

**Kuwait National Cinema Company K.P.S.C.
And its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
and Review Report
For the nine months ended 30 September 2015
(Unaudited)**

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
and Review Report
For the nine months ended 30 September 2015
(Unaudited)**

Contents	Page
Independent Auditors' Review Report	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6 - 11

**Kuwait National Cinema Company K.P.S.C.
State of Kuwait**

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait National Cinema Company - K.P.S.C "the Parent Company" and its subsidiaries "together referred to as the Group" as at 30 September 2015 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". 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."

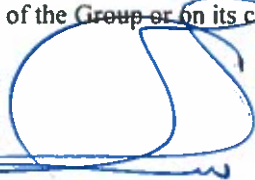
A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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 International Accounting Standard No. (34) "Interim Financial Reporting".


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 Companies Law No. 25 of 2012 as amended or of the Parent Company's Memorandum and Articles of Association have occurred during the nine-month period ended 30 September 2015 that might have had a material effect on the business of the Group or on its consolidated financial position.



Bader A. Al-Wazzan
License No. 62 A
Deloitte & Touche
Al Wazzan & Co.

Kuwait, 3 November 2015



Rabea Saad Al Muhanna
License No. 152 A
Horwath Al Muhanna & Co.
Kuwait

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Financial Position as at 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	30 September 2015	31 December 2014 (Audited)	30 September 2014
ASSETS				
Non-current assets				
Property, plant and equipment	4	15,055,406	14,540,324	14,552,489
Intangible assets		187,668	311,148	522,130
Investments in associates	5	33,430,568	32,362,993	31,678,705
Available for sale investments	6	21,874,607	24,719,584	18,966,657
		<u>70,548,249</u>	<u>71,934,049</u>	<u>65,719,981</u>
Current assets				
Inventories		244,936	233,366	468,240
Trade and other receivables	7	1,368,781	1,294,753	1,887,123
Cash, current accounts and deposits	8	18,201,960	11,239,637	10,105,515
		<u>19,815,677</u>	<u>12,767,756</u>	<u>12,460,878</u>
Total assets		<u>90,363,926</u>	<u>84,701,805</u>	<u>78,180,859</u>
Equity and liabilities				
Equity				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares	9	(6,168,864)	(2,029,453)	(1,815,289)
Statutory reserve		5,053,125	5,053,125	5,053,125
General reserve		9,414,038	9,414,038	8,502,532
Other reserves	10	16,496,152	17,920,227	15,315,654
Retained earnings		26,192,933	22,938,906	22,231,767
Equity attributable to the Parent Company's shareholders		<u>61,093,634</u>	<u>63,403,093</u>	<u>59,394,039</u>
Non-controlling interest		24,026	17,744	14,533
		<u>61,117,660</u>	<u>63,420,837</u>	<u>59,408,572</u>
Liabilities				
Non-current liabilities				
Post-employment benefits		1,189,632	1,166,691	1,149,734
Current liabilities				
Trade and other payables		8,446,752	7,119,959	7,541,732
Loans and bank facilities	11	19,609,882	12,994,318	10,080,821
		<u>28,056,634</u>	<u>20,114,277</u>	<u>17,622,553</u>
Total liabilities		<u>29,246,266</u>	<u>21,280,968</u>	<u>18,772,287</u>
Total equity and liabilities		<u>90,363,926</u>	<u>84,701,805</u>	<u>78,180,859</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

AbdulWahab Marzouq Al-Marzouq
Chairman

Ahmed Abdul Aziz Al Sarawi
Vice Chairman

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2015	2014	2015	2014
Operating revenues		5,315,402	4,617,357	15,620,311	13,306,903
Operating costs		(4,193,688)	(3,866,994)	(11,864,328)	(10,801,758)
Gross profit		1,121,714	750,363	3,755,983	2,505,145
Other operating income		1,941,324	1,498,911	5,572,579	4,717,913
General and administrative expenses		(498,349)	(361,522)	(1,514,674)	(1,214,532)
Other operating expenses		(541,917)	(472,139)	(1,597,371)	(1,405,955)
Net (loss) /gain of financial investments		(758,635)	(1,094)	(420,674)	784,742
Group's share in associates' results	5	1,090,610	760,675	3,119,488	2,357,437
Finance costs		(177,956)	(104,412)	(528,256)	(357,813)
Profit before deductions		2,176,791	2,070,782	8,387,075	7,386,937
Contribution to Kuwait Foundation for the Advancement of Sciences		(9,791)	(12,384)	(44,304)	(49,853)
National Labor Support Tax		(54,366)	(52,351)	(206,285)	(187,015)
Zakat		(9,749)	(12,817)	(44,347)	(50,715)
Net profit for the period		2,102,885	1,993,230	8,092,139	7,099,354
Attributable to:					
Shareholders of the Parent Company		2,102,079	1,992,669	8,085,857	7,098,980
Non-controlling interest		806	561	6,282	374
		2,102,885	1,993,230	8,092,139	7,099,354
Earnings per share (fils)	12	22.21	20.14	84.92	71.63

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Comprehensive Income for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
Net profit for the period	2,102,885	1,993,230	8,092,139	7,099,354
Other comprehensive income items:				
<i>Items that may be reclassified subsequently to statement of income:</i>				
Change in fair value for available for sale investments	(219,719)	352,129	(988,910)	5,578,437
Transferred to statement of income from sale of available for sale investments	-	-	(180,005)	-
Group's share from associates' reserves	(18,639)	182,211	(251,913)	476,927
Foreign currency translation of a subsidiary	(1,403)	1,017	(3,247)	269
Total other comprehensive income items	(239,761)	535,357	(1,424,075)	6,055,633
Total comprehensive income for the period	1,863,124	2,528,587	6,668,064	13,154,987
Attributable to:	1,862,318	2,528,026	6,661,782	13,154,613
Parent Company's shareholders	806	561	6,282	374
Non-controlling interest	1,863,124	2,528,587	6,668,064	13,154,987

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Kuwait National Cinema Company K.P.S.C
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company							Non- controlling interests	Total
	Share capital	Treasury shares	Statutory reserve	General reserve	Other Reserves (note 10)	Retained earnings	Equity attributable to shareholders of the Parent Company		
Balance as of 1 January 2014	10,106,250	(1,437,716)	5,053,125	8,502,532	9,260,021	19,994,379	51,478,591	14,159	51,492,750
Net profit for the period	-	-	-	-	-	7,098,980	7,098,980	374	7,099,354
Total other comprehensive income items	-	-	-	-	6,055,633	-	6,055,633	-	6,055,633
Purchase of treasury shares	-	(377,573)	-	-	-	-	(377,573)	-	(377,573)
Cash dividends (Note 13)	-	-	-	-	-	(4,861,592)	(4,861,592)	-	(4,861,592)
Balance as of 30 September 2014	10,106,250	(1,815,289)	5,053,125	8,502,532	15,315,654	22,231,767	59,394,039	14,533	59,408,572
Balance as of 1 January 2015	10,106,250	(2,029,453)	5,053,125	9,414,038	17,920,227	22,938,906	63,403,093	17,744	63,420,837
Net profit for the period	-	-	-	-	-	8,085,857	8,085,857	6,282	8,092,139
Total other comprehensive income items	-	-	-	-	(1,424,075)	-	(1,424,075)	-	(1,424,075)
Purchase of treasury shares	-	(4,139,411)	-	-	-	-	(4,139,411)	-	(4,139,411)
Cash dividends (Note 13)	-	-	-	-	-	(4,831,830)	(4,831,830)	-	(4,831,830)
Balance as of 30 September 2015	10,106,250	(6,168,864)	5,053,125	9,414,038	16,496,152	26,192,933	61,093,634	24,026	61,117,660

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Kuwait National Cinema Company K.P.S.C
And its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Cash flows for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Nine months ended 30 September	
		2015	2014
Cash flows from operating activities			
Net cash generated from operating activities	14	9,926,565	7,581,925
Cash flows from investment activities			
Paid for purchase of property, plant and equipment and intangible assets		(2,250,910)	(1,646,023)
Proceeds from / (paid for purchase) of available for sale investments		340,172	(3,121,040)
Dividends received		923,094	792,707
Net cash used in investing activities		(987,644)	(3,974,356)
Cash flows from financing activities			
Paid for purchase of treasury shares		(4,139,411)	(377,573)
Loans and bank facilities		7,394,065	121,241
Finance costs paid		(501,915)	(283,406)
Dividends paid		(4,729,337)	(4,779,210)
Net cash used in financing activities		(1,976,598)	(5,318,948)
Net increase / (decrease) in cash and cash equivalents		6,962,323	(1,711,379)
Cash and cash equivalents at the beginning of the period		11,229,637	11,806,894
Cash and cash equivalents at the end of the period	8	18,191,960	10,095,515

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Parent Company's incorporations

Kuwait National Cinema Company K.P.S.C. (the Parent Company) is a Kuwaiti Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on the Kuwait Stock Exchange.

The registered office of the Company is located at Al-Zahara area, 360 Mall, fourth floor, P.O. Box 502 Safat, 13006 Safat, Kuwait.

These Consolidated financial statements include the financial statements of the Parent Company and its Subsidiaries "together referred to as the Group".

	Ownership percentage (%)	Activity	Incorporation country
International Film Distribution Company K.S.C.C.	99.25	Publishing and film distribution	Kuwait
Al Kout Film Production and Distribution Company S.A.E.	100	Production and film distribution	Egypt

Financial information of subsidiaries was prepared by management. The subsidiaries total assets amounted to KD 4,393,570 as at 30 September 2015 (KD 3,222,307 as at 31 December 2014, KD 2,770,837 as at 30 September 2014) and their net profit KD 830,926 for the nine months ended 30 September 2015 (loss of KD 43,788 for the nine months ended 30 September 2014).

The interim condensed consolidated financial information for the nine months ended 30 September 2015 was authorized for issuance by the Board of Directors on 3 November 2015.

2. Basis of preparation and accounting policies

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2015 are not necessarily indicative of results that may be expected for the year ending 31 December 2015. For further information, it is possible to refer to the consolidated financial statements and its related notes for to the year ended 31 December 2014.

The accounting policies used in preparing the interim condensed consolidated financial information similar to those used in the preparation of consolidated financial statements for the year ended 31 December 2014, except for the adoption of the new and amended IFRS that have become effective and those which are applicable to the Group.

New and revised IFRSs issued and effective

In the current period, the Group has applied a number of new and revised IFRSs that are issued and effective.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The Annual Improvements to IFRSs 2010-2012 Cycle:

- *IFRS 2 Share-based Payment*
- *IFRS 3 Business Combinations*
- *IFRS 8 Operating Segments*
- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*
- *IAS 24 Related Party Disclosures*

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

The Annual Improvements to IFRSs 2011-2013 Cycle:

- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurement
- IAS 40 Investment Property

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the Group.

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2016

- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation & Amortisation
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The directors of the Parent Company do not anticipate that the application of these amendments will have a material impact on the Group's interim condensed consolidated financial information.

Effective for annual periods beginning on or after 1 January 2017

IFRS 15 Revenue from Contracts with Customers

The directors of the Parent Company anticipate that the application of these IFRS 15 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

Effective for annual periods beginning on or after 1 January 2018

IFRS 9 Financial Instruments

The directors of the Parent Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

3. **Fair value estimation**

The fair values of financial assets and liabilities are determined as follows:

- Level one: Quoted prices in active markets for financial instruments.
- Level two: Quoted prices included within level I that are observable for the asset or liability, either directly (that is, as prices) or indirectly.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

	Fair value as at			Date of valuation	Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	30/09/2015	31/12/2014	30/09/2014					
Quoted Shares	19,062,326	20,096,224	16,989,058	30 September	Level 1	Last bid price	NA	NA
Local Investment Funds	48,915	48,915	44,946	30 September	Level 2	Net book value	NA	NA

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

4. **Property, plant and equipment**

Property, plant and equipment movement represented as follows:

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Net book value at the beginning of the period/ year	14,540,324	14,463,609	14,463,609
Additions during the period/ year	1,471,578	1,026,001	649,988
Net disposals during the period/ year	-	(11,000)	-
Depreciation of the period/ year	(956,496)	(938,286)	(561,108)
Net book value at the end of the period/ year	15,055,406	14,540,324	14,552,489

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

5. Investments in associates

This represents 30% of the Group's investments in Tamdeen Shopping centers (K.S.C.C.)

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Balance at the beginning of the period/ year	32,362,993	30,344,341	30,344,341
Group's share in associates' results	3,119,488	2,682,550	2,357,437
Group's share in an associate's change in fair value reserve	(336,675)	734,566	420,109
Group's share in an associate's foreign currency translation reserve	84,762	101,536	56,818
Dividends	(1,800,000)	(1,500,000)	(1,500,000)
Balance at the end of the period/ year	<u>33,430,568</u>	<u>32,362,993</u>	<u>31,678,705</u>

6. Available for sale investments

Available for sale investments are represented in the following:

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Quoted shares	19,062,326	20,096,224	16,989,058
Unquoted shares	2,763,366	4,574,445	1,932,653
Investment funds	48,915	48,915	44,946
	<u>21,874,607</u>	<u>24,719,584</u>	<u>18,966,657</u>

- Fair value is determined based on valuation techniques disclosed in (note 3).
- Unquoted investments are carried at cost since its fair value cannot be reliably measured. The Group's management believes that there are no indications of impairment for these investments.

7. Trade and other receivables

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Trade receivables	487,663	580,001	537,984
Due from related parties	581,244	558,473	768,973
	1,068,907	1,138,474	1,306,957
Provision of impairment	(503,028)	(462,202)	(462,202)
	565,879	676,272	844,755
Prepaid expenses	220,007	52,730	376,365
Refundable deposits	407,805	407,805	492,540
Staff receivables	155,090	137,946	153,463
Other	20,000	20,000	20,000
	<u>1,368,781</u>	<u>1,294,753</u>	<u>1,887,123</u>

Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Cash, current accounts and deposits

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Cash on hand	65,241	65,294	53,335
Banks current accounts	16,978,559	10,718,783	9,858,037
Time deposits (matured during less three months)	10,367	10,316	10,282
Cash in investment portfolios	1,147,793	445,244	183,861
	<u>18,201,960</u>	<u>11,239,637</u>	<u>10,105,515</u>
Less: deposits pledged at banks (note 11)	(10,000)	(10,000)	(10,000)
Cash and cash equivalents	<u>18,191,960</u>	<u>11,229,637</u>	<u>10,095,515</u>

9. Treasury shares

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Number of treasury shares (share)	6,434,357	2,411,055	2,206,846
Percentage to issued shares (%)	6.38	2.39	2.18
Market value	6,434,357	2,362,834	2,471,668

The Parent Company commits to retain reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the relevant regulatory authorities.

10. Other reserves

	Land revaluation reserve	Change in fair value reserve	Currency translation reserve	Treasury shares reserve	Total
Balance at 1 January 2014	8,524,134	588,601	147,286	-	9,260,021
Total other comprehensive income items	-	5,998,546	57,087	-	6,055,633
Balance at 30 September 2014	<u>8,524,134</u>	<u>6,587,147</u>	<u>204,373</u>	<u>-</u>	<u>15,315,654</u>
Balance at 1 January 2015	8,524,134	9,124,079	249,110	22,904	17,920,227
Total other comprehensive income items	-	(1,505,589)	81,514	-	(1,424,075)
Balance at 30 September 2015	<u>8,524,134</u>	<u>7,618,490</u>	<u>330,624</u>	<u>22,904</u>	<u>16,496,152</u>

11. Loans and bank facilities

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Short term loans	19,550,000	12,450,000	9,950,000
Banks - overdraft	59,882	544,318	130,821
	<u>19,609,882</u>	<u>12,994,318</u>	<u>10,080,821</u>

- Loans and bank facilities granted to the Group from local banks are pledged against promissory notes (note 8).

- The weighted effective interest rate on loans and bank facilities is 3.61% as at 30 September 2015 (3.87% as at 31 December 2014 and 3.96% 30 September 2014).

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)**
(All amounts are in Kuwaiti Dinars unless otherwise stated)

12. Earnings per share

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Net profit for the period	2,102,079	1,992,669	8,085,857	7,098,980
Weighted average number of outstanding shares for the period (share)	94,638,492	98,963,063	95,215,935	99,111,835
Earnings per share (fils)	22.21	20.14	84.92	71.63

13. Dividends

On 15 April 2015, the General Assembly of the Company's shareholders approved the consolidated financial statements for the year ended 31 December 2014, also approved cash dividends of 51 fils per share from the profit of the year 2014 (cash dividends of 49 fils per share from the profit of the year 2013).

14. Cash Flows from operating activities

	Nine months ended 30 September	
	2015	2014
Net profit for the period	8,092,139	7,099,354
Adjustments to:		
Depreciation and amortization	1,859,308	1,553,386
Net gains from financial investments	420,674	(784,742)
Group's share in associate's result	(3,119,488)	(2,357,437)
Impairment in receivable and other debit balances	40,825	-
Post-employment benefits	130,541	131,005
Finance costs	528,256	357,813
Operating profit before changes in operating assets and liabilities	7,952,255	5,999,379
Inventories	(11,570)	(23,753)
Trade and other receivables	1,677,270	996,610
Trade and other payables	416,210	646,670
Cash generated from operating activities	10,034,165	7,618,906
Post-employment benefits paid	(107,600)	(36,981)
Net cash generated from operating activities	9,926,565	7,581,925

15. Segments information

The main objective of the Group is to engage in all activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios.

The following is the Group's segment information which is constant with the internal reporting presented to management:

- Cinema division: which represents all activities related to cinema shows.
- Concession division: which represents all activities related to concessions supplemented to theatres.
- Investment division: which represents investments in shares, funds and real estate investments.

The following schedule presents the information about revenues, profit, and assets for each division:

	Division activity as at 30 September 2015				Total
	Cinema division	Concession division	Investment division	Unallocated items	
Net revenues	15,620,311	4,503,765	2,698,814	1,068,814	23,891,704
Costs	(11,864,328)	(1,597,371)	-	(2,337,866)	(15,799,565)
Segment's profit	3,755,983	2,906,394	2,698,814	(1,269,052)	8,092,139
Assets	13,493,451	158,856	55,597,401	21,114,218	90,363,926

**Kuwait National Cinema Company K.P.S.C.
And its Subsidiaries
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Division activity as at 30 September 2014				Total
	Cinema division	Concession division	Investment division	Unallocated items	
Net revenues	13,306,903	3,550,347	3,142,179	1,167,566	21,166,995
Costs	(10,801,758)	(1,405,955)	-	(1,859,928)	(14,067,641)
Segment's profit	2,505,145	2,144,392	3,142,179	(692,362)	7,099,354
Assets	15,246,187	271,378	51,309,206	11,354,088	78,180,859

16. Contingent liabilities

Letters of Guarantee issued to third party an amounted to KD 167,220 as at 30 September 2015 (KD 167,220 as at 31 December 2014, KD 167,220 as at 30 September 2014).

17. Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Those transactions were conducted in the ordinary course of business and with the usual terms and conditions. Transactions with related parties are subject to the approval of the General Assembly of Shareholders. The following is the volume and nature of those transactions during the period:

	30 September 2015	30 September 2014
Salaries and remuneration	146,300	172,150
Leave and post-employment benefits	27,232	31,812

Balances resulted from such transactions are as follows:

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Due from related parties	581,244	558,473	768,973
Due to related parties	66,141	19,001	66,819

Related parties transactions are subject to the approval of General Assembly of the shareholders.