interests		71,614	80,654	3,934
Total equity		<u>6,051,464</u>	<u>6,006,960</u>	<u>5,746,098</u>
Non-current liability				
Employees' end of service benefits		1,138,609	1,254,159	1,296,877
Current liabilities				
Accounts payable and accruals		6,507,197	6,034,269	6,138,397
Bank overdraft	4	37,367	36,332	47,621
		<u>6,544,564</u>	<u>6,070,601</u>	<u>6,186,018</u>
Total liabilities		<u>7,683,173</u>	<u>7,324,760</u>	<u>7,482,895</u>
TOTAL EQUITY AND LIABILITIES		<u><u>13,734,637</u></u>	<u><u>13,331,720</u></u>	<u><u>13,228,993</u></u>


Mohammed Ahmed AlSaqqaf
Chairman

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 30 September 2013

Attributable to equity holders of the Parent Company

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Cumulative changes in fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Other reserve KD</i>	<i>Accumulated losses KD</i>	<i>Sub-total KD</i>	<i>Non- controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2013	5,775,000	673,485	611,390	(223,952)	(35,347)	(124,281)	(513,600)	(236,389)	5,926,306	80,654	6,006,960
Profit (loss) for the period	-	-	-	-	-	-	-	79,955	79,955	(10,541)	69,414
Other comprehensive income (loss)	-	-	-	-	-	(26,411)	-	-	(26,411)	1,501	(24,910)
Total comprehensive income (loss) for the period	-	-	-	-	-	(26,411)	-	79,955	53,544	(9,040)	44,504
At 30 September 2013	5,775,000	673,485	611,390	(223,952)	(35,347)	(150,692)	(513,600)	(156,434)	5,979,850	71,614	6,051,464
As at 1 January 2012	5,775,000	673,485	611,390	(223,952)	(35,347)	(108,541)	(513,600)	(708,271)	5,470,164	4,051	5,474,215
Profit (loss) for the period	-	-	-	-	-	-	-	282,011	282,011	(117)	281,894
Other comprehensive loss	-	-	-	-	-	(10,011)	-	-	(10,011)	-	(10,011)
Total comprehensive (loss) income for the period	-	-	-	-	-	(10,011)	-	282,011	272,000	(117)	271,883
At 30 September 2012	5,775,000	673,485	611,390	(223,952)	(35,347)	(118,552)	(513,600)	(426,260)	5,742,164	3,934	5,746,098

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

Period ended 30 September 2013

	Note	<i>Nine months ended 30 September</i>	
		2013 KD	2012 KD
OPERATING ACTIVITIES			
Profit for the period		69,414	281,894
Adjustments for:			
Depreciation and amortisation		474,378	494,698
Gain on sale of property, plant and equipment		(2,883)	(8,550)
Impairment of intangible assets		22,500	-
Provision for employees' end of service benefits		141,474	189,343
Net loss (income) on financial assets at fair value through income statement		333	(208)
Finance costs		1,070	1,270
Share of results of an associate		27,175	19,023
		<u>733,461</u>	<u>977,470</u>
Working capital changes:			
Inventories		(182,165)	(123,255)
Accounts receivable and prepayments		(220,541)	(484,285)
Accounts payable and accruals		473,683	110,842
Cash flows from operations		<u>804,438</u>	<u>480,772</u>
Employees' end of service benefits paid		(257,779)	(204,978)
Net cash flows from operating activities		<u>546,659</u>	<u>275,794</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(138,498)	(51,810)
Proceeds from disposal of property, plant and equipment		2,883	32,087
Purchase of intangible assets		(86,035)	-
Net cash flows used in investing activities		<u>(221,650)</u>	<u>(19,723)</u>
FINANCING ACTIVITY			
Finance costs paid		(1,070)	(1,270)
Net cash flows used in financing activity		<u>(1,070)</u>	<u>(1,270)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		<u>323,939</u>	<u>254,801</u>
Net foreign exchange difference		(17,963)	(519)
Cash and cash equivalents at 1 January		<u>1,496,623</u>	<u>1,145,750</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	4	<u><u>1,802,599</u></u>	<u><u>1,400,032</u></u>

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2013

1 CORPORATE INFORMATION AND ACTIVITIES

The interim condensed consolidated financial information of Kuwait Hotels Company K.S.C. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine months period ended 30 September 2013 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 November 2013.

The Parent Company was incorporated in 25 June 1962 and is listed on Kuwait Stock Exchange. The Group is engaged in owning, operating and managing hotel, commercial and residential properties; catering services and investment in similar business in or outside Kuwait. The Parent Company's registered office is P. O. Box 833, Safat 13009, Kuwait.

The New Companies Law issued on 26 November 2012 by Decree Law no. 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no. 97 of 2013 (the Decree). The Executive Regulations of the new amended law issued on 29 September 2013 and was published in the official Gazette on 6 October 2013. As per article three of the executive regulations, the companies have one year from the date of publishing the executive regulations to comply with the new amended law.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information of the Group for nine months period ended 30 September 2013 is prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* ("IAS 34").

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. 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 nine months period ended 30 September 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

- IFRS 7 *Financial Instruments: Disclosures- Offsetting Financial Assets and Financial Liabilities- Amendments to IFRS 7*
- IFRS 10 *Consolidated Financial Statements and IAS 27 Separate Financial Statements.*
- IFRS 12 *Disclosure of Interests in Other Entities.*
- IFRS 13 *Fair Value Measurement.*
- IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
- IAS 1 *Clarification of the requirement for comparative information (Amendment)*
- IAS 34 *Interim financial reporting and segment information for total assets and liabilities (Amendment)*

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The above amendments do not have an impact on the Group financial statements.

Kuwait Hotels Company K.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2013

3 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share is calculated by dividing the (loss) profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period less treasury shares as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
(Loss) profit for the period attributable to equity holders of the Parent Company (KD)	<u>(90,029)</u>	<u>(60,501)</u>	<u>79,955</u>	<u>282,011</u>
Number of shares outstanding:				
Weighted average number of paid up shares	<u>57,750,000</u>	<u>57,750,000</u>	<u>57,750,000</u>	<u>57,750,000</u>
Weighted average number of treasury shares	<u>(1,316,700)</u>	<u>(1,316,700)</u>	<u>(1,316,700)</u>	<u>(1,316,700)</u>
Weighted average number of shares	<u>56,433,300</u>	<u>56,433,300</u>	<u>56,433,300</u>	<u>56,433,300</u>
Basic and diluted (loss) earnings per share	<u>(1.6) fils</u>	<u>(1.1) fils</u>	<u>1.4 fils</u>	<u>5.0 fils</u>

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

4 CASH AND CASH EQUIVALENTS

For the purpose of interim condensed consolidated statement of cash flows, cash and cash equivalents comprises the following:

	<i>30 September</i>	<i>(Audited)</i> <i>31 December</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash on hand and at banks	<u>1,839,966</u>	<u>1,532,955</u>	<u>1,447,630</u>
Cash held by a portfolio manager (Note 5)	<u>-</u>	<u>-</u>	<u>23</u>
Bank overdrafts	<u>1,839,966</u> <u>(37,367)</u>	<u>1,532,955</u> <u>(36,332)</u>	<u>1,447,653</u> <u>(47,621)</u>
	<u>1,802,599</u>	<u>1,496,623</u>	<u>1,400,032</u>

5 TRANSACTIONS WITH RELATED PARTIES

Related parties represent associates, 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 Parent Company's management.

There were no transactions with related parties during the period other than included in key management personnel compensation disclosed below.

Kuwait Hotels Company K.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2013

5 TRANSACTIONS WITH RELATED PARTIES (continued)

Balances with related parties included in the interim condensed consolidated financial information are as follows:

	<i>30 September</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2012</i> <i>KD</i>	<i>30 September</i> <i>2012</i> <i>KD</i>
Interim condensed consolidated statement of financial position			
Financial assets available-for-sale*	24,510	24,540	24,510
Financial assets at fair value through income statement *	97,609	97,942	134,368
Cash held by a portfolio manager (Note 4)	-	-	23

* Financial assets available-for-sale and financial assets at fair value through income statement represents investment portfolio managed by a related party.

Key management personnel compensation

	<i>Nine months ended 30 September</i>	
	<i>2013</i> <i>KD</i>	<i>2012</i> <i>KD</i>
Salaries and other employee benefits	324,270	372,413
End of service benefits	31,180	33,452
	<u>355,450</u>	<u>405,865</u>

6 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on activities and services and has two reportable operating segments i.e. hotels and catering services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments. The Group does not have any inter-segment transactions.

The following table presents segment revenue and results information regarding the Group's business segments:

	<i>Hotels</i> <i>KD</i>	<i>Catering services</i> <i>KD</i>	<i>Total</i> <i>KD</i>
<i>Nine months ended 30 September 2013</i>			
Revenue	66,194	7,630,728	7,696,922
Management fees	723,262	-	723,262
	<u>789,456</u>	<u>7,630,728</u>	<u>8,420,184</u>
Results	<u>(181,032)</u>	<u>250,446</u>	<u>69,414</u>
<i>Nine months ended 30 September 2012</i>			
Revenue	223,224	7,842,720	8,065,944
Management fees	796,152	-	796,152
	<u>1,019,376</u>	<u>7,842,720</u>	<u>8,862,096</u>
Results	<u>(212,358)</u>	<u>494,252</u>	<u>281,894</u>

Kuwait Hotels Company K.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2013

6 OPERATING SEGMENT INFORMATION (continued)

The following table presents segment assets and liabilities of the Group's business segments:

	<i>Hotels</i> <i>KD</i>	<i>Catering</i> <i>services</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Assets			
<i>At 30 September 2013</i>	<u>7,941,740</u>	<u>5,792,897</u>	<u>13,734,637</u>
<i>At 31 December 2012 (Audited)</i>	<u>7,359,408</u>	<u>5,972,312</u>	<u>13,331,720</u>
<i>At 30 September 2012</i>	<u>7,290,077</u>	<u>5,938,916</u>	<u>13,228,993</u>
Liabilities			
<i>At 30 September 2013</i>	<u>4,048,199</u>	<u>3,634,974</u>	<u>7,683,173</u>
<i>At 31 December 2012 (Audited)</i>	<u>3,994,549</u>	<u>3,330,211</u>	<u>7,324,760</u>
<i>At 30 September 2012</i>	<u>4,115,207</u>	<u>3,367,688</u>	<u>7,482,895</u>

7 COMMITMENTS

The Group has entered into commercial leases for certain premises and a property rented from the Government of Kuwait. These leases have an average life of between one to five years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<i>30 September</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2012</i> <i>KD</i>	<i>30 September</i> <i>2012</i> <i>KD</i>
Within one year	<u>255,512</u>	293,642	58,290
After one year but not more than five years	<u>730,120</u>	730,120	638,030
	<u>985,632</u>	<u>1,023,762</u>	<u>696,320</u>

8 CONTINGENCIES

At the reporting date, the Group has provided performance bank guarantees to its customers amounting to KD 2,195,770 (31 December 2012: KD 2,564,015 and 30 September 2012: KD 1,937,886). It is anticipated that no material liabilities will arise.

9 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount at which an asset, liability or financial instrument could be exchanged or settled between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The estimated fair values of financial assets and liabilities, except for certain unquoted equity instruments classified as financial assets available-for-sale that are carried at cost, approximated their respective net book values at the reporting date.

Kuwait Hotels Company K.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2013

9 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value

	<i>Level 3 and total KD</i>
30 September 2013	
Financial assets at fair value through income statement	<u>97,609</u>
31 December 2012	
Financial assets at fair value through income statement	<u>97,942</u>
30 September 2012	
Financial assets at fair value through income statement	<u>134,367</u>

Reconciliation of fair value measurements of Level 3 financial instruments

A reconciliation of the beginning to the closing balance, disclosing the movements, is as follows:

	<i>Financial assets at fair value through income statement KD</i>
As at 1 January 2013	97,942
Unrealised loss recognised in interim condensed consolidated income statement	<u>(333)</u>
At 30 September 2013	<u>97,609</u>

During the nine months period ended 30 September 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into Level 3 fair value measurements.