BARWA REAL ESTATE COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012

BARWA REAL ESTATE COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BARWA REAL ESTATE COMPANY Q.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Barwa Real Estate Company Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statement of comprehensive income for the three- month and six-month periods ended 30 June and the related interim consolidated statements of changes in equity and cash flows for the six-month period then ended and the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 statements are not prepared, in all material respects, in accordance with IAS 34.

Other matter

The interim condensed consolidated financial statements of the Group as at 30 June 2011 were reviewed and the consolidated financial statements as at 31 December 2011 were audited by another auditor, whose reports dated 11 August 2011 and 4 March 2012 respectively, expressed unmodified review conclusion and unmodified audit opinion on those consolidated financial statements.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 2 August 2012
Doha
State of Qatar

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محاسبون قانونيون
الدوحة
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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

In thousands of Qatari Riyals

	Notes	30 June 2012 (Reviewed)	31 December 2011 (Audited)
ASSETS			
Cash and bank balances	5	**1,077,168**	2,626,385
Receivables and prepayments		**2,187,054**	1,058,969
Finance lease receivables		**2,931,558**	3,056,434
Due from related parties	11	**2,843,257**	2,809,742
Financial assets at fair value through profit or loss		**5,331**	4,137
Assets of a subsidiary held for sale		-	55,150
Advances for projects and investments	6	**2,761,861**	2,861,036
Available for sale financial assets	7	**434,946**	462,622
Trading properties	8	**37,173,171**	38,270,273
Investment properties	9	**11,146,677**	10,662,946
Investments in equity accounted investees	10	**1,992,415**	3,182,291
Property, plant and equipment		**539,736**	554,160
Goodwill		**126,411**	126,411
Deferred tax assets		-	76,083
TOTAL ASSETS		**63,219,585**	65,806,639
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	12	**3,545,319**	5,080,044
Due to related parties	11	**16,520,578**	16,822,844
Liabilities of a subsidiary held for sale		-	62,939
Obligations under Islamic finance contracts	13	**27,842,289**	28,371,134
Liabilities for purchase of a land		**2,299,711**	2,486,437
Liabilities under derivative financial instruments		**268,183**	452,134
TOTAL LIABILITIES		**50,476,080**	53,275,532
EQUITY			
Share capital		**3,891,246**	3,891,246
Treasury shares		**(4,119)**	(4,119)
Legal reserve	14	**481,107**	481,107
General reserve		**4,639,231**	4,639,231
Other reserves		**(41,048)**	(49,533)
Retained earnings		**3,302,302**	3,097,740
Total equity attributable to owners of the parent		**12,268,719**	12,055,672
Non-controlling interests		**474,786**	475,435
TOTAL EQUITY		**12,743,505**	12,531,107
TOTAL LIABILITIES AND EQUITY		**63,219,585**	65,806,639

These interim condensed consolidated financial statements were approved and signed on behalf of the Board of Directors by the following on 2 August 2012.

Hitmi Ali Al Hitmi
Chairman

Abdulla Abdulaziz Al-Subaie
Chief Executive Officer & Board Member

The attached notes from 1 to 24 form an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012

In thousands of Qatari Riyals

	Notes	Three months ended		Six months ended	
		30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
REVENUES AND GAINS					
Rental income		**175,602**	177,826	**352,884**	347,052
Income from consultancy and other related services		**95,029**	236,480	**206,063**	308,177
Profit on sale of properties	15	**206,336**	539,205	**284,787**	539,205
Profit on disposal of subsidiaries	16	**128**	7,870	**194,788**	418,767
Fair value (loss) gain on investment properties		**(25,099)**	(35,881)	**(50,482)**	384,202
Share of results of equity accounted investees	10	**100,418**	43,627	**112,656**	43,374
Income from banking activities		**-**	-	**-**	127,895
Other income		**99,493**	63,014	**201,803**	176,769
TOTAL REVENUES AND GAINS		**651,907**	1,032,141	**1,302,499**	2,345,441
EXPENSES AND LOSSES					
Operating expenses		**(97,843)**	(150,446)	**(171,042)**	(211,321)
General and administrative expenses		**(99,125)**	(207,307)	**(234,155)**	(504,784)
Net finance costs		**(127,427)**	(320,242)	**(257,903)**	(621,165)
Net impairment losses		**40**	(142,224)	**(302)**	(142,224)
Depreciation		**(23,671)**	(16,543)	**(40,501)**	(53,283)
Expenses on banking activities		**-**	-	**-**	(26,506)
TOTAL EXPENSES AND LOSSES		**(348,026)**	(836,762)	**(703,903)**	(1,559,283)
Net profit before income tax		**303,881**	195,379	**598,596**	786,158
Income tax expense		**(1,885)**	(4,524)	**(2,518)**	(7,562)
Net profit for the period		**301,996**	190,855	**596,078**	778,596
Attributable to					
Owners of the parent		**301,225**	204,015	**593,687**	752,512
Non-controlling interests		**771**	(13,160)	**2,391**	26,084
		301,996	190,855	**596,078**	778,596
Basic and diluted earnings per share	17	**0.77**	0.52	**1.53**	1.93
Other comprehensive income					
Net change in fair value of available for sale financial assets		**24,390**	11,298	**35,056**	(6,088)
Net change in fair value of cash flow hedges transferred to profit or loss		**2,241**	7,215	**9,421**	15,983
Effective portion of changes in fair value of cash flow hedges		**-**	-	**3,345**	-
Exchange differences on translation of foreign operations		**(41,741)**	8,732	**(39,379)**	3,862
Other comprehensive (loss) income for the period		**(15,110)**	27,245	**8,443**	13,757
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**286,886**	218,100	**604,521**	792,353
Attributable to					
Owners of the parent		**286,520**	226,043	**602,172**	763,412
Non-controlling interests		**366**	(7,943)	**2,349**	28,941
		286,886	218,100	**604,521**	792,353

The attached notes from 1 to 24 form an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012

In thousands of Qatari Riyals

	Equity Attributable to the owners of the parent									
	Share capital	Treasury shares	Legal reserve	General reserve	Risk reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Balance at 31 December 2010 (Audited)	3,891,246	(4,991)	355,870	4,639,231	27,722	(45,154)	2,367,309	11,231,233	1,869,460	13,100,693
Net profit for the period	-	-	-	-	-	-	752,512	752,512	26,084	778,596
Other comprehensive income for the period	-	-	-	-	-	10,900	-	10,900	2,857	13,757
Total comprehensive income for the period	-	-	-	-	-	10,900	752,512	763,412	28,941	792,353
Dividends for 2010 (Note 18)	-	-	-	-	-	-	(389,125)	(389,125)	-	(389,125)
Decrease in treasury shares	-	872	-	-	-	-	-	872	-	872
Board of Directors remuneration	-	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Other movements	-	-	-	-	(27,722)	(13,609)	27,722	(13,609)	(1,322,561)	(1,336,170)
Loss on sale of treasury shares	-	-	-	(130)	-	-		(130)	-	(130)
Balance at 30 June 2011 (Reviewed)	3,891,246	(4,119)	355,870	4,639,101	-	(47,863)	2,749,418	11,583,653	575,840	12,159,493
Balance at 31 December 2011 (Audited)	**3,891,246**	**(4,119)**	**481,107**	**4,639,231**	-	**(49,533)**	**3,097,740**	**12,055,672**	**475,435**	**12,531,107**
Net profit for the period	-	-	-	-	-	-	**593,687**	**593,687**	**2,391**	**596,078**
Other comprehensive loss for the period	-	-	-	-	-	**8,485**	-	**8,485**	**(42)**	**8,443**
Total comprehensive income for the period	-	-	-	-	-	**8,485**	**593,687**	**602,172**	**2,349**	**604,521**
Dividends for 2011 (Note 18)	-	-	-	-	-	-	**(389,125)**	**(389,125)**	-	**(389,125)**
Disposal of a subsidiary (Note 16)	-	-	-	-	-	-	-	-	**(2,998)**	**(2,998)**
Balance at 30 June 2012 (Reviewed)	**3,891,246**	**(4,119)**	**481,107**	**4,639,231**	-	**(41,048)**	**3,302,302**	**12,268,719**	**474,786**	**12,743,505**

The attached notes from 1 to 24 form an integral part of the interim condensed consolidated financial statements.

BARWA REAL ESTATE COMPANY Q.S.C.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012 — In thousands of Qatari Riyals

	Notes	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)
OPERATING ACTIVITIES			
Net profit for the period		**596,078**	778,596
Adjustments for:			
Depreciation		**40,501**	53,283
Share of results of equity accounted investees	10	**(112,656)**	(43,374)
Profit on sale of properties	15	**(284,788)**	(539,205)
Fair value change in derivative financial instruments		**(103,711)**	-
Fair value gain on call option		**(50,102)**	-
Unwinding of discount on deferred sale arrangements		**(190,000)**	-
Gain on disposal of subsidiaries	16	**(194,788)**	(418,767)
Gain on disposal of property, plant and equipment		**-**	(43,789)
Impairment allowances on property under development		**-**	142,224
Gain on disposal of available for sale financial assets		**9,688**	(19,471)
Unrealised gain on financial assets at fair value through profit or loss		**(1,194)**	(450)
Fair value loss (gain) on investment properties	9	**50,482**	(384,202)
Impairment allowances on receivables		**235**	-
Operating loss before working capital changes		**(240,255)**	(475,155)
Working capital changes:			
Receivables and prepayments		**(313,666)**	(527,634)
Amounts due from/due to related parties		**(353,198)**	-
Payables and other liabilities		**(27,943)**	1,947,743
Net deferred tax benefit		**-**	3,153
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(935,062)**	948,107
INVESTING ACTIVITIES			
Acquisitions of subsidiaries, net of cash acquired	19	**176,305**	-
Purchase of investment properties and trading properties		**(1,581,256)**	(3,739,551)
Proceeds from sale of available for sale financial assets		**79,152**	52,266
Proceeds from sale of properties		**1,032,142**	1,775,593
Advances for purchase of investments and properties		**(74,294)**	690,926
Payments for purchase of available for sale financial assets		**(3,665)**	(2,644,162)
Payments for purchase of property, plant and equipment		**(13,430)**	(48,532)
Net funds provided to related parties for investing activities		**-**	(7,708,109)
Proceeds from disposal of subsidiaries	16	**(6,434)**	1,803,797
Proceeds from sale of property, plant and equipment		**-**	117,682
Proceeds from sale of treasury shares		**-**	(1,767)
Payments for purchase of treasury shares		**-**	3,511
Dividends received from equity accounted investees		**36,298**	36,208
NET CASH USED IN INVESTING ACTIVITIES		**(355,182)**	(9,662,138)
FINANCING ACTIVITIES			
Proceeds from Islamic financing contracts	13	**1,961,700**	26,378,692
Repayments of Islamic financing contracts	13	**(1,663,300)**	(22,006,805)
Dividends paid	18	**(389,125)**	(389,125)
Payments of liability for purchase of land		**(200,561)**	-
Movement in restricted bank balances and reserves		**-**	145,214
Remuneration paid to Board of Directors		**-**	(9,000)
Settlement of derivative financial liabilities		**(80,241)**	-
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(371,527)**	4,118,976
DECREASE IN CASH AND CASH EQUIVALENTS		**(1,661,771)**	(4,595,055)
Net translation differences		**112,554**	98,005
Cash and cash equivalents at beginning of the period		**2,624,922**	12,822,509
Cash and cash equivalents for loss of control on subsidiaries		**-**	(2,516,125)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**1,075,705**	5,809,334

The attached notes from 1 to 24 form an integral part of the interim condensed consolidated financial statements.

1 LEGAL STATUS AND GENERAL INFORMATION

Barwa Real Estate Company Q.S.C. ("the Company" or "the Parent" or "Barwa") was incorporated as Qatari Shareholding Company under Commercial Registration No. 31901 dated 27 December 2005. The term of the Company is 100 years starting from the date of declaration in the Commercial Register.

The principal activities of the parent include investment in all types of real estate including acquiring, reclamation, dividing, developing and reselling of land and to establish agricultural, industrial, commercial projects on land, or lease those land, and also buying, selling and leasing buildings or projects, It also administers and operates real estate investments in and outside the State of Qatar. Other entities in the Group are engaged in the business of developing domestic and international real estate projects, investing, hotels ownership and management, banking, financing, projects consulting, advertisement, brokerage services and others.

The interim condensed consolidated financial statements of the Group as at and for the period ended 30 June 2012 comprise the interim condensed financial statements of the Company and its subsidiaries (together referred to as the "Group").

The Company's registered office is located at P.O. Box 27777 Doha, State of Qatar.

2 BASIS OF PREPARATION

The accompanying interim condensed consolidated financial information is prepared in accordance with International Financial Reporting Standards IAS 34 – "Interim Financial Reporting" and have been presented in Qatar Riyals which is the Company's functional and presentational currency. The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements, therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011. In addition the results for the six months ended 30 June 2012 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except as noted below:

During the period, the Group has adopted the following standard effective for the annual period beginning on or after 1 January 2012.

IFRS 7 Financial Instruments (Disclosures)
The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, when:

- Financial assets are derecognised in their entirety, but the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets)

- Financial assets are not derecognised in their entirety

The amended disclosures are more extensive and onerous than previous disclosures. This amendment did not have any impact on the Group.

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

The following amendments to standards became effective in 2012, but did not have any impact on the accounting policies, financial position or performance of the Group.

Standard/ Interpretation	*Content*
IAS 12	Income Taxes – Tax recovery of underlying assets (Amendment)
IFRS 1	First-time adoption – Severe hyperinflation and removal of fixed dates for first time adopters (Amendment)

The Group is currently considering the implications of the new IFRSs which are effective for future accounting periods and has not early adopted any of the new standards as listed below:

Standard/ Interpretation	*Content*	*Effective date*
IFRS 9	Financial Instruments: Classification & Measurement (Part 1)	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)	1 January 2013
IAS 19	Employee Benefits (Revised)	1 January 2013

4 FINANCIAL RISK MANAGEMENT

The aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim consolidated statement of cash flows include the following balances:

	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	31 December 2011 (Audited)
Cash in hand	**475**	599	269
Fixed deposits	**391,516**	3,867,551	1,838,407
Current accounts	**135,292**	621,318	316,067
Call accounts	**548,422**	1,319,866	470,179
Margin bank accounts	**1,463**	15,422	1,463
Total cash and bank balance	**1,077,168**	5,824,756	2,626,385
Less: restricted bank balances	**(1,463)**	(15,422)	(1,463)
Cash and cash equivalents	**1,075,705**	5,809,334	2,624,922

6 ADVANCES FOR PROJECTS AND INVESTMENTS

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Advances for purchase of properties (i)	**2,620,145**	2,545,851
Advances against exchange of land	**1,836,459**	1,836,459
Advances to subcontractors and suppliers	**622,287**	795,756
	5,078,891	5,178,066
Less: Allowance for impairment of advances	**(2,317,030)**	(2,317,030)
	2,761,861	2,861,036

(i) Advances for purchase of properties include an amount of QR 2.1 billion (31 December 2011: QR 2 billion) paid to related parties.

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

7 AVAILABLE FOR SALE FINANCIAL ASSETS

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Investments in equity securities		
Quoted	**146,934**	105,013
Un-quoted	**288,012**	357,609
	434,946	462,622

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of financial investments recorded at fair value by level of the fair value hierarchy:

At 30 June 2012 (Reviewed)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	**146,934**	-	**288,012**	**434,946**
Financial assets at fair value through profit or loss	**5,331**	-	-	**5,331**
	152,265	-	**288,012**	**440,277**

At 31 December 2011 (Audited)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	105,013	-	357,609	462,622
Financial assets at fair value through profit or loss	4,137	-	-	4,137
	109,150	-	357,609	466,759

8 TRADING PROPERTIES

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Properties available for sale	**931,735**	584,949
Properties under development	**36,241,436**	37,685,324
	37,173,171	38,270,273

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

8 TRADING PROPERTIES (continued)

The movements in the properties under development during the period/year were as follows:

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
At 1 January	**37,685,324**	31,589,780
Additions	**1,449,899**	4,785,778
In kind contribution	**-**	21,252
Capitalized finance cost	**442,154**	795,842
Transfers	**(411,990)**	(352,095)
Disposals (i)	**(2,881,766)**	-
Reversal of impairment	**-**	1,236,333
Translation adjustment	**(42,185)**	(391,566)
At 30 June / 31 December	**36,241,436**	37,685,324

(i) Included in these disposals is an agreement that the Group has finalised with a third party to dispose one of its projects under development of which the total book value at the date of transaction was QR 2.6 billion. As per the agreement the Group agreed to carry out further development to the project for which the Group is entitled to service income from the counterparty for the project management activities.

9 INVESTMENT PROPERTIES

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
At 1 January	**10,662,946**	12,584,160
Relating to acquisition of a subsidiary (Note 19)	**2,550,542**	-
Additions	**7,327**	1,354,655
Capitalized finance cost	**-**	18,046
Transfers from trading properties	**-**	290,904
Transfers to trading properties	**-**	(2,007,134)
On disposal of a subsidiary (Note 16)	**(593,162)**	-
Sold during the period/year	**-**	(2,629,815)
(Loss) gain on remeasurement of investment properties	**(50,482)**	1,097,969
Plot of land swapped on acquisition of a subsidiary	**(1,454,137)**	-
Translation adjustment	**23,643**	(45,839)
At 30 June / 31 December	**11,146,677**	10,662,946

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

9 INVESTMENT PROPERTIES (continued)

Investment properties are stated at fair value, which has been determined based on valuation performed by an accredited independent valuer as at 31 December 2011. The valuations were performed by an accredited independent valuer with recognized and relevant professional qualifications and with recent experience in the location and category of investment property being valued. In arriving at estimate of market values the valuer has used his market knowledge and professional judgement and not only relied on historical transactional comparable.

The Group has not appointed an independent valuer to value its investment property entirely as of the reporting date. Management having the experience and knowledge in real estate market, believes that the carrying amounts of investment properties that were not subject to fair valuation are not materially different from their fair values at the reporting date.

10 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

The carrying values of the investments in equity accounted investees are as follows:

Name of investee	*Country of incorporation*	*Effective Ownership*	**30 June 2012 (Reviewed)**	31 December 2011 (Audited)
Barwa Bank Q.S.C. (i)	Qatar	23.76%	**1,014,048**	979,200
Al Imtiaz Investment Company K.S.C.	Kuwait	24.5%	**303,252**	350,385
Smeet W.L.L.	Qatar	43.86%	**215,353**	217,861
Panceltica Holding Limited	UK	26%	**200,935**	200,935
Tanween Company W.L.L.	Qatar	40%	**123,907**	110,054
Ottomon Gayrimenkul A.S.	Turkey	50%	**63,353**	77,968
Al Dhaman for Islamic Insurance	Qatar	20%	**42,920**	41,202
Bin Laden Group (QD – CPC)	Qatar	21.5%	**40,048**	41,284
Nozol Holding Company B.S.C.C.	Bahrain	39%	**128,686**	26,161
Emdad Leasing Equipment Company	Qatar	22.08%	**22,103**	22,699
Bin Laden Group (QD – SBG)	Qatar	21.5%	**19,440**	20,024
Regency Residential UK Limited	UK	50%	**13,872**	14,079
Lusail Golf Development Company	Qatar	50%	**5,000**	5,000
Bait Al Mashura Financial Consulting Co.	Qatar	20%	**433**	455
Asas Real Estate Company W.L.L. (ii)	Qatar	50%	**-**	1,275,919
			2,193,350	3,383,226
Less: Provision for impairment of an associate			**(200,935)**	(200,935)
			1,992,415	3,182,291

FOR THE SIX MONTHS ENDED 30 JUNE 2012 In thousands of Qatari Riyals

10 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (continued)

The following table illustrates the summarised financial information of the Group's investment in associates:

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Share of equity accounted investees statement of financial position:		
Total assets	**6,933,424**	7,663,932
Total liabilities	**(4,941,009)**	(4,481,641)
Equity	**1,992,415**	3,182,291
Carrying value of the investment	**1,992,415**	3,182,291

Share of equity accounted investees revenues and results:	**Three months ended**		**Six months ended**	
	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
Revenues	**92,110**	206,368	**225,703**	240,285
Results	**100,418**	43,627	**112,656**	43,374

(i) Barwa Bank Q.S.C

During the period Barwa Bank Q.S.C announced a rights issue of 57.18% of its share capital and the Group subscribed for the entitled shares total amounting to QR 651,946,560 by obtaining the funds needed from a related party. The agreement with the related party to arrange for subscription in the rights issue stipulates that the new shares acquired from the rights issue will be held by the Group as nominee for and on behalf of the related party. Accordingly the ownership interest in Barwa Bank Q.S.C by the Group was diluted from 37.37% to 23.76%. As per the agreement with the related party, the Group has a right to exercise the "call option" arisen from the above transaction. Accordingly the Group has recognized a fair value gain of QR 50,102,093 on call option included in the other income for the current period.

(ii) Asas Real Estate Company W.L.L.

During the period, the Group acquired the residual 50% shareholding interest in Asas Real Estate Company W.L.L. ("ASAS") under the share purchase agreement concluded with the previous shareholder on 4 January 2012. For further details please refer to note 19.

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11 RELATED PARTY DISCLOSURES

Related parties represent non-controlling interests in the subsidiaries, associated companies, entities where the Group is one of their founders, major shareholders, 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.

a) Related party transactions

	Three months ended		Six months ended	
	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
Proceeds from sale of a subsidiary (Note 16)	**-**	-	**31,000**	1,907,780
Proceeds from sale of fixed assets to an associate company	**-**	-	**-**	78,000
Income from consultancy and other services	**40,562**	27,779	**70,562**	61,638
Rental income	**10,723**	8,725	**21,445**	13,319
Finance costs	**154,343**	157,011	**314,260**	311,393

b) Compensation of key management personnel

	Three months ended		Six months ended	
	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
Board of Directors' remuneration	**-**	9,000	**12,250**	9,000
Key management personnel compensation	**4,726**	10,962	**11,299**	18,984
	4,726	19,962	**23,549**	27,984

c) Due from related parties

Due from related parties include an Islamic facility extended to a related company amounting to QR 2,610,905 thousand (31 December 2011: 2,578,971 thousand). The facility carries profit at commercial rates.

d) Due to related parties

Due to related parties include an Islamic finance (Murabaha) obtained from a related party amounting to QR 14,258,860 thousand (31 December 2011: QR 14,259,747 thousand). The Islamic finance is non-secured and carries fixed and variable profit rates.

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11 RELATED PARTY DISCLOSURES (continued)

Current and non-current portions of due from and due to related parties are as follows:

	Due from related parties		Due to related parties	
	30 June 2012 (Reviewed)	31 December 2011 (Audited)	**30 June 2012 (Reviewed)**	31 December 2011 (Audited)
Current	**2,625,593**	2,630,468	**247,778**	692,285
Non-current	**217,664**	179,274	**16,272,800**	16,130,559
	2,843,257	2,809,742	**16,520,578**	16,822,844

12 PAYABLES AND OTHER LIABILITIES

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Subcontractors and suppliers	**1,418,183**	1,378,013
Deferred revenue for transfer of property	**676,100**	676,100
Clients advances and unearned income	**473,594**	1,852,682
Retention payable	**322,575**	421,277
Provisions	**205,825**	257,208
Accrued expenses	**126,272**	198,831
Accrued finance cost	**133,117**	122,441
Employees end of services benefits	**33,364**	26,790
Other payables	**156,289**	146,702
	3,545,319	5,080,044
The maturity of payables and other liabilities is as follows:		
Current	**2,742,360**	4,152,520
Non – current	**802,959**	927,524
	3,545,319	5,080,044

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13 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

The movements in the obligations under Islamic finance contracts during the period / year were as follows:

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
At 1 January	**28,371,134**	24,178,951
Facilities obtained during the period / year (i)	**1,961,700**	5,027,000
Relating to disposal of a subsidiary (Note 16)	**(888,625)**	-
Repayments of outstanding facilities during the period / year	**(1,663,300)**	(727,000)
Translation adjustment	**61,380**	(107,817)
At 30 June / 31 December	**27,842,289**	28,371,134

The maturity of obligations under Islamic finance contracts are as follows:

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Current	**2,094,600**	2,379,582
Non-current	**25,747,689**	25,991,552
	27,842,289	28,371,134

(i) Facilities obtained during the period include the following:

a) An Islamic financing facility amounting to QR 500 Mn for the purpose of refinancing existing Islamic financing facilities. The facility is repayable in a bullet payment in January 2017 and carries profit at commercial rate.

b) An Islamic financing facility amounting to QR 961 Mn for the purpose of refinancing existing financing facilities. The facility is repayable in a bullet payment in February 2016 and carries profit at commercial rate.

c) An Islamic financing facility amounting to QR 500 Mn for the purpose of working capital requirements of the Group. The facility is repayable in a bullet payment in May 2017 and carries profit at commercial rate.

Finance lease receivable amounting QR 1,395 million (31 December 2011: QR 1,505 million) owned by one of the subsidiaries acquired in 2010, has been pledged as security against a US$ 270 million (QR 985 million) of Sukuk Al Musharaka.

14 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association, a minimum of 10% of the net profit should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Parent's Articles of Association. No transfer has been made for the six months period ended 30 June 2012 as the Group will transfer the total required amount by 31 December 2012.

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15 PROFIT ON SALE OF PROPERTIES

	Three Months Ended		Six Months Ended	
	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
Sales proceeds	**514,901**	1,774,000	**2,907,201**	1,774,000
Cost of sales	**(308,565)**	(1,234,795)	**(2,622,414)**	(1,234,795)
Profit	**206,336**	539,205	**284,787**	539,205

16 DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries in 2012

During the period, the Group disposed the following subsidiaries and accordingly lost the control.

Name of the subsidiary	*Ownership interest*	*Sold to a*
Marafeq Qatar Company W.L.L.	74%	Related party
Barwa Luxembourg S.A.R.L	100%	Third party

The carrying value of assets and liabilities of the above subsidiaries as at the date of disposal was:

	Carrying values recognised on disposal
Assets	
Cash and bank balances	**37,434**
Receivables and prepayments	**71,563**
Due from related parties	**70,829**
Deferred tax assets	**78,348**
Investment properties	**593,162**
	851,336
Liabilities	
Obligations under Islamic finance contracts	**888,625**
Due to related parties	**21,701**
Payables and accruals	**101,800**
	1,012,126
Net assets disposed	**(160,790)**
Non-controlling interest	**(2,998)**
Profit on disposal	**194,788**
Disposal proceeds	**31,000**
Analysis of cash flow on disposal	
Net cash disposed with the subsidiary	**(37,434)**
Cash received on disposal	**31,000**
	(6,434)

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16 DISPOSAL OF SUBSIDIARIES (continued)

Disposal of subsidiaries in 2011

During the period ended 30 June 2011, the Group disposed the following subsidiaries to a related party and accordingly lost the control.

Name of the subsidiary	*Disposed ownership interest*
Park House Limited	100%
Tanween W.L.L.	20%

The carrying value of assets and liabilities of the subsidiaries as at the date of disposal was as follows:

	Carrying values recognised on disposals
Assets	
Cash and bank balances	53,836
Receivables and prepayments	38,753
Available-for-sale investments	3,110
Property and equipment	3,020
Due from related parties	11,092
Properties under development	1,385,810
	1,495,621
Liability	
Payables and accruals	5,085
Due to related parties	1,523
	6,608
Net assets disposed	1,489,013
Profit on disposal	418,767
Disposal proceeds	1,907,780
Analysis of cash flow on disposal	
Net cash disposed with the subsidiary	(53,836)
Cash received on disposal	1,907,780
	1,853,944

17 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Three Months Ended		Six Months Ended	
	30 June 2012 (Reviewed)	30 June 2011 (Reviewed)	**30 June 2012 (Reviewed)**	30 June 2011 (Reviewed)
Net profit for the period attributable to owners of the parent	**301,225**	204,015	**593,687**	752,512
Weighted average number of shares outstanding during the period (in thousands)	**389,125**	389,125	**389,125**	389,125
Earnings per share (expressed in QR per share)	**0.77**	0.52	**1.53**	1.93

There were no potentially diluted shares outstanding at any time during the period and there for the diluted earnings per share is equal to the basic earnings per share.

18 DIVIDENDS

At the annual General Assembly Meeting held on 21 March 2012, the shareholders of the Group approved a cash dividend of 10% of the paid-up share capital outstanding at 31 December 2011, amounting to QR 389,124,637. (2011: on 5 April 2011, at the annual General Assembly Meeting, shareholders have approved a cash dividend of 10% of the paid up share capital outstanding at 31 December 2010 amounting to QR 389,124,637)

19 BUSINESS COMBINATION

Step acquisition of Asas Real Estate Company W.L.L

During the period, the Group acquired the residual 50% of shareholding interest in its previous associate, Asas Real Estate Company W.L.L. ("ASAS") under the share purchase agreement concluded with the previous shareholders.

ASAS' assets mainly consist of investment properties that are fair valued at the time of control acquisition. The purchase consideration was for the fair value of the assets and therefore management believes that there is no additional valuation for control in the subsidiary.

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19 BUSINESS COMBINATION (continued)

Step acquisition of Asas Real Estate Company W.L.L (continued)

Identifiable assets acquired, liabilities assumed, and resulting loss on previously held interest

The provisional fair values of the identifiable assets and liabilities of ASAS recognized as a result of the acquisition were as follows:

	Fair value of assets and liabilities acquired
Cash and bank balances	**11,465**
Available for sale financial assets	**25,876**
Receivables and other assets	**5,981**
Investment properties	**2,550,542**
	2,593,864
Less: Liabilities	**(35,768)**
Fair value of net identifiable assets at the date of acquisition	**2,558,096**
Fair value of previously held interest in ASAS (50% of net assets above)	**1,279,048**
Less: Carrying amount of previous interest in associate at date of acquisition	**(1,275,918)**
Less: Fair value reserve of available for sale financial assets of equity accounted investees at the date of acquisition	**(3,363)**
Loss on previously held interest in ASAS	**(233)**

Cash flow from the acquisition

Net cash acquired with the subsidiary	**11,465**
Add: Cash received as settlement from other partner	**164,840**
	176,305

20 CONTINGENT LIABILITIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Bank guarantees	**76,901**	53,758
Letters of credit	**400,000**	406,346

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21 COMMITMENTS

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Contractual commitments to contractors and suppliers for properties under development	**4,361,247**	5,135,345
Commitments for operating leases (i)	**350,725**	431,002
Commitments for purchase of properties	**260,030**	334,324
Derivative contracts (notional amounts)	**10,971,450**	10,515,733
Commitments for purchase of investments	**265,611**	2,948

(i) Commitments for operating leases are further analyzed as follows:

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Less than one year	**86,683**	118,113
Between 1 and 5 years	**129,029**	188,822
More than 5 years	**135,013**	124,067
	350,725	431,002

22 SEGMENTAL INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different businesses and are managed separately because they require different expertise. For each of the strategic divisions, the Group's top management (the chief operating decision maker) reviews internal management reports on regular basis. The real estate segment develops, sells and lease condominiums, villas and plots of land. Business services segment provides business support services and financial institution and other services comprise financial and other institutions.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results, which are considered as measure of the individual segment's profit and losses.

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22 SEGMENTAL INFORMATION (continued)

Operating segments

The operating segments are presented as follows, after elimination of inter-company transactions.

For the six months ended 30 June 2012 (Reviewed)	Real Estate	Business services	Financial institution and other services	Eliminations	Total
Revenues and gains					
- External	**1,116,792**	**71,472**	**1,579**	**-**	**1,189,843**
- Inter segments	**(217,714)**	**59,348**	**-**	**158,366**	**-**
Total revenue	**899,078**	**130,820**	**1,579**	**158,366**	**1,189,843**
Profit for the period	**271,710**	**2,284**	**(17,385)**	**339,469**	**596,078**
Net finance cost	**(431,790)**	**133**	**205**	**173,549**	**(257,903)**
Depreciation	**(32,451)**	**(3,443)**	**(4,607)**	**-**	**(40,501)**
Share of equity accounted investees	**113,027**	**-**	**(371)**	**-**	**112,656**

For the six months ended 30 June 2011(Reviewed)	Real Estate	Business services	Financial institution and other services	Eliminations	Total
Revenues and gains					
- External	1,991,554	-	310,513	-	2,302,067
- Inter segments	187,314	-	(129,627)	(57,687)	-
Total revenue	2,178,868	-	180,886	(57,687)	2,302,067
Profit for the period	823,185	-	(58,270)	13,681	778,596
Net finance cost	(803,502)	-	(646)	182,983	(621,165)
Depreciation	(43,899)	-	(9,384)	-	(53,283)
Share of equity accounted investees	43,518	-	(144)	-	43,374

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22 SEGMENTAL INFORMATION (continued)

The following table presents the segment assets and liabilities:

At 30 June 2012 (Reviewed)	Real Estate	Business services	Financial institution and other services	Eliminations	Total
Current assets	**7,211,724**	**191,609**	**37,668**	**(662)**	**7,440,339**
Non-current assets	**89,337,219**	**76,851**	**244,733**	**(33,879,557)**	**55,779,246**
Total assets	**96,548,943**	**268,460**	**282,401**	**(33,880,219)**	**63,219,585**
Current liabilities	**(5,268,815)**	**(91,366)**	**(3,097)**	**104,248**	**(5,259,030)**
Non-current liabilities	**(73,600,474)**	**(71,407)**	**(137,807)**	**28,592,638**	**(45,217,050)**
Total liabilities	**(78,869,289)**	**(162,773)**	**(140,904)**	**28,696,886**	**(50,476,080)**
Share of equity accounted investees net assets	**1,851,379**	**-**	**13,872**	**127,164**	**1,992,415**
Capital expenditure	**1,930,253**	**-**	**-**	**-**	**1,930,253**

As at 31 December 2011 (Audited)	Real Estate	Business services	Financial institution and other services	Eliminations	Total
Current assets	7,520,376	218,562	87,463	44,383	7,870,784
Non-current assets	88,804,496	55,535	295,767	(31,219,943)	57,935,855
Total assets	96,324,872	274,097	383,230	(31,175,560)	65,806,639
Current liabilities	(7,588,717)	(93,574)	(67,417)	105,776	(7,643,932)
Non-current liabilities	(70,979,900)	(76,337)	(146,555)	25,571,192	(45,631,600)
Total liabilities	(78,568,617)	(169,911)	(213,972)	25,676,968	(53,275,532)
Share of equity accounted investees net assets	3,038,732		14,079	129,480	3,182,291
Capital expenditure	6,134,712	-	-	-	6,134,712

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23 CURRENT AND NON-CURRENT PRESENTATION OF RECEIVABLES

The following table presents the current and non-current allocation of receivables and prepayments and finance lease receivables at reporting date.

	Receivables and prepayments		Finance lease receivable	
	30 June 2012 (Reviewed)	31 December 2011 (Audited)	**30 June 2012 (Reviewed)**	31 December 2011 (Audited)
Current	**1,967,829**	1,040,587	**397,738**	390,403
Non-current	**219,225**	18,382	**2,533,820**	2,666,031
	2,187,054	1,058,969	**2,931,558**	3,056,434

24 COMPARATIVE FIGURES

The Group reclassified available-for-sale financial assets at 31 December 2011, amounting to QR 2,578,971 thousands to related party receivables as such amounts were due from a related company at last reporting date. The above reclassifications did not have any effect on the reported profit or the retained earnings of the comparative period/year