

**UNITED PROJECTS COMPANY FOR  
AVIATION SERVICES K.S.C. (CLOSED)  
AND SUBSIDIARIES**

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

**31 MARCH 2012**



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### **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES K.S.C. (CLOSED)**

#### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Projects Company For Aviation Services K.S.C. (Closed) (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2012, and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the three 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 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 IAS 34.

#### **Emphasis of matter**

Without qualifying our conclusion, we draw attention to Note 4 to the interim condensed consolidated financial information, which describes the uncertainty relating to the approval to be obtained from the civil aviation authority for the lease of the Sheikh Saa'd terminal and its impact on the recoverable amount of an intangible asset.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF  
UNITED PROJECTS COMPANY FOR AVIATION SERVICES K.S.C. (CLOSED) (continued)**

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the Parent Company have occurred during the three months period ended 31 March 2012 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



DR. SAUD AL HUMAIDI  
LICENCE NO. 51 A  
DR. SAUD AL-HUMAIDI & PARTNERS  
MEMBER OF BAKER TILLY INTERNATIONAL

13 May 2012  
Kuwait

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
(UNAUDITED)

For the period ended 31 March 2012

	Note	Three months ended 31 March	
		2012 KD	2011 KD
Revenues		2,980,036	2,688,237
Operating costs		(1,117,008)	(1,436,865)
<b>GROSS PROFIT</b>		<b>1,863,028</b>	<b>1,251,372</b>
Realised (loss) gain on sale of financial assets available for sale		(1,056)	462
Interest income		106,077	36,896
Dividend income		-	2,082
Share of results of associates		-	(16,232)
Other income		597,552	409,975
Impairment loss on projects under construction		-	(79,979)
Impairment loss on receivables and other assets		(216,357)	-
Impairment loss on amount due from related parties		-	(1,137,198)
General and administrative expenses		(315,670)	(303,549)
Depreciation		(64,468)	(52,149)
Finance costs		(26,361)	(20,390)
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT</b>		<b>1,942,745</b>	<b>91,290</b>
Contribution to KFAS		(19,624)	(822)
NLST		(49,059)	(2,282)
Zakat		(19,795)	(912)
<b>PROFIT FOR THE PERIOD</b>		<b>1,854,267</b>	<b>87,274</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		1,871,700	197,176
Non controlling interest		(17,433)	(109,902)
		<b>1,854,267</b>	<b>87,274</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	3	<b>23.76 fils</b>	<b>2.48 fils</b>

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

**United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE**  
**INCOME (UNAUDITED)**

For the period ended 31 March 2012

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	<b>1,854,267</b>	<b>87,274</b>
<b>Other comprehensive income:</b>		
Financial assets available for sale:		
- Net fair value gain (loss)	<b>6,600</b>	(28,502)
- Net transfer to income statement	<b>1,056</b>	(462)
<b>Other comprehensive income (loss)</b>	<b>7,656</b>	(28,964)
<b>Total comprehensive income for the period</b>	<b>1,861,923</b>	<b>58,310</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>1,879,356</b>	168,212
Non controlling interest	<b>(17,433)</b>	(109,902)
	<b>1,861,923</b>	<b>58,310</b>

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
 POSITION (UNAUDITED)**

As at 31 March 2012

		(Audited)	
		31 March 2012	31 December 2011
		KD	KD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		593,482	657,952
Intangible assets	4	24,362,611	25,050,594
Investment in associates		62,500	62,500
Financial assets available for sale		3,589,012	1,632,172
		<u>28,607,605</u>	<u>27,403,218</u>
<b>Current assets</b>			
Receivables and other assets		1,139,528	1,211,438
Due from related parties	5	933,098	1,354,284
Bank balances and cash	6	11,843,130	12,001,617
		<u>13,915,756</u>	<u>14,567,339</u>
<b>TOTAL ASSETS</b>		<u>42,523,361</u>	<u>41,970,557</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		8,250,000	8,250,000
Share premium		10,500,000	10,500,000
Statutory reserve		2,664,513	2,664,513
Voluntary reserve		2,664,513	2,664,513
Treasury shares		(1,362,482)	(1,349,532)
Treasury shares reserve		903	903
Other reserve		(260,978)	(260,978)
Cumulative changes in fair values		274,874	267,218
Retained earnings		8,158,024	8,649,424
		<u>30,889,367</u>	<u>31,386,061</u>
<b>Equity attributable to equity holders of the Parent Company</b>		<u>30,889,367</u>	<u>31,386,061</u>
Non controlling interest		2,757,491	2,774,924
		<u>33,646,858</u>	<u>34,160,985</u>
<b>Non-current liabilities</b>			
Term loans	5	750,000	950,000
Employees' end of service benefits		318,525	308,647
		<u>1,068,525</u>	<u>1,258,647</u>
<b>Current liabilities</b>			
Bank overdraft	6	96,817	84,731
Term loans	5	800,000	800,000
Due to related parties	4	599,408	672,225
Accounts payable and other liabilities		6,311,753	4,993,969
		<u>7,807,978</u>	<u>6,550,925</u>
<b>Total liabilities</b>		<u>8,876,503</u>	<u>7,809,572</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>42,523,361</u>	<u>41,970,557</u>



Salem Abdulredha Safar  
Chairman



Majed Hssa Al Ajeel  
Vice Chairman and Chief Executive Officer

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the period ended 31 March 2012

	Notes	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2012</i>	<i>2011</i>
		<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,854,267	87,274
Adjustments for:			
Realised loss (gain) on sale of financial assets available for sale		1,056	(462)
Interest income		(106,077)	(36,896)
Dividend income		-	(2,082)
Share of results of associates		-	16,232
Impairment loss on projects under construction		-	79,979
Impairment loss on receivables and other assets		216,357	-
Impairment loss of due from related parties		-	1,137,198
Provision of employees' end of service benefits		11,297	11,242
Depreciation and amortisation	8	752,452	1,028,345
Finance costs		26,361	20,390
		<u>2,755,713</u>	<u>2,341,220</u>
Working capital changes:			
Receivables and other assets		(64,588)	(174,087)
Due from related parties		421,186	(261,924)
Due to related parties		(72,817)	99,140
Accounts payable and other liabilities		1,317,784	(79,730)
		<u>4,357,278</u>	<u>1,924,619</u>
Cash from operations		(1,419)	-
Employees' end of service benefits paid			
		<u>4,355,859</u>	<u>1,924,619</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of financial assets available for sale		(1,994,745)	(61,947)
Proceeds from sale of financial assets available for sale		42,051	24,087
Investment in an associate		-	(62,500)
Purchase of property and equipment		-	(16,701)
Interest income received		28,673	36,896
Dividend income received		-	2,082
		<u>(1,924,021)</u>	<u>(78,083)</u>
Net cash used in investing activities			
<b>FINANCING ACTIVITIES</b>			
Purchase of treasury shares		(12,950)	-
Repayment of term loans		(200,000)	(200,000)
Dividends	7	(2,363,100)	(2,360,400)
Finance costs paid		(26,361)	(20,390)
		<u>(2,602,411)</u>	<u>(2,580,790)</u>
Net cash used in financing activities			
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(170,573)</b>	<b>(734,254)</b>
Cash and cash equivalents at the beginning of the period		11,916,886	6,804,603
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6	<u><u>11,746,313</u></u>	<u><u>6,070,349</u></u>

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

**United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the period ended 31 March 2012

*Attributable to equity holders of the Parent Company*

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Other reserve KD	Cumulative changes in fair values KD	Retained earnings KD	Sub total KD	Non controlling interest KD	Total equity KD
As at 1 January 2012	8,250,000	10,500,000	2,664,513	2,664,513	903	(260,978)	267,218	8,649,424	31,386,061	2,774,924	34,160,985	
Profit (loss) for the period	-	-	-	-	-	-	-	1,871,700	1,871,700	(17,433)	1,854,267	
Other comprehensive income	-	-	-	-	-	-	7,656	-	7,656	-	7,656	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	7,656	1,871,700	1,879,356	(17,433)	1,861,923	
Dividends for 2011 at 30 fils per share (Note 7)	-	-	-	-	-	-	-	(2,363,100)	(2,363,100)	-	(2,363,100)	
Purchase of treasury shares	-	-	-	-	(12,950)	-	-	-	(12,950)	-	-	
<b>As at 31 March 2012</b>	<b>8,250,000</b>	<b>10,500,000</b>	<b>2,664,513</b>	<b>2,664,513</b>	<b>903</b>	<b>(260,978)</b>	<b>274,874</b>	<b>8,158,024</b>	<b>30,889,367</b>	<b>2,757,491</b>	<b>33,646,858</b>	
As at 1 January 2011	8,250,000	10,500,000	2,424,057	2,424,057	3,156	(260,978)	173,878	9,217,420	31,329,154	3,029,411	34,358,565	
Profit (loss) for the period	-	-	-	-	-	-	-	197,176	197,176	(109,902)	87,274	
Other comprehensive loss	-	-	-	-	-	-	(28,964)	-	(28,964)	-	(28,964)	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(28,964)	197,176	(28,964)	(109,902)	58,310	
Dividends paid (Note 7)	-	-	-	-	-	-	-	(2,360,400)	(2,360,400)	-	(2,360,400)	
<b>As at 31 March 2011</b>	<b>8,250,000</b>	<b>10,500,000</b>	<b>2,424,057</b>	<b>2,424,057</b>	<b>3,156</b>	<b>(260,978)</b>	<b>144,914</b>	<b>7,054,196</b>	<b>29,136,966</b>	<b>2,919,509</b>	<b>32,056,475</b>	

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.



**United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**INFORMATION (UNAUDITED)**

As at 31 March 2012

**1 ACTIVITIES**

The interim condensed consolidated financial information of United Projects Company for Aviation Services K.S.C. (Closed) (the "Parent Company") and its subsidiaries (collectively the "Group") for the three month period ended 31 March 2012 were authorised for issue by the board of directors on 13 May 2012.

The Parent Company was established as a closed Kuwaiti Shareholding Company on 4 December 2000 and its registered address is Fahed Al Salem Street, Al Abrar Tower, P.O. Box 27068 Safat 13131, State of Kuwait. The main objectives of the Parent Company are:

- Providing airplane ground and cleaning services and supply of water and other airplane supplies
- Leasing out airplanes
- Tourism, travel and cargo shipment services
- Managing projects
- Investing surplus funds in investment portfolios managed by specialised institutions

The Parent Company's shares are listed on the Kuwait Stock Exchange.

The Parent Company is a subsidiary of Kuwait National Airways K.S.C. (the "Ultimate Parent Company").

**2 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

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 include all of the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2012. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 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 31 December 2011, except for the adoption of the following amended International Accounting Standards Board ("IASB") Standards during the period:

*IFRS 3: Business Combinations (Amendment) (effective 1 July 2011)*

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.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 31 March 2012

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policy and disclosures (continued)

*IFRS 7: Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements (Amendment) (effective 1 July 2011)*

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

The adoption of the above mentioned amendments did not have any material impact on the financial position or performance of the Group.

The Group has not early adopted any IASB standards, International Financial Reporting Interpretations Committee ("IFRIC") interpretations or amendments that have been issued but not yet effective.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basis and diluted earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares, less treasury shares, outstanding during the period, as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	<u>1,871,700</u>	<u>197,176</u>
Weighted average number of ordinary shares, less treasury shares, outstanding during the period	<i>Shares</i> <u>78,786,484</u>	<i>Shares</i> <u>79,416,556</u>
Basic and diluted earnings per share attributable to equity holders of the Parent Company	<u>23.76 fils</u>	<u>2.48 fils</u>

4 INTANGIBLE ASSETS

Intangible assets amounting to KD 9,585,317 (31 December 2011: KD 9,784,289 and 31 March 2011: KD 10,381,205) represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). This terminal was being used by the Ultimate Parent Company for its airline operations. However, during 2011, the Ultimate Parent Company ceased operations and, consequently, the terminal's traffic has significantly reduced. The management of the Group has initiated discussions with alternative carriers in Kuwait to increase the utilisation of this terminal by seeking to lease the terminal to other operators. Based on these discussions, the management is confident that it will be able to increase the utilisation for the terminal and, therefore, believes that the carrying amount of intangible assets for this terminal will be recovered from future operations. The management has not yet obtained the permission of the civil aviation authority to lease the terminal to alternate carriers, but has applied for permission in this regard. The management is confident that the approval to lease the terminal to alternate carriers will be obtained.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 31 March 2012

5 RELATED PARTY TRANSACTIONS

Related parties represent the Ultimate Parent Company, associates, 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.

Balances and transactions with related parties are as follows:

	Ultimate Parent Company KD	Other related Parties KD	Three months ended 31 March	
			2012 KD	2011 KD
<i>Interim condensed consolidated income statement:</i>				
Revenues	-	31,938	31,938	71,478
Interest income	-	106,077	106,077	34,452
Other income	-	8,349	8,349	-
General and administrative expenses	-	(955)	(955)	(4,446)
Finance costs	-	(26,361)	(26,361)	(20,390)

	Ultimate Parent Company KD	Other related parties KD	31 March 2012 KD	(Audited)	
				31 December 2011 KD	31 March 2011 KD
<i>Interim condensed consolidated statement of financial position:</i>					
Due from related parties	366,803	566,295	933,098	1,354,284	2,860,930
Cash and cash equivalents	-	11,746,313	11,746,313	11,916,886	6,070,349
Term loans	-	1,550,000	1,550,000	1,750,000	2,350,000
Due to related parties	45,000	554,408	599,408	672,225	640,983
Accounts payable and other liabilities *	1,541,325	-	1,541,325	-	-

\* Represents dividend payable.

Financial assets available for sale amounting to KD 3,196,968 (31 December 2011: KD 1,240,128 and 31 March 2011: KD 1,409,858) are managed by a related party.

Compensation of key management personnel

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

	Three months ended 31 March	
	2012 KD	2011 KD
Short-term benefits	34,746	32,686
Employees' end of service benefits	4,038	4,038
	<u>38,784</u>	<u>36,724</u>

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 31 March 2012

**6 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the interim condensed consolidated statement of cash flows consist of the following interim condensed consolidated statement of financial position amounts:

	<i>31 March</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>31 March</i> <i>2011</i> <i>KD</i>
Bank balances and cash	11,843,130	12,001,617	6,267,169
Bank overdraft	(96,817)	(84,731)	(196,820)
	<u>11,746,313</u>	<u>11,916,886</u>	<u>6,070,349</u>

**7 TREASURY SHARES, RESERVES AND APPROPRIATIONS**

**a) Treasury shares**

	<i>31 March</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>31 March</i> <i>2011</i> <i>KD</i>
Number of treasury shares (shares)	3,740,000	3,700,000	3,820,000
Percentage of issued shares (%)	5%	4%	5%
Market value (KD)	1,196,800	1,110,000	1,547,100

**b) Reserves**

Reserves equivalent to the cost of the treasury shares have been ear marked as non-distributable.

**c) Dividend**

On 19 March 2012, the General Assembly approved the distribution of a cash dividend of 30 fils per share (excluding treasury shares) for the year ended 31 December 2011 (31 December 2010: cash dividends of 30 fils per share (excluding treasury shares)). The distribution was made to the Parent Company's shareholders on records as of the date of the General Assembly.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2012

8 SEGMENT INFORMATION

For management purposes, the Group is organised in two operating segments "investments" and "rental and other services operations" as follows:

	Investments			Rental and other services operations			Total	
	Three months ended	Three months ended	Three months ended	Three months ended	Three months ended	Three months ended	Three months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	
	KD	KD	KD	KD	KD	KD	KD	
Segment revenue	106,077	38,978	3,577,588	3,098,212	3,683,665	3,137,190		
Segment profit	105,021	38,978	1,837,724	68,082	1,942,745	107,060		
Unallocated expenses					(88,478)	(19,786)		
Profit for the period					1,854,267	87,274		
Depreciation and amortisation	-	-	752,452	1,028,345	752,452	1,028,345		

	Investments			Rental and other services operations			Total	
	(Audited) 31 March 2012	(Audited) 31 March 2011	(Audited) 31 March 2012	(Audited) 31 March 2011	(Audited) 31 March 2012	(Audited) 31 March 2011	(Audited) 31 March 2012	
	KD	KD	KD	KD	KD	KD	KD	
Assets	15,494,642	13,696,289	8,537,910	28,274,268	31,876,888	41,970,557	40,414,798	
Liabilities	-	-	8,876,503	7,809,572	8,358,323	7,809,572	8,358,323	
Commitments	-	-	6,492,934	6,665,656	6,459,108	6,665,656	6,459,108	

Interim condensed consolidated statement of financial position:

Assets	15,494,642	13,696,289	8,537,910	28,274,268	31,876,888	41,970,557	40,414,798
Liabilities	-	-	8,876,503	7,809,572	8,358,323	7,809,572	8,358,323
Commitments	-	-	6,492,934	6,665,656	6,459,108	6,665,656	6,459,108

All of the Group's operations are in Kuwait.

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 31 March 2012

**9 COMMITMENTS**

The Discovery Mall, the car park and commercial complex of Kuwait International Airport are constructed on a leased land for which an annual lease payment of KD 690,888 (31 December 2011: KD 690,888 and 31 March 2011: KD 690,888) was made. The lease payments for the future periods are as follows:

	<i>31 March</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>31 March</i> <i>2011</i> <i>KD</i>
Not later than 5 years	<b>3,400,440</b>	3,418,440	2,911,830
Later than 5 years	<b>3,092,494</b>	3,247,216	3,547,278
	<b><u>6,492,934</u></b>	<u>6,665,656</u>	<u>6,459,108</u>

**10 CONTINGENCIES**

As at 31 March 2012, the Group had contingent liabilities amounting to KD 322,240 (31 December 2011: KD 322,240 and 31 March 2011: KD 356,550) in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.