

Dear Shareholders

Despite the social and economic challenges of the first six months of this year, we are pleased to report that in the first six months of this year that we have recorded a net profit of BD 0.84 million from a total income of BD 1.82 million after allowing for total expenses of BD 0.98 million. Our total assets now stand at BD 111.8 million, whilst our total equity was BD 111.6 million.

We therefore remain strongly capitalised, highly liquid, well placed and fully able to take advantage of a myriad of existing and new business opportunities to deliver value to our shareholders and investors.

Given this strong and advantageous position, we have therefore continued our unrelenting momentum to build our project pipeline in anticipation of announcing our first project in the Kingdom of Bahrain in the near future. In this regard, the affordable housing market continues to dominate our agenda, and, to date, we analysed and researched some 19 different opportunities in this sector over the last six months or so. These range from potential projects on shareholder land through to potential projects using 3rd party across Bahrain. Of these, two projects are now at advanced status and will be submitted to the Board for final approval in due course. In parallel, a further seven other opportunities are progressing through our exacting due diligence and analytical studies to confirm that they are opportunities that will meet our criteria of providing a balanced and demand driven development portfolio.

In February, the Bahrain Ministry of Housing, appointed us as its preferred bidder, for its social and affordable housing private-public-partnership (PPP) project. Since that time, active and constructive discussions have been ongoing with the Ministry of Housing on the many commercial, technical and legal aspects of this project. Nevertheless, we remain very optimistic for a mutually beneficial outcome in the immediate future.

An abundance of opportunities have also presented themselves in Saudi Arabia, which has an enormous and largely unsatisfied affordable housing market. Arising from which, we are progressively entering into discussions with potential partners, to undertake 2 schemes in Jeddah and another in the Eastern Province through Joint ventures.

During this period, Naseej also became the first real estate development company in Bahrain to become a member of the United States Green Building Council (USGBC), which is recognised as the world leader in sustainability and environmental quality through its Leadership in Energy and Environmental Design (LEED) system. We also became a member of the Bahrain Property Development Association (BaPDA), which plays a leading role in representing and developing the property development industry in the Kingdom of Bahrain. All of which, is in line with our declared corporate social responsibility.

Upon closing, we would like to extend our sincere appreciation for the support, trust and confidence that we continue to receive from our shareholders and directors; and to thank the management and staff of Naseej for their dedication and professionalism during these challenging times.

Khalid Abdulla-Janahi
Chairman

Christopher Sims
Chief Executive Officer

NOTES TO THE INTERIM FINANCIAL INFORMATION
for the six month period ended 30 June 2011

Bahraini dinars

4 RELATED PARTY TRANSACTIONS (continued)

The transactions and balances with the related parties included in these financial statements are as follows:

a) Balances with shareholders

Assets

Cash and cash equivalents
 Placements with banks

	30 June 2011	31 December 2010
Cash and cash equivalents	55,606,246	24,457,420
Placements with banks	55,363,274	86,000,000
	110,969,520	110,457,420
Liabilities		
Payable to shareholders	15,831	196,434

Liabilities

Payable to shareholders

b) Transactions with shareholders

Income from placements with banks

	6 month period to 30 June 2011	6 month period to 30 June 2010
Income from placements with banks	1,817,614	1,990,546

5 OTHER ASSETS

Other assets consist of accrued income from placements with banks and prepayments.

Naseej BSC (c)
INTERIM FINANCIAL INFORMATION
30 JUNE 2011

Commercial registration	: 72492
Directors	: Khalid Abdulla-Janahi, Chairman Abdulla Al-Khalifa, Vice Chairman Abdulkarim Bucheery Bashar Al Mutawa Hisham Al Rayes Imad Al Nesnas Jameel Al Matrook Mohammed Bucheeri Mohammed Khalif Al Sayed Sabah Al Moayyed
Office	: Bahrain Financial Harbor, East Tower, 46 Floor Manama, Kingdom of Bahrain
Telephone	: 16557999
Bankers	: Ithmaar Bank BSC Khaleeji Commercial Bank BSC BBK BSC
Auditors	: KPMG Fakhro

INTERIM FINANCIAL INFORMATION
for the six month period ended 30 June 2011

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Independent auditors' report on review of the interim financial information

To
The Board of Directors
Naseej B.S.C (c)
Bahrain Financial Harbor, Kingdom of Bahrain

9 August 2011

Introduction

We have reviewed the accompanying condensed statement of financial position of Naseej B.S.C (c) ("the Company") as at 30 June 2011, and the related condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended (the "interim financial information"). The Board of Directors of the Company is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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 financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 June 2011

Bahraini dinars

	Note	30 June 2011	31 December 2010
ASSETS			
Non-current assets			
Property and equipment		355,711	203,349
Total non-current assets		355,711	203,349
Current assets			
Cash and cash equivalents	4	55,606,246	24,457,420
Placements with banks	4	55,363,274	86,000,000
Other assets	5	489,404	452,547
Total current assets		111,458,924	110,909,967
Total assets		111,814,635	111,113,316
EQUITY AND LIABILITIES			
Equity			
Share capital	3	108,000,000	108,000,000
Retained earnings		3,357,359	2,514,836
Statutory reserve		279,426	279,426
Total equity (page 4)		111,636,785	110,794,262
Current Liabilities			
Payable to shareholders	4	15,831	196,434
Trade payables		21,410	95,289
Other liabilities		140,609	27,331
Total current liabilities		177,850	319,054
Total equity and liabilities		111,814,635	111,113,316

Khalid Abdulla-Janahi
Chairman

Abdulla Al-Khalifa
Vice Chairman

Christopher Sims
Chief Executive Officer

The interim financial information consisting of pages 2 to 7 was approved by the Board of Directors on 9 August 2011.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the six month period ended 30 June 2011

Bahraini dinars

	30 June 2011	30 June 2010
INCOME FROM PLACEMENTS WITH BANKS	1,817,614	1,990,546
Administrative expenses	(648,686)	(227,686)
Marketing expenses	(55,711)	(17,703)
Other expenses	(270,694)	(45,839)
Total expenses	(975,091)	(291,228)
Profit for the period	842,523	1,699,318
Other comprehensive income for the period	-	-
Total comprehensive income for the period	842,523	1,699,318

Khalid Abdulla-Janahi
Chairman

Abdulla Al-Khalifa
Vice Chairman

Christopher Sims
Chief Executive Officer

The interim financial information consisting of pages 2 to 7 was approved by the Board of Directors on 9 August 2011.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the six month period ended 30 June 2011

Bahraini dinars

2011				
	Share capital	Retained earnings	Statutory reserve	Total
At 1 January 2011	108,000,000	2,514,836	279,426	110,794,262
Total comprehensive income for the period	-	842,523	-	842,523
At 30 June 2011	108,000,000	3,357,359	279,426	111,636,785

2010				
	Share capital	Retained earnings	Statutory reserve	Total
At 1 January 2010	108,000,000	392,156	43,573	108,435,729
Total comprehensive income for the period	-	1,699,318	-	1,699,318
At 30 June 2010	108,000,000	2,091,474	43,573	110,135,047

The interim financial information consists of pages 2 to 7.

CONDENSED STATEMENT OF CASH FLOWS
for the six month period ended 30 June 2011

Bahraini dinars

	30 June 2011	30 June 2010
OPERATING ACTIVITIES		
Bank charges paid	(557)	(87)
Payments for administrative and marketing expenses	(980,371)	(157,056)
Payments for other expenses	(225,344)	-
Cash flows used in operating activities	(1,206,272)	(157,143)
INVESTING ACTIVITIES		
Acquisition of fixed assets	(129,379)	-
Placements made during the period	30,636,724	-
Profit received from placements with banks	1,847,753	537,754
Cash flows from investing activities	32,355,098	537,754
FINANCING ACTIVITIES		
Repayment of payable to shareholders	-	(389,336)
Excess share capital refunded	-	(3,448,680)
Profit paid on excess share capital	-	(75,540)
Cash flows used in financing activities	-	(3,913,556)
Net decrease in cash and cash equivalents during the period	31,148,826	(3,532,945)
Cash and cash equivalents at the beginning of the period	24,457,420	41,452,761
Cash and cash equivalents at the end of the period	55,606,246	37,919,816
<i>Cash and cash equivalents comprise</i>		
Cash and balances with banks	417,595	720,175
Short term placements with banks	55,188,651	37,199,641
	55,606,246	37,919,816

The interim financial information consists of pages 2 to 7.

NOTES TO THE INTERIM FINANCIAL INFORMATION
for the six month period ended 30 June 2011

Bahraini dinars

1 BACKGROUND

The Company is a Bahraini joint stock company (closed) incorporated in the Kingdom of Bahrain on 5 August 2009 under commercial registration number 72492. Naseej is principally engaged in projects for the construction, development, sale and purchase of real estate.

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, which permits the interim financial information to be in summarised form. The interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010.

The interim financial information has been prepared using the same accounting policies and methods of computation applied in the preparation of the latest audited financial statements of the Company for the period ended 31 December 2010, except for the changes arising from adoption of relevant revised IFRSs, amendments and interpretations issued by the IASB that are effective for annual reporting periods beginning 1 January 2011. The adoption of these standards did not have an impact on the interim financial information.

The interim financial information is not audited but has been reviewed by KPMG. The corresponding figures for the condensed statement of financial position have been extracted from the audited financial statements for the period ended 31 December 2010, and no corresponding figures for the statement of comprehensive income are shown as the Company was incorporated on 5 August 2009.

3 SHARE CAPITAL

- Authorized capital of Company is 10,800,000,000 shares of BD 0.100 each (BD 1,080,000,000).
- Issued capital of Company is 1,080,000,000 shares of BD 0.100 each (BD 108,000,000).

4 RELATED PARTY 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 and includes major shareholders, subsidiary company, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members. Related parties include transactions with shareholders, directors and key management personnel of the Company.