

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

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

30 JUNE 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 30 June 2012, and the related interim condensed consolidated income statement and the, interim condensed consolidated statement of comprehensive income for the three and six month periods then ended, and the interim condensed consolidated statements of cash flows and changes in equity for the six month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with 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 permission of the civil aviation authority to allow alternate carriers to operate from 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 six month period ended 30 June 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

25 July 2012

Kuwait

United Projects Company For Aviation Services K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the period ended 30 June 2012

	Note	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
		<i>2012</i> <i>KD</i>	<i>2011</i> <i>KD</i>	<i>2012</i> <i>KD</i>	<i>2011</i> <i>KD</i>
Revenues		2,828,696	2,439,110	5,808,732	5,127,347
Operating costs		(1,292,279)	(1,536,058)	(2,409,287)	(2,972,923)
GROSS PROFIT		1,536,417	903,052	3,399,445	2,154,424
Realised loss on sale of financial assets available for sale		(4,788)	(91,923)	(5,844)	(91,461)
Interest income		124,265	41,673	230,342	78,569
Dividend income		5,143	4,303	5,143	6,385
Share of results of associates		-	16,543	-	311
Other income		308,292	391,632	905,844	801,607
Impairment loss on projects under construction		-	-	-	(79,979)
Impairment loss on receivables and other assets		(99,405)	-	(315,762)	-
Impairment loss on amount due from related parties		-	(992,519)	-	(2,129,717)
General and administrative expenses		(153,682)	(267,075)	(469,352)	(570,624)
Depreciation		(64,044)	(57,000)	(128,512)	(109,149)
Finance costs		(23,311)	(68,314)	(49,672)	(88,704)
PROFIT (LOSS) FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT		1,628,887	(119,628)	3,571,632	(28,338)
Contribution to KFAS		(16,453)	822	(36,077)	-
NLST		(41,134)	2,282	(90,193)	-
Zakat		(14,754)	912	(34,549)	-
PROFIT (LOSS) FOR THE PERIOD		1,556,546	(115,612)	3,410,813	(28,338)
Attributable to:					
Equity holders of the Parent Company		1,580,531	29,876	3,452,231	227,052
Non controlling interest		(23,985)	(145,488)	(41,418)	(255,390)
		1,556,546	(115,612)	3,410,813	(28,338)
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	20.1 fils	0.4 fils	43.8 fils	2.9 fils

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 30 June 2012


	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit (loss) for the period	1,556,546	(115,612)	3,410,813	(28,338)
Other comprehensive income:				
Financial assets available for sale:				
- Net fair value loss	(7,955)	(13,777)	(1,355)	(42,279)
- Net transfer to income statement	4,788	91,923	5,844	91,461
Other comprehensive (loss) income	(3,167)	78,146	4,489	49,182
Total comprehensive income (loss) for the period	1,553,379	(37,466)	3,415,302	20,844
Attributable to:				
Equity holders of the Parent Company	1,577,364	108,022	3,456,720	276,234
Non controlling interest	(23,985)	(145,488)	(41,418)	(255,390)
	<u>1,553,379</u>	<u>(37,466)</u>	<u>3,415,302</u>	<u>20,844</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 FINANCIAL
POSITION (UNAUDITED)**

As at 30 June 2012

		30 June 2012 KD	(Audited) 31 December 2011 KD	30 June 2011 KD
ASSETS	<i>Notes</i>			
Non-current assets				
Property and equipment		538,113	657,952	763,565
Intangible assets		23,676,143	25,050,594	25,850,126
Investment in associates		62,500	62,500	877,427
Financial assets available for sale		4,854,020	1,632,172	1,313,981
		<u>29,130,776</u>	<u>27,403,218</u>	<u>28,805,099</u>
Current assets				
Receivables and other assets		1,866,135	1,211,438	1,526,502
Due from related parties	5	138,986	1,354,284	2,080,968
Bank balances and cash	6	12,416,774	12,001,617	7,970,132
		<u>14,421,895</u>	<u>14,567,339</u>	<u>11,577,602</u>
TOTAL ASSETS		<u>43,552,671</u>	<u>41,970,557</u>	<u>40,382,701</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		8,250,000	8,250,000	8,250,000
Share premium		10,500,000	10,500,000	10,500,000
Statutory reserve		2,664,513	2,664,513	2,424,057
Voluntary reserve		2,664,513	2,664,513	2,424,057
Treasury shares		(1,334,194)	(1,349,532)	(1,299,982)
Treasury shares reserve		(3,785)	903	903
Other reserve		(260,978)	(260,978)	(260,978)
Cumulative changes in fair values		271,707	267,218	223,060
Retained earnings		9,738,555	8,649,424	7,084,072
Equity attributable to equity holders of the Parent Company		<u>32,490,331</u>	<u>31,386,061</u>	<u>29,345,189</u>
Non controlling interest		2,733,506	2,774,924	2,774,021
Total equity		<u>35,223,837</u>	<u>34,160,985</u>	<u>32,119,210</u>
Non-current liabilities				
Term loans		550,000	950,000	1,500,000
Employees' end of service benefits		207,145	308,647	293,964
		<u>757,145</u>	<u>1,258,647</u>	<u>1,793,964</u>
Current liabilities				
Bank overdraft	6	20,803	84,731	196,070
Term loans		800,000	800,000	650,000
Due to related parties	5	-	672,225	651,860
Accounts payable and other liabilities		6,750,886	4,993,969	4,971,597
		<u>7,571,689</u>	<u>6,550,925</u>	<u>6,469,527</u>
Total liabilities		<u>8,328,834</u>	<u>7,809,572</u>	<u>8,263,491</u>
TOTAL EQUITY AND LIABILITIES		<u>43,552,671</u>	<u>41,970,557</u>	<u>40,382,701</u>


Nadia Abdullah Mohammad Akil
Chairman and Managing Director


Hassan Bassam Al Houry
Vice Chairman

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 30 June 2012

	Notes	<i>Three months ended</i>	
		<i>30 June</i>	
		<i>2012</i>	<i>2011</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Profit (loss) for the period		3,410,813	(28,338)
Adjustments for:			
Realised loss on sale of financial assets available for sale		5,844	91,461
Interest income		(230,342)	(78,569)
Dividend income		(5,143)	(6,385)
Share of results of associates		-	(311)
Impairment loss on projects under construction		-	79,979
Gain on sale of property and equipment		-	(12,500)
Impairment loss on receivables and other assets		315,762	-
Impairment loss on amount due from related parties		-	2,129,717
Provision of employees' end of service benefits		23,260	26,117
Depreciation and amortisation	8	1,502,964	2,089,966
Finance costs		49,672	88,704
		<u>5,072,830</u>	<u>4,379,841</u>
Working capital changes:			
Receivables and other assets		(826,677)	(216,509)
Due from related parties		1,215,298	(474,480)
Due to related parties		(672,225)	110,017
Accounts payable and other liabilities		1,756,917	16,057
		<u>6,546,143</u>	<u>3,814,926</u>
Cash from operations		(124,762)	(7,591)
Employees' end of service benefits paid			
Net cash from operating activities		<u>6,421,381</u>	<u>3,807,335</u>
INVESTING ACTIVITIES			
Purchase of financial assets available for sale		(3,347,662)	(179,070)
Proceeds from sale of financial assets available for sale		130,303	243,118
Investment in an associate		-	(82,500)
Purchase of property and equipment		-	(187,484)
Proceeds from sale of property and equipment		-	32,009
Interest income received		72,042	78,569
Dividend income received		5,143	6,385
		<u>(3,140,174)</u>	<u>(88,973)</u>
Net cash used in investing activities			
FINANCING ACTIVITIES			
Purchase of treasury shares		(42,950)	(15,050)
Sale of treasury shares		53,600	115,251
Repayment of term loans		(400,000)	(400,000)
Dividends paid	7	(2,363,100)	(2,360,400)
Finance costs paid		(49,672)	(88,704)
		<u>(2,802,122)</u>	<u>(2,748,903)</u>
Net cash used in financing activities			
INCREASE IN CASH AND CASH EQUIVALENTS		479,085	969,459
Cash and cash equivalents at the beginning of the period		11,916,886	6,804,603
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	<u>12,395,971</u>	<u>7,774,062</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 30 June 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	-	-	-	-	-	-	-	3,452,231	3,452,231	(41,418)	3,410,813	
Other comprehensive income	-	-	-	-	-	-	4,489	-	4,489	-	4,489	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	4,489	3,452,231	3,456,720	(41,418)	3,415,302	
Dividends for 2011 at 30 fils per share (Note 7)	-	-	-	-	-	-	-	(2,363,100)	(2,363,100)	-	(2,363,100)	
Purchase of treasury shares	-	-	-	-	(42,950)	-	-	-	(42,950)	-	-	(42,950)
Sale of treasury shares	-	-	-	-	58,288	(4,688)	-	-	53,600	-	-	53,600
As at 30 June 2012	8,250,000	10,500,000	2,664,513	2,664,513	(3,785)	(260,978)	271,707	9,738,555	32,490,331	2,733,506	35,223,837	
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	-	-	-	-	-	-	-	227,052	227,052	(255,390)	(28,338)	
Other comprehensive income	-	-	-	-	-	-	49,182	-	-	-	49,182	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	49,182	227,052	276,234	(255,390)	20,844	
Dividends paid (Note 7)	-	-	-	-	-	-	-	(2,360,400)	(2,360,400)	-	(2,360,400)	
Purchase of treasury shares	-	-	-	-	(15,050)	-	-	-	(15,050)	-	-	(15,050)
Sale of treasury shares	-	-	-	-	117,504	(2,253)	-	-	115,251	-	-	115,251
As at 30 June 2011	8,250,000	10,500,000	2,424,057	2,424,057	903	(260,978)	223,060	7,084,072	29,345,189	2,774,021	32,119,210	

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 30 June 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 six month period ended 30 June 2012 were authorised for issue by the board of directors on 25 July 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 is listed on the Kuwait Stock Exchange.

During the period, Agility Public Warehousing Company K.S.C. acquired 62% equity interest in the Parent Company. Consequently, Agility Public Warehousing Company K.S.C. became the Ultimate Parent Company of the Group. Previously, Kuwait National Airways K.S.C. was the Ultimate Parent Company of the Group.

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 30 June 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 new or revised 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>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	1,580,531	29,876	3,452,231	227,052
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares, less treasury shares, outstanding during the period	78,814,505	78,693,889	78,800,495	78,686,944
Basic and diluted earnings per share attributable to equity holders of the Parent Company	20.1 fils	0.4 fils	43.8 fils	2.9 fils

4 INTANGIBLE ASSETS

Intangible assets amounting to KD 9,386,345 (31 December 2011: KD 9,784,289 and 30 June 2011: KD 10,182,233) represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). This terminal was used by Kuwait National Airways K.S.C. (previously the Ultimate Parent Company) for its airline operations. However, during 2011, Kuwait National Airways K.S.C. 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 allow alternate carriers to operate from the Sheikh Saa'd terminal, 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 30 June 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:

	<i>Ultimate Parent Company KD</i>	<i>Other related parties KD</i>	<i>Six months ended 30 June</i>		
			<i>2012 KD</i>	<i>2011 KD</i>	
<i>Interim condensed consolidated income statement:</i>					
Revenues	95,755	74,662	170,417	200,543	
Interest income	-	174,586	174,586	78,569	
Other income	-	16,929	16,929	77,536	
General and administrative expenses	-	(1,738)	(1,738)	(2,646)	
Finance costs	-	(41,432)	(41,432)	(88,704)	
	<i>Ultimate Parent Company KD</i>	<i>Other related parties KD</i>	<i>30 June 2012 KD</i>	<i>(Audited) 31 December 2011 KD</i>	<i>30 June 2011 KD</i>

Interim condensed consolidated statement of financial position:

Due from related parties	-	138,986	138,986	1,354,284	2,080,968
Cash and cash equivalents	-	-	-	11,916,886	7,774,062
Term loans	-	-	-	1,750,000	2,150,000
Due to related parties	-	-	-	672,225	651,860

Financial assets available for sale amounting to Nil (31 December 2011: KD 1,240,128 and 30 June 2011: KD 1,313,981) are managed by a related party.

Compensation of key management personnel

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

	<i>Six months ended 30 June</i>	
	<i>2012 KD</i>	<i>2011 KD</i>
Short-term benefits	79,392	58,918
Employees' end of service benefits	8,077	9,423
	87,469	68,341

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

As at 30 June 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>30 June</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>30 June</i> <i>2011</i> <i>KD</i>
Bank balances and cash	12,416,774	12,001,617	7,970,132
Bank overdraft	<u>(20,803)</u>	<u>(84,731)</u>	<u>(196,070)</u>
	<u><u>12,395,971</u></u>	<u><u>11,916,886</u></u>	<u><u>7,774,062</u></u>

7 TREASURY SHARES, RESERVES AND APPROPRIATIONS

a) Treasury shares

	<i>30 June</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>30 June</i> <i>2011</i> <i>KD</i>
Number of treasury shares (shares)	3,660,000	3,700,000	3,540,000
Percentage of issued shares (%)	<u>4%</u>	<u>4%</u>	<u>4.29%</u>
Market value (KD)	<u><u>1,518,900</u></u>	<u><u>1,110,000</u></u>	<u><u>1,221,300</u></u>

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	
	Six months ended 30 June 2012 KD	Six months ended 30 June 2011 KD	Six months ended 30 June 2012 KD	Six Months Ended 30 June 2011 KD	Six months ended 30 June 2012 KD	Six months Ended 30 June 2011 KD
Segment revenue	235,485	84,954	6,714,576	5,929,265	6,950,061	6,014,219
Segment profit (loss)	229,641	(33,545)	3,341,991	5,207	3,571,632	(28,338)
Unallocated expenses					(160,819)	-
Profit for the period					3,410,813	(28,338)
Depreciation and amortisation	-	-	(1,502,964)	(2,089,966)	(1,502,964)	(2,089,966)
	Investments		Rental and other services operations		Total	
	(Audited) 30 June 2012 KD	(Audited) 30 June 2011 KD	(Audited) 30 June 2012 KD	(Audited) 30 June 2011 KD	(Audited) 30 June 2012 KD	(Audited) 30 June 2011 KD
<i>Interim condensed consolidated statement of financial position:</i>						
Assets	17,333,294	13,696,289	26,219,378	28,274,268	43,552,672	41,970,557
Liabilities	-	-	8,328,834	7,809,572	8,328,834	7,809,572
Commitments	-	-	6,320,212	8,113,664	6,320,212	6,665,656
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
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As at 30 June 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 30 June 2011: KD 690,888) was made. The lease payments for the future periods are as follows:

	<i>30 June</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>30 June</i> <i>2011</i> <i>KD</i>
Not later than 5 years	3,382,440	3,418,440	2,739,108
Later than 5 years	2,937,772	3,247,216	3,374,556
	<u>6,320,212</u>	<u>6,665,656</u>	<u>6,113,664</u>

10 CONTINGENCIES

As at 30 June 2012, the Group has contingent liabilities amounting to KD 322,240 (31 December 2011: KD 322,240 and 30 June 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.