

Heavy Engineering Industries and Shipbuilding Company K.S.C.
and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

31 December 2006

	<i>Notes</i>	2006 KD	2005 KD
Revenues	17	63,775,411	55,587,661
Cost of revenues		(63,013,921)	(51,227,968)
Provision for foreseeable losses	22	(5,885,973)	(400,000)
GROSS (LOSS) PROFIT		(5,124,483)	3,959,693
Other operating income		63,482	17,206
General and administration expenses		(1,215,914)	(1,275,310)
		(6,276,915)	2,701,589
Impairment loss on plant and equipment		(383,500)	-
Impairment loss on investments available for sale		(166,267)	-
Finance costs	13	(780,386)	(455,376)
Investment income	14	688,644	451,421
Provision for doubtful receivables		(1,499,994)	-
Miscellaneous income		76,926	48,380
Interest income		25,373	24,296
Foreign exchange gain		-	24,755
Compensation claim	18	1,046,574	2,378,809
(Loss) profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Director's remuneration		(7,269,545)	5,173,874
Contribution to KFAS		-	(49,714)
National Labour Support Tax		-	(62,323)
Directors' remuneration		-	(50,000)
(LOSS) PROFIT FOR THE YEAR	16	(7,269,545)	5,011,837
Basic and diluted (loss) earnings per share	15	(53.80) Fils	37.09 fils