BARWA REAL ESTATE COMPANY Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2009

BARWA REAL ESTATE COMPANY Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

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Independent auditors' report to the shareholders of Barwa Real Estate Company Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Barwa Real Estate Company Q.S.C. ("Barwa") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the directors for the consolidated financial statements

The directors of the Group are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In addition, in our opinion, the Group has maintained proper accounting records and the consolidated financial statements are in agreement therewith. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Group. We are not aware of any violations of the provisions of Qatar Companies Commercial Law or the terms of Articles of Association having occurred during the period which might have had a material effect on the business of the Group or its consolidated financial position as at 31 December 2009. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

15 March 2010
Doha
State of Qatar

Ahmed Hussain
KPMG
Qatar Auditor's Registry No. 197

BARWA REAL ESTATE COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2009 **In thousands of Qatari Riyals**

	Notes	2009	2008
ASSETS			
Cash and banks	5	1,927,994	538,833
Financial assets at fair value through profit or loss	6	4,073	3,987
Trading property	7	104,732	104,732
Receivables and prepayments	8	1,050,150	807,562
Available for sale financial assets	9	916,851	1,853,507
Due from customers under Islamic financing	10	510,979	-
Advances for projects and investments	11	2,278,434	3,097,100
Property under development	12	14,580,281	10,472,637
Due from related parties	13.a	4,450,636	2,522,977
Investment property	14	5,799,670	1,506,218
Investments in equity accounted investees	15	1,854,047	828,499
Intangible assets	16	228,584	105,565
Property, plant and equipment	17	1,291,596	1,009,865
Assets classified as held for sale	18	-	1,465,661
TOTAL ASSETS		**34,998,027**	24,317,143
LIABILITIES AND EQUITY			
Payables and accruals	19	2,828,352	1,850,731
Due to related parties	13.b	466,352	656,725
Liabilities for purchase of land	20	3,432,151	3,414,871
Unrestricted investments accounts for Islamic banking contracts	21	1,088,728	-
Obligations under Islamic finance contracts	22	20,050,837	12,476,365
Liabilities under derivative contracts	23	284,875	106,699
Deferred tax liabilities	24	42,250	108,190
Provisions	25	936,168	909,271
Liabilities related to assets classified as held for sale	18	-	21,774
TOTAL LIABILITIES		**29,129,713**	19,544,626
EQUITY (pages 5 and 6)			
Share capital	26	2,625,000	2,625,000
Legal reserve	27	215,307	126,853
General reserve	28	1,041,697	1,041,697
Accumulated other comprehensive loss	29	(40,063)	(30,666)
Treasury shares	30	(872)	-
Retained earnings		1,391,885	679,857
Total equity attributable to shareholders of the Parent		5,232,954	4,442,741
Non-controlling interests	31	635,360	329,776
TOTAL EQUITY		**5,868,314**	4,772,517
TOTAL LIABILITIES AND EQUITY		**34,998,027**	24,317,143

These consolidated financial statements were approved and signed on behalf of the Board of Directors by the following on 15 March 2010:

Hitmi Ali Al-Hitmi
Deputy Chairman

Ali Mohammed Al Obaidli
Board Member

The attached notes from 1 to 47 form an integral part of these consolidated financial statements.

BARWA REAL ESTATE COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009 **In thousands of Qatari Riyals**

	Notes	2009	2008
REVENUES AND GAINS			
Profit on sale of property		87,653	773,656
Gain on sale of subsidiaries	32	260,762	43,731
Gain / (Loss) on revaluation of investment property	14	1,261,304	(109,314)
Revenues from services	33	82,769	-
Rental income		160,115	115,066
Share of results from equity accounted investees	15	1,032,694	72,819
Negative goodwill	34	58,704	-
Other income	35	68,805	206,157
		3,012,806	1,102,115
EXPENSES AND LOSSES			
General and administrative expenses	38	996,904	511,550
Impairment losses	36	562,885	-
Depreciation	17	51,836	17,567
		1,611,625	529,117
Net finance costs	37	(660,941)	(301,628)
Net profit before taxes		**740,240**	271,370
Income taxes	24	59,260	34,504
Net profit for the year before contribution to social and sports fund		**799,500**	305,874
Contribution to social and sports fund	25	(19,988)	-
Net profit for the year		**779,512**	305,874
Attributable to			
Equity holders of the Parent		801,982	309,960
Non-controlling interests		(22,470)	(4,086)
		779,512	305,874
Basic and diluted earnings per share	39	**3.06**	1.46
Other comprehensive income			
Net change in fair value of available for sale financial assets		(11,287)	27,008
Net change in fair value of cash flow hedges transferred to profit or loss		78,048	(112,384)
Foreign currency translation differences for foreign operations		(63,879)	(57,813)
Other comprehensive income / (loss) for the year		**2,882**	(143,189)
Comprehensive income for the year		**782,394**	162,685
Attributable to			
Equity holders of the Parent		792,584	217,671
Non-controlling interests		(10,190)	(54,986)
		782,394	162,685

The attached notes from 1 to 47 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

In thousands of Qatari Riyals

2008	*Attributable to Equity Holders of the Parent*							
	Share capital	Legal reserve	General reserve	Accumulated other comprehensive loss	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2007	2,000,000	98,222	40,000	61,623	775,328	2,975,173	249,718	3,224,891
Net profit for the year	-	-	-	-	309,960	309,960	(4,086)	305,874
Other comprehensive income for the year (Note 29)	-			(92,289)	-	(92,289)	(50,900)	(143,189)
Total comprehensive income for the year	-	-	-	(92,289)	309,960	217,671	(54,986)	162,685
Bonus shares issued	125,000	-	-	-	(125,000)	-	-	-
Additional share capital introduced	500,000	-	1,001,697	-	-	1,501,697	-	1,501,697
Cash dividend declared for 2007	-	-	-	-	(250,000)	(250,000)	-	(250,000)
Transfer to legal reserve	-	28,631	-	-	(28,631)	-	-	-
Board of directors' remuneration	-	-	-	-	(1,800)	(1,800)	-	(1,800)
Non-controlling interests' share in issued capital of subsidiaries (Note 31)	-	-	-	-	-	-	135,044	135,044
Balance at 31 December 2008	2,625,000	126,853	1,041,697	(30,666)	679,857	4,442,741	329,776	4,772,517

The attached notes from 1 to 47 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

In thousands of Qatari Riyals

	Attributable to Equity Holders of the Parent								
2009	Share capital	Legal reserve	General reserve	Accumulated other comprehensive loss	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 December 2008	2,625,000	126,853	1,041,697	(30,666)	-	679,857	4,442,741	329,776	4,772,517
Net profit for the year	-	-	-	-	-	801,982	801,982	(22,470)	779,512
Other comprehensive income for the year (Note 29)	-	-	-	(9,397)	-	-	(9,397)	12,279	2,882
Total comprehensive income for the year	-	-	-	(9,397)	-	801,982	792,585	(10,191)	782,394
Transfer to legal reserve	-	88,454	-		-	(88,454)	-	-	-
Board of directors' remuneration	-	-	-	-	-	(1,500)	(1,500)	-	(1,500)
Non-controlling interest's share in issued capital of subsidiaries (Note 31)	-	-	-	-	-	-	-	356,737	356,737
Non-controlling interests in disposed subsidiaries (Note 32)	-	-	-	-	-	-	-	(6,776)	(6,776)
Non-controlling interests acquired by the Parent (Note 31)	-	-	-	-	-	-	-	(34,186)	(34,186)
Treasury shares resulting from subsidiaries ownership of the Parent's shares (Note 30)	-	-	-	-	(872)	-	(872)	-	(872)
Balance at 31 December 2009	**2,625,000**	**215,307**	**1,041,697**	**(40,063)**	**(872)**	**1,391,885**	**5,232,954**	**635,360**	**5,868,314**

The attached notes from 1 to 47 form an integral part of these consolidated financial statements.

BARWA REAL ESTATE COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2009

	Note	2009	2008
		In thousands of Qatari Riyals	
OPERATING ACTIVITIES			
Net profit for the year		779,512	305,874
Adjustments for:			
(Gain) / Loss on fair value adjustment of investment property	14	(1,261,304)	109,314
Unrealized (gains) / losses on financial assets held for trading	6	(86)	2,527
Loss / (Gain) on liquidation of investments		1,118	(6,490)
Depreciation	17	51,836	17,567
Amortization	16	1,014	-
Net deferred tax benefit	24	(66,630)	(34,504)
Share of results from equity accounted investees	15	(1,032,694)	(72,819)
Impairment losses	36	562,885	-
Gain on debt restructure	37	(265,014)	-
Gain on sale of subsidiaries	32	(260,762)	-
Negative goodwill	34-a-ii	(58,704)	-
Loss on disposal of equipment		760	-
Dividend declared by associates	15-b	-	352,654
Deferred income from sales to associates		-	11,916
Provided provisions for social contributions / severance costs	25	19,988	5,859
Net finance expense and dividends		629,589	219,984
Operating profit / (loss) before working capital changes		**(898,492)**	911,882
Changes in working capital			
Change in receivables and prepayments		(334,329)	(830,442)
Change in customers for financing activities		(510,979)	-
Change in trading property		-	271,017
Change in payables and other credit balances		1,100,207	1,164,022
Net finance expense and dividends		(629,589)	(219,984)
Utilized provision for severance	25	(5,859)	-
NET CASH FROM OPERATING ACTIVITIES		**(1,279,041)**	1,296,495
INVESTING ACTIVITIES			
Payments for business combinations net of cash acquired	34-b	(241,967)	(693,455)
Proceeds from sale of subsidiaries	32	874,956	-
Payments for development / acquisition of property under development and investment property		(6,244,854)	(3,962,499)
Receipts from Government grant		-	325,000
Payments for establishment and acquisition of associates		(48,318)	(293,555)
Payments for acquisition of a joint venture		-	(229,843)
Payments for purchase of available for sale financial assets		(41,738)	(183,687)
Payments for purchase of property, plant and equipment		(302,120)	(542,512)
Proceeds from sale of available for sale financial assets		18,604	47,399
Net changes in related party balances for investing activities		(1,385,347)	(822,620)
NET CASH USED IN INVESTING ACTIVITIES		**(7,370,784)**	(6,355,772)
FINANCING ACTIVITIES			
Proceeds from increase in the Parent's capital		-	1,501,697
Proceeds from obligations under Islamic finance contracts	22	11,131,617	6,687,669
Payments from the outstanding Islamic finance obligations	22	(3,565,301)	(3,282,094)
Proceeds from unrestricted investments accounts		1,088,728	-
Payments for obligations for purchase of land		(247,736)	(297,376)
Dividends paid		-	(250,000)
Board of Directors' remuneration paid		(1,500)	(1,800)
Proceeds from minority's share in subsidiaries' capital		-	135,044
Restricted bank balances and reserves held with Qatar Central Bank	5	789,330	159,447
NET CASH FROM FINANCING ACTIVITIES		**9,195,138**	4,652,587
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**545,313**	(406,690)
Net translation differences		54,518	16,151
Cash and cash equivalents at the beginning of the year		379,386	769,925
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**979,217**	379,386

The attached notes from 1 to 47 form an integral part of these consolidated financial statements.

1. REPORTING ENTITY

Barwa Real Estate Company Q.S.C. ("the Company" or "the Parent") 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 lands and to establish agricultural, industrial, commercial projects on lands, or lease those lands, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar. The Parent, along with its subsidiaries ("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 Group's major subsidiaries included in these consolidated financial statements are:

Name of the Subsidiary	Country of incorporation	Shareholding percentage
Barwa International S.P.C.	Qatar	100%
Barwa Al-Doha Real Estate Company W.L.L.	Qatar	50%
Barwa Al-Rayyan For Real Estate Development W.L.L.	Qatar	70%
Barwa Al-Qassar Real Estate Company W.L.L.	Qatar	100%
Barwa City Real Estate Company W.L.L.	Qatar	100%
Barwa Commercial Avenue	Qatar	100%
Barwa Financial District	Qatar	100%
Barwa Cooling Company S.P.C.	Qatar	100%
Barwa Al-Saad Company S.P.C.	Qatar	100%
Nozol Qatar Company Limited W.L.L.	Qatar	50%
Barwa Building Materials Company Limited S.P.C.	Qatar	100%
Barwa Bank Q.S.C.	Qatar	67.49%
Barwa Lusail Company Limited W.L.L.	Qatar	100%
Qatar Projects Management Company C.Q.S.C.	Qatar	100%
Barwa Media Company S.P.C.	Qatar	100%
Barwa Technology S.P.C.	Qatar	100%
Barwa Knowledge Company S.P.C.	Qatar	100%
Barwa Cavendish Capital	U.K.	60%
Barwa Cavendish Company Limited	Cayman Islands	100%
Barwa Real Estate Al-Bahrain S.P.C.	Bahrain	100%
Guidance Hotel Investment Company B.S.C.C.	Bahrain	95%
Barwa Emirates Real Estate Company W.L.L.	U.A.E.	100%
Blue Wave Real Estate Company W.L.L.	U.A.E.	100%

1. REPORTING ENTITY (CONTINUED)

Major subsidiaries of the group (continued)

Name of the Subsidiary	Country of incorporation	Shareholding percentage
Barwa Saudia Arabia Real Estate Company	Saudi Arabia	100%
Barwa Egypt Real Estate S.A.E.	Egypt	100%
Barwa Egypt for Real Estate Development Company S.A.E.	Egypt	80%
Barwa New Cairo for Real Estate Investments S.A.E.	Egypt	55%
Barwa Sudanese Holding Company	Sudan	100%
Barwa Luxemburg S.A.R.L.	Luxemburg	100%
Barwa International Hotel Management Luxemburg	Luxemburg	100%
Barwa Russia Company S.A.R.L.	Luxemburg	100%
Masaken Al Saliya & Mesaier Company W.L.L.	Qatar	100%
Barwa Village Company S.P.C.	Qatar	100%
Waseef Company W.L.L.	Qatar	100%
Quality International Qatar Company W.L.L.	Qatar	100%
The First Investor W.L.L.	Qatar	100%

The financial statements of Barwa Bank for the year ended 31 December 2009 were approved by the Group management and issue of these financial statements is subject to the approval of Qatar Central Bank.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)and applicable requirements of Qatar Commercial Companies Law No. 5 of 2002.

The consolidated financial statements of the Group was authorized for issue in accordance with the resolution of the Board of Directors on 15 March 2010.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Investment property is measured at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Available-for-sale financial assets are measured at fair value.
- Derivative financial instruments are measured at fair value.

The methods used to measure fair values are discussed further in Note 43.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest thousand except otherwise indicated.

2. BASIS OF PREPARATION (Continued)

d) Use of estimates and judgments
The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 44.

e) Changes in accounting policies

(i) Overview
Effective 1 January 2009 the Group has changed its accounting policies in the following areas:

- Presentation of financial statements (IAS 1)
- Accounting for investment property under construction (IAS 40)
- Agreements for the construction of real estate (IFRIC 15)
- Determination and presentation of operating segments (IFRS 8)

IAS 1 (revised), "Presentation of financial statements"
During the year, the Group adopted Revised IAS 1 as issued by International Accounting Standards Board ("IASB") revised in May 2008, as the same has become mandatory for the Group's financial reporting periods beginning 1 January 2009. Revised IAS 1 introduced the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Group has decided to provide a single statement of comprehensive income for its 2009 consolidated financial statements.

IAS 40 (Amendment), "Investment property"
The amendment was part of the IASB's annual improvements project published in May 2008 and effective for application starting from 1 January 2009. Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment has an impact on the group's operations, as there are properties under development held by the Group for the future use as investment property.

IFRIC 15 "Agreements for the construction of real estate"
IFRIC 15 is effective for application from 1 January 2009 and applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. Agreements in the scope of this Interpretation are agreements for the construction of real estate. In addition to the construction of real estate, such agreements may include the delivery of other goods or services. The interpretation addresses mainly two issues, which are whether the agreements are under the scope of IAS 11: Construction Contracts, or IAS 18: Revenue, and when the revenues associated to real estate agreements should be recognized.

2. BASIS OF PREPARATION (CONTINUED)

e) Changes in accounting policies (continued)

IFRS 8, "Operating Segments"
As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the Group Management , which is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of operating segment disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of this standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Management to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Group Management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

Improvements to IFRS (issued in May 2008)
Improvements to IFRS issued in May 2008 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFR standards. The amendments effective for annual periods beginning on or after 1 January 2009 have been adopted by the Company and no material changes to accounting policies arose as a result of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

3.1) Basis of consolidation

a) Subsidiaries
Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the Parent using the same accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1) Basis of consolidation (continued)

b) Special purpose entities
The Group has established a number of special purpose entities (SPEs) for trading and investment purposes. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPEs' risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

c) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

d) Non-controlling interests
Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Losses applicable to the minority in excess of the non-controlling interests are allocated against the interest of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover losses.

3.2) Revenue recognition

Sale of property
Revenue from the sale of trading property is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing involvement with the transferred property, and the amount of revenue can be measured reliably.

Transfers of risks and rewards vary depending on the individual terms of the sale contract of property, however and in the lack of other contractual determinants, it is presumed that risks and rewards are transferred to the buyer upon transfer of possession of the sold property.

When the Group is contractually required to perform further work on real estate already delivered to the buyer, the Group recognizes a provision and expense for the present value of the expenditures required to settle its obligations under such further works.

Income from Murabaha and Islamic deposits
Income from Murabaha and Islamic deposits is recognized on a time apportionment basis taking into account of the principal invested and the profit rate applicable to such contracts and agreements.

Rental income
Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Dividend income
Dividend income is recognized when the right to receive the dividend is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2) Revenue recognition (continued)

Management income
Management income is recognized based on the terms and conditions of the relevant management agreements concluded with external parties to the Group.

Income from investment banking services
This is recognised as per contractual terms when the service is provided and income is earned. This is usually when the Group has performed all significant acts in relation to a transaction and it is highly probable that the economic benefits from the transaction will flow to the Group. Significant acts in relation to a transaction are determined based on the terms agreed in the contracts for each transaction. The assessment of whether economic benefits from a transaction will flow to the Group is based on the extent of binding firm commitments received from other parties.

Fees and commission income
Fees and commission income that are integral to the effective profit rate on a financial asset carried at amortised cost are included in the measurement of the effective profit rate of the financial asset. Other fees and commission income, including account servicing fees, sales commission, management fees, placement and arrangement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Income from financing transactions
These are recognised on a time-apportioned basis over the period of the contract. Income on non-performing financing accounts is suspended when it is not certain the Group will receive the income in accordance with Qatar Central Bank's instructions.

Income from wakala placements
This is recognized on a time proportion basis so as to yield a constant periodic rate of return based on the balance outstanding.

Construction contracts
Revenues from construction contracts are recognized based on the percentage of completion method. Contract costs include direct material and labour and an allocation of indirect costs related to the contract. Accruals for losses on contracts are recorded when such losses are determined. Warranty costs and contract completion accruals are recorded for future expenses in connection with the completion of contracts.

The percentage of completion is determined by comparing costs incurred as of the reporting date with total estimated costs at completion of the contract. During the life of the construction contract the gross margin recognition is subject to an allowance for contingency mechanism depending on the percentage of completion. In other contracts, mainly service and maintenance, revenue is recognized in line with the value and timing of services rendered.

Advertisement revenues
Advertisement revenues represent the invoiced value of services rendered by the Group during the period. Revenue is recognized upon performing the services to the customers and no significant uncertainties remain regarding the determination of consideration, associated costs or the possible reject of services rendered.

Consulting revenues
Consulting revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received excluding discounts, rebates and duty. The specific recognition criteria must also be met before revenue is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3) Trading properties

Trading properties are real estate properties (including non-developed plots of land) developed and / or held for sale in the ordinary course of business. Trading properties are held at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of trading properties is determined on the basis of specific identification of their individual costs.

3.4) Investment property

Investment properties are properties which are held either to earn rental income, including those under development, or for capital appreciation or for both are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. Any gain or loss arising from a change in fair value is recognized in the consolidated profit or loss.

Property that is being constructed for future use as investment property is accounted for as investment property under the fair value model. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development.

Transfers between property categories

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:
(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised directly in equity as a revaluation surplus. Any loss is recognised immediately in profit or loss.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 shall be its fair value at the date of change in use.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in profit or loss

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5) Property under development
Properties that are being developed and constructed for sale in the ordinary course of business are classified as projects under construction until construction or development is complete, at which stage it is classified and subsequently accounted for as trading property based on management's intentions. Such properties are initially recorded at cost and are held at the lower of cost and net realizable value at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined on the basis of specific identification of their individual costs.

3.6) Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that computers and office equipment.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land, if any, is not depreciated.

The estimated useful lives of the depreciable assets are as follows:

Buildings	20 years
Furniture and fixtures	3-7 years
Motor vehicles	5 years
Computers and office equipment	3 years
Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the consolidated income statement as the expense is incurred. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7) Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the consolidated income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to the consolidated income statement.

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of the estimated future cash flows discounted at the original effective finance cost rate.
d) Significant financial assets are tested for impairment on an individual basis.
e) The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated income statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.8) Borrowing costs

Borrowing costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other borrowing costs as an expense in the period in which it incurs them.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8) Borrowing costs (continued)

The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:
(a) incurs expenditures for the asset;
(b) incurs borrowing costs; and
(c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, if any.

The borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than those specific borrowings mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset.

The amount of borrowing costs that the Group capitalizes during the period is not to exceed the amount of borrowing costs it incurred during that period. The Group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.9) Investment in associates

The Group's investments in associates are accounted for under the equity method of accounting. These are entities over which the Group exercises significant influence and which are neither subsidiaries nor joint ventures. Investments in associates are carried in the balance sheet at cost, plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The income statement reflects the Group's share of the results of its associates. Unrealized profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

3.10) Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

3.11) Available-for-sale financial assets

Available-for-sale financial assets are recognized and derecognized, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale financial assets are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity. Upon impairment or upon derecognition, any gain or loss previously reported as "cumulative changes in fair values" within equity is included in the consolidated income statement.

3.12) Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13) Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted balances held with Qatar Central Bank and other Islamic and commercial banks, placements with banks and other financial institutions, and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

Placements with banks and other financial institutions comprise placements made in the form of wakala contracts. Placements are usually short term in nature and are stated at their amortised cost.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash in hand, placements with banks and other financial institutions, balances held with Qatar central bank, other bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts and restricted bank balances.

3.14) Unrestricted investment accounts

Unrestricted investment accounts are funds held by the Group, which it can invest at its own discretion. The unrestricted investment account holder authorises the Group to invest the account holders' funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.

All unrestricted investment accounts are carried at cost plus accrued profits and related reserves less amounts settled.

Unrestricted investment account holders' share of profit

Net profit for the year is distributed among unrestricted account holders and owners in accordance with Qatar Central Bank's instructions, which are summarised as follows:

- The net profit is arrived at after taking into account all income and expenses at the end of the financial period, and is distributed between unrestricted investment account holders and shareholders. The share of profit of the unrestricted account holders is calculated on the basis of their daily deposit balances over the year, after reducing the Group's agreed and declared Mudaraba fee, if any.

- In case of any expense or loss, which arise out of misconduct on the part of the Group due to non-compliance with Qatar Central Bank's regulations and instructions, then such expenses or loss shall not be borne by the unrestricted investment account holders. Such matter is subject to Qatar Central Bank's decision.

- In case the results of the Group at the period end are net losses, then Qatar Central Bank, being the authority responsible for determining the Group's accountability for these losses, shall decide how these shall be treated without violation to the Islamic Shari'a rules.

- Due to pooling of unrestricted investment funds with the Group's funds for the purpose of investment, no priority has been given to either party in the appropriation of profit.

3.15) Due from customers under financing activities

Receivables and balances from financing activities comprise Sharia' compliant retail and commercial financing provided by the Group with fixed or determinable payments. These include financing provided through Murabaha, Tawaruq etc. Receivables and balances from financing activities are stated at their amortised cost less impairment allowances, if any.

Murabaha receivables consist mainly of deferred sales transaction agreements ("Murabaha") and are stated net of deferred profits and provision for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16) Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3.17) Customer current and saving accounts

Balances due to banking customers in current and saving accounts are recognised when received by the Group. The transaction are measured as the amount received by the Group at the time of contracting. At the end of the reporting period, these accounts are measured at amortised cost.

3.18) Obligations under Islamic financing contracts

Obligations under Islamic financing contracts are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortized cost using the effective cost method.

Gains or losses are recognized in the consolidated income statement when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred.

Installments due within one year are shown as a current liability. Installments due after 1 year are shown as non-current liability.

3.19) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.20) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases, and are not recognized in the Group's consolidated balance sheet.

3.21) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

3.23) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective finance cost and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised directly in equity.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari Riyal at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Qatari Riyal at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity and are recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the FCTR.

3.24) Derecognition of financial assets and financial liabilities

a) Financial assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset have expired or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and
- either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24) Derecognition of financial assets and financial liabilities

b) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the consolidated income statement.

3.25) Fair values
The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

3.26) Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, if any, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities, if any, to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.27) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, if any, are not capitalized and expenditure is reflected in the consolidated income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The estimated useful lives of the intangible assets are as follows:

Banking license	10 years
Customers' contracts	5 years

3.28) Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups), if any, that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IAS 14 Segment Reporting.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.28) Business combinations and goodwill (continued)
Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year-end.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

If subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortized goodwill is recognized in the consolidated income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3.29) Inventory
Inventories resulting from hotel activities, are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.30) Derivative financial instruments
Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in described below for those derivative instruments designated for hedging cash flows, while changes in the fair value of derivative instruments not designated for cash flow hedges are charged directly to profit or loss.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, if any, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.31) Investments in joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The jointly controlled entities are accounted for by the Company using the equity method, under which investments in joint ventures are carried in the consolidated balance sheet at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture, less any impairment in value. The consolidated income statement reflects the Group's share of the results of its equity accounted jointly controlled entities.

Unrealized profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture.

3.32) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

3.33) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments in Note 45. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

3.34) Government grants

Unconditional government grant related to assets or income are recognised in profit or loss when the grant becomes receivable.

Other government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of a depreciable asset are recognised in profit or loss on a systematic basis over the useful life of the asset, while grants compensating the Group for assets under development are directly deducted from the carrying amount of the related asset.

3.35) New standards and interpretations not yet adopted

The following International Accounting Standard Board ('IASB') standards and amendments to standards and interpretations are relevant to the Group's operations and transactions, not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

IFRS 3 *Business Combinations and* IAS 27 *Separate and Consolidated Financial Statements - Amendments*
The revised IFRS 3 introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. The revised IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.35) New standards and interpretations not yet adopted (continued)
Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3 and IAS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to take advantage of this possibility.

IFRS 9 Financial Instruments, published on 12 November 2009 as part of phase 1 of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of *held to maturity, available for sales and loans and receivables.* For an investment in equity instruments which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share by share basis, to present all fair value changes from the investment in other comprehensive income.

No amount recognised in other comprehensive income would ever be reclassified to profit or loss at a later date. However, the dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represents a partial recovery of the cost of the investments. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated, instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.
The standard is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted.

The Company is currently in the process of evaluating the potential effect of this standard. Given the nature of the Company's operations, this standard is expected to have a pervasive impact on the Company's financial statements.

Amendments to IAS 39 Financial instruments: Recognition and measurement – Eligible Hedged Items clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendments become mandatory for the Company's 2010 financial statements, with retrospective application required. The amendments are not expected to have a significant impact on the financial statements.

Improvements to IFRS (issued in April 2009)
Improvements to IFRS issued in April 2009 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFR standards. The amendments effective for annual periods beginning on or after 1 January 2010 with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

4. RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

(i) credit risk
(ii) liquidity risk
(iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework
The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group's Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

The Group subsidiaries follow the Group risk management policies, except for subsidiaries operating in financial services activities which are monitored by the Parent's Board of Directors and Committees.

The Board of Directors ("Board") has overall responsibility for the establishment and oversight of the Group's risk management framework. In the subsidiaries operating in financial services activities, the Board has established the Management Committee ("MANCO"), Investment, Credit and Operational Risk Committees and Assets and Liability Committee ("ALCO") which are responsible for developing and monitoring those subsidiaries risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board on their activities.

(i) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's advances to acquire investments, advances to contractors, due from related parties, investment securities Group's financing activities and placements with banks and other financial institutions, and receivables from customers.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Advances, receivables and related parties
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each contractor/customer. The demographics of the Group's project/customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. Material amounts of the Group's advances/collections are attributable to contractors/customers originating from the State of Qatar. There is no concentration on credit risk attributable to a single contractor/customer.

4. RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

The Group's policy is that advances, receivables and related parties are stated at original paid advance / invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery, if any.

Guarantees
The Group's policy is to provide financial guarantees only to its subsidiaries. Outstanding guarantees to the Group are disclosed in Note 40.

Balances with Qatar Central Bank
Credit risk on balances with Qatar Central Bank is limited as the Qatar Central Bank is well reputed.

Balances and placements with banks and other financial institutions
Credit risk on balances and placements with banks and other financial institutions is limited as they are placed with local and foreign banks having good credit ratings assigned by international credit rating agencies.

Receivables and balances from financing activities
The maximum exposure to credit risk for receivables and balances from financing activities at the reporting date was equal to the receivables amount disclosed in the statement of financial position. All receivables are within State of Qatar, and with well reputed government agency and employees of the Group and deemed to be collectible.

Investment securities
The maximum exposure to credit risk for investment securities at the reporting date was equal to the carrying amount disclosed in the statement of financial position.

Other financial assets
The maximum exposure to credit risk for certain other financial assets (including due from related parties, security deposit and etc.) at the reporting date was equal to the amounts disclosed in the statement of financial position. All such balances are relating to receivables within State of Qatar.

Allowances for impairment
The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its receivables and balances from financing activities. The main component of this allowance is a specific loss component that relates to individually significant exposures. The Group's policy is to classify receivables and balances from financing activities past due for more than 90 to 180 days as substandard, 181 to 270 days as doubtful and more than 270 days as loss assets which comply with the Qatar Central Bank requirements. None of the exposures of the Group were past due for more than 90 days, hence have not been classified as non-performing as at 31 December 2009.

Write-off
The Group writes off receivables and balances from financing (and any related allowances for impairment) when the management determines that the receivables and balances are uncollectible. This is determined after all possible efforts of collecting the amounts have been exhausted.

Collateral
The Group holds collateral against certain receivables and balances from financing activities in the form of mortgage/ pledge over property, listed/ unlisted securities, other assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and updated periodically, generally at annual intervals. Collateral generally is not held against exposure to other banks and financial institutions.

4. RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk

Concentration risk is any single exposure or group of exposures with the potential to produce losses large enough to threaten the Group's health or ability to maintain its core operations. Such concentrations include:

- Significant exposures to an individual counterparty or group of related counterparties;
- Credit exposures to counterparties in the same economic sector or geographical region;
- Credit exposures to counterparties whose financial performance is dependent on the same activity or commodity; and
- Indirect credit exposures arising from the Group's credit risk mitigation activities (e.g. exposure to a single collateral type or to credit protection provided by a single counterparty).

The Board has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate credit department, reporting to Credit Committee, is responsible for management of the Group's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, compliance with QCB regulations for its banking activities and other regulatory and statutory requirements;
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Credit Head, Credit Committee or the Board as appropriate;
- Reviewing and assessing credit risk. Credit department assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by business unit concerned. Renewals and reviews of facilities are subject to the same review process;
- Limiting concentrations of exposure to counterparties, geographies and industries (for receivables and balances from financing activities and balances and investments with banks and financial institutions), and by issuer, credit rating band, market liquidity and country (for available-for-sale securities);
- Developing and maintaining the Group's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks;
- Collateralising the exposures by adequate tangible and intangible collateral including guarantees (personal or corporate; as appropriate);
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to credit department on the credit quality of local portfolios and appropriate corrective action is taken.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses project-based costing to cost its properties and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

4. RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

Management of liquidity risk for banking and financial services
The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Treasury receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury then maintains a portfolio of short term liquid assets, largely made up of inter bank facilities to ensure that sufficient liquidity is maintained within the Group as whole. The Group also maintains statutory reserves with Qatar Central Bank.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval of MANCO and ALCO. A summary report, including any exceptions and remedial action taken, is submitted regularly to MANCO and ALCO.

The Group relies on customer deposits and unrestricted investment accounts along with the owners' equity contributions as its primary sources of funding. While the Group's customer deposits and unrestricted investment accounts have a mix of maturities, a large portion of them are repayable on demand. The short term nature of these deposits and accounts increases the liquidity risk and the Group actively manages this risk through maintaining competitive pricing and content monitoring of market trends.

(iii) Market risk
Market risk is the risk that changes in market prices, such as profit rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) Currency risk
The Group is exposed to high currency risk on transactions with related parties and borrowings that are denominated in a currency other than the respective functional currency, mainly EURO, EGP, CHF, USD, and GBP.

The Group's management enters into financial instruments to securing its position against the fluctuations in different foreign currencies using a base currency of USD that is pegged to Qatari Riyal.

In respect of other monetary assets and liabilities denominated in foreign currencies, the forward deals entered into by the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(b) Finance cost (profit) rate risk
The Group adopts a policy of ensuring that finance cost rates on Islamic financing contracts and finance cost rate exposures are reviewed quarterly, and that finance cost rates are not subject to present fluctuations.

4. RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

(c) Equity price risk
Equity price risk is the risk that the fair value of equity securities decreases as the result of adverse changes in equity prices or indices, or fair value in the case of unquoted equities. Equity price risk arises from Group's investment portfolio. The Group conducts significant investment activity in private equity, mainly in unquoted entities. The Group manages this risk through diversification of its investments in terms of geographical distribution and industry concentration and by arranging representation on the Board of Directors within the investee company, wherever possible. Investments are managed within maximum concentration risk limits, approved by the Board of Directors of the Group.

(d) Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

(e) Other risks
Other risks to which the Group is exposed are regulatory risk, legal risk, and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the Group, with guidelines and policies being issued as appropriate.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

4. RISK MANAGEMENT (CONTINUED)

Capital management (continued)

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The details of the financial risk management tools and related risks' exposures are described in Note 42.

5. CASH AND CASH EQUIVALENTS

	2009	2008
Cash in hand	79	5,645
Cash in banks and other financial institutions		
Cash in vaults	7,497	-
Cash at ATM	9,166	-
Reserve account with Qatar Central Bank (Note i)	51,219	-
Wakala placements with Islamic banks (Note ii)	942,500	-
Fixed deposits	321,876	142,328
Current accounts	425,834	154,547
Call accounts	163,546	188,422
Margin bank accounts	6,277	47,891
Total cash and bank	**1,927,994**	538,833
Less: restricted bank balances	(948,777)	(159,447)
	979,217	379,386

Note i
The reserve account with the Qatar Central Bank is a mandatory reserve and cannot be used to fund the Group's day-to-day operations.

Note ii:
Short term wakala placements include the following:

Particulars	Profit rate	Deal date	Maturity date	2009 Balance
Wakala 1	2.10%	22-Dec-09	5-Jan-10	275,000
Wakala 2	2%	30-Dec-09	6-Jan-10	300,000
Wakala 3	2%	30-Dec-09	6-Jan-10	250,000
Wakala 4	1.50%	31-Dec-09	3-Jan-10	117,500
				942,500

Note iii
Restricted bank balances represents the reserve account with the Qatar Central Bank and the margin bank accounts above.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009	2008
At 1 January	3,987	6,514
Unrealized fair value adjustment on re-measurement	86	(2,527)
At 31 December	**4,073**	3,987

7. TRADING PROPERTIES

	2009	2008
At 1 January	104,732	375,749
Additions	-	79,222
Land transferred from property under development (Note 12)	-	272,775
Cost of sold property	-	(623,014)
At 31 December	**104,732**	104,732

8. RECEIVABLES AND PREPAYMENTS

	2009	2008
Receivable from Qatari Government (Note i)	325,000	325,000
Trade receivable	191,817	-
Dividends and banks profits receivable (Note ii)	247,768	262,334
Receivables under escrow accounts (Note iii)	56,740	70,589
Prepaid expenses	170,462	83,979
Refundable deposits	16,871	14,464
Other receivables	41,492	51,196
	1,050,150	807,562

Note i:
The Company, under the directives from the State of Qatar, established a convention centre in Doha, which was transferred for the occupation and utilization of Qatari Government during the prior year. The Company has submitted a representation to the State of Qatar for reimbursement of fair value of the transferred property in an amount of QR 325 million which was approved by the authorities accordingly.

Note ii:
Dividends receivable include QR 223,025 thousand receivable from the declared dividends by the associate, Barwa Al-Khour L.L.C. in the prior year as approved by the associate's board of directors (Note 14.b).

Note iii:
Receivables under escrow accounts represent amounts relating to the subsidiary, Barwa Luxemburg, in remission of accrued loan's finance costs.

The Group's exposure to credit and currency risks and impairment losses related to receivables and prepayments are disclosed in Note 42.

8. RECEIVABLES AND PREPAYMENTS (CONTINUED)

Receivables and prepayments are segregated between non-current and current portions as follows:

2009	**Non-current**	**Current**	**Total**
Receivable from Qatari Government	-	325,000	325,000
Trade receivable	129,268	62,549	191,817
Dividends and banks profits receivable	-	247,768	247,768
Receivables under escrow accounts	-	56,740	56,740
Prepaid expenses	-	170,462	170,462
Refundable deposits	16,871	-	16,871
Other receivables	25,493	15,999	41,492
	171,632	**878,518**	**1,050,150**

2008	Non-current	Current	Total
Receivable from Qatari Government	325,000	-	325,000
Dividends and banks profits receivable	223,025	39,309	262,334
Receivables under escrow accounts	-	70,589	70,589
Prepaid expenses	-	83,979	83,979
Refundable deposits	14,464	-	14,464
Other receivables	-	51,196	51,196
	562,489	245,073	807,562

9. AVAILABLE FOR SALE FINANCIAL ASSETS

a) The details of the available for sale financial assets are as follows:

	2009	2008
Islamic Murabha investments	-	736,111
Investments in quoted securities	187,511	184,353
Unquoted investments	729,340	933,043
	916,851	1,853,507

b) The movement on available for sale financial assets during the year is as follows:

	2009	2008
Balance at 1 January	1,853,507	1,642,812
Cost of acquired investments	41,738	4,366,784
Acquired through business combination (Note 34)	183,983	-
Transferred from advances for purchase of investments	58,448	-
Fair value of sold investments (Note i)	(1,025,608)	(4,183,097)
Transferred to investment in associate (Note 15)	(156,505)	-
Transferred to investment in subsidiary (Note 34)	(20,000)	
Fair value adjustment for the year	(18,712)	27,008
Balance at 31 December	**916,851**	1,853,507

9. AVAILABLE FOR SALE FINANCIAL ASSETS (CONTINUED)

The Group's exposure to credit and currency related to available for sale investments is disclosed in Note 42

Note i:
Majority of the sold and transferred investments during the current year were unquoted at cost and Murabha investments.

c) Sensitivity analysis – equity price risk
Majority of the Group's equity investments are unlisted investments which are recorded at cost subject to impairment testing where indicators to decline in value exists. While the quoted investments are listed on either the Qatar Exchange or Bahrain Stock Exchange. For such quoted investments classified as available-for-sale, sensitivity is more or less matching the bench mark index.

10. DUE FROM CUSTOMERS UNDER ISLAMIC FINANCING

	2009
By type:	
Murabaha financing arrangement	545,418
Less: deferred profit	(35,375)
	510,043
Tawaruk financing arrangement	853
Less: deferred profit	(203)
	650
Credit cards	286
	510,979
By Industry:	
Consumer financing	1,457
Less: deferred profit	(239)
	1,218
Real estate	545,100
Less: deferred profit	(35,339)
	509,761
	510,979
By Customer:	
Retail	1,457
Less: deferred profit	(239)
	1,218
Corporate	545,100
Less: deferred profit	(35,339)
	509,761
	510,979

There were no provisions for impairment of receivables from financing activities as of the reporting date, as all the financing activities were considered to be performing.

10. DUE FROM CUSTOMERS UNDER ISLAMIC FINANCING (CONTINUED)

Maturity of the balances due from Islamic financing customers at the reporting date is as follows:

31 December 2009	**Carrying amounts**	Less than 3 months	6 – 12 months	**Current portion**	1 – 5 years	More than 5 years	**Non-current portion**
Receivables and balances from financing activities	**510,979**	358	509,849	**510,207**	587	185	**772**

The weighted average profit rate on balances due from Islamic financing customers is 8.8%.

11. ADVANCES FOR PROJECTS AND INVESTMENTS

	2009	2008
Advances to subcontractors and suppliers	1,698,619	2,194,678
Advances for purchase of investments	399,355	391,450
Advances for purchase of property	180,460	510,972
	2,278,434	3,097,100

The advances above are to be utilized in non-current assets.

The Group's exposure to credit and currency risks and impairment losses related to advances for projects and investments are disclosed in Note 42.

12. PROPERTY UNDER DEVELOPMENT

Property under development represents capitalized costs relating to the Group's local and international real estate development projects. Movements on the property under development during the year were as follows:

	2009	2008
At 1 January	10,472,637	3,245,909
Subsequent development costs and additional acquired property	6,127,502	7,929,179
Property acquired in business combinations (Note 34-a-iii)	237,303	-
Capitalized finance cost (Note i)	493,893	277,535
Other changes during the year	-	(325,000)
Cost of projects under development transferred to investment property (Note 14)	(2,635,964)	-
Property under development for sold subsidiaries (Note 32)	(115,090)	-
Development cost transferred to an associate (Note ii)	-	(382,211)
Cost of land transferred to trading property upon sale	-	(272,775)
At 31 December	**14,580,281**	10,472,637

12. PROPERTY UNDER DEVELOPMENT (CONTINUED)

Note i:
Capitalized finance cost is calculated based on the actual qualifying expenditures related to the projects under development. Finance cost is capitalized using the Group's weighted average finance cost rate of 6.27 % (2008: 6.7%).

Note ii:
Development costs of Al-Baraha Project were transferred from the Parent to its associate, Barwa Al-Baraha Real Estate Company W.L.L., based on development cost transfer agreement signed by the Board of Directors of the Group dated 31 December 2008.

13. RELATED PARTY TRANSACTIONS

Related parties represent major minority holders 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) Due from related parties

Name of related party and nature of relationship	2009	2008
Al-Imtiaz Investment Company K.S.C. (Associate)	2,297,929	746,615
Barwa Al-Khor Company (Associate)	1,374,960	1,357,862
Barwa Al-Baraha Real Estate Company (Associate)	636,837	391,235
Amlak Qatar Limited - Dubai	49,836	-
Other related parties	91,074	27,265
	4,450,636	2,522,977

Due from related parties are segregated between non-current and current portions as follows:

2009	Non-current	Current	Total
Al-Imtiaz Investment Company	735,900	1,562,029	2,297,929
Barwa Al-Khor Company	1,374,960	-	1,374,960
Barwa Al-Baraha Real Estate Company	-	636,837	636,837
Amlak Qatar Limited - Dubai	-	49,836	49,836
Other related parties	22,079	68,995	91,074
	2,132,939	**2,317,697**	**4,450,636**

13. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Due from related parties (continued)

2008	Non-current	Current	Total
Al-Imtiaz Investment Company	-	746,615	746,615
Barwa Al-Khor Company	1,357,862	-	1,357,862
Barwa Al-Baraha Real Estate Company	391,235	-	391,235
Other related parties	-	27,265	27,265
	1,749,097	773,880	2,522,977

b) Due to related parties

Name of related party and nature of relationship	**2009**	2008
Qatar Diar Real Estate Investment Company Q.S.C. (45% shareholder in the Group)	114,591	247,518
Nozol Holdings B.S.C. (Associate)	124,506	137,511
Al-Tamdeen Investment Company K.S.C. (Non-Controlling Interest)	220,811	187,294
TAS Group Limited (Non-Controlling Interest)	5,811	56,844
Others	633	27,558
	466,352	656,725

Due to related parties are segregated between non-current and current portions as follows:

2009	**Non-current**	**Current**	**Total**
Qatari Diar Q.S.C.	-	114,591	114,591
Nozol Holdings B.S.C.	124,506	-	124,506
Al-Tamdeen Investment Company K.S.C.	220,811	-	220,811
TAS Group Limited	-	5,811	5,811
Others	-	633	633
	345,317	**121,035**	**466,352**

2008	Non-current	Current	Total
Qatari Diar Q.S.C.	-	247,518	247,518
Nozol Holdings B.S.C.	137,511	-	137,511
Al-Tamdeen Investment Company K.S.C.	187,294	-	187,294
TAS Group Limited	-	56,844	56,844
Others	-	27,558	27,558
	324,805	331,920	656,725

13. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Compensation of key management personnel

	2009	2008
Board of directors' remuneration (Parent)	1,500	1,800
Total key management staff benefits (group basis)	36,664	32,199
	38,164	33,999

d) Related party transactions charged to the consolidated statement of comprehensive income

	2009	2008
Gains on sale of assets		
		-
Gain on sale of subsidiary (First Leasing) (Note 32)	11,916	43,731
Gain on sale of subsidiary / property (Qatari Diar)	164,634	269,380
Management fees income (Qatari Diar)	4,068	41,168

14. INVESTMENT PROPERTY

	2009	2008
At 1 January	1,506,218	1,659,254
Subsequent capitalized expenditures	383,676	576
Transfers from property under development (Note i / Note 12)	2,635,964	-
Gain / (Loss) from fair value adjustment (Note i-a)	1,261,304	(109,314)
Translation adjustments	12,508	(44,298)
	5,799,670	1,506,218

The carrying amount of investment property is the fair value of the property as determined by independent accredited appraisals for the local and foreign investment properties. Fair value was determined having regard to the location of the property, space, future economy of the area compared with other areas as well as current Qatari and European market prices for transactions in similar properties in the same locations.

Note i:

a. Due to the adoption of the Amendments of IAS 40: Investment Property, effective 1 January 2009 (refer Note 2.e), the Parent, based on the initial business plans admitted by the Group management regarding the future use of its property and projects under establishment, transferred the cost of certain property constructed and developed for future use as investment property from the property under development at cost to investment property under construction. Fair values of the investment property under construction at the reporting date were based on the assessed values by independent appraisers for the designated plots of land inclusive of the construction work thereon.

b. Upon adoption of the amendments for IAS 40 at 1 January 2009, the Group designated a plot of land, as investment property under construction, being developed for future use as commercial tower held exclusively to earn rentals. However at year-end, the Group management changed its intention to sell the land of the project to external parties. The Group management decided to dispose of the project's land without any development, hence continued to treat the property as an investment property until it is derecognized through sale subsequently, as stipulated under IAS 40.

15. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

a) The outstanding balances of the investments in equity accounted investees are represented as follows:

Name of investee and country of incorporation	*Ownership*	**2009**	2008
Associates			
Barwa Al-Khour W.L.L.- Qatar	40%	953,073	86,996
Nozol Holding Company B.S.C.C. – Bahrain	39%	152,734	155,418
Barwa Al-Baraha Real Estate Company – Qatar	32%	10,761	13,929
Ottoman Gayrimenkul A.S. – Turkey (Note i)	50%	-	31,401
First Leasing Company W.L.L. – Qatar	28%	93,629	54,413
Panceltica Holding Limited – UK (Note ii)	26%	-	200,935
Marafeq Qatar Company W.L.L. – Qatar	25%	5,809	-
Al Imtiaz Investment Company – Kuwait (Note iii)	25%	580,730	-
Emdad Leasing Equipment Company – Qatar	38%	16,500	-
Al Dhaman for Islamic Insurance – Qatar	20%	40,400	-
Bait Al Mashura Financial Consulting Company–Qatar	20%	411	-
		1,854,047	543,092
Joint venture			
Shard Funding Limited – UK (Note iv)		-	285,407
		1,854,047	828,499

Note i:
The Group share of losses in the associate Ottoman Gayrimenkul A.S. – Turkey, exceeded its interest in the associate up to 31 December 2009 by QR 12,768 thousand, for which a provision against the excess losses was established due to the Group's constructive obligations made on behalf of the associate.

Note ii:
The Group management decided to fully impair the investment in associate balance for Panceltica Holding Limited based on the results of an impairment testing carried out during the year.

Note iii:
During the current year, the Group acquired additional shares in Al-Imtiaz Investment Company – Kuwait ("Al-Imtiaz") which resulted in accumulated ownership for the Group in Al-Imtiaz of 25%, hence the previously existed balance for investment in Al-Imtiaz at 31 December 2008 amounting to QR 156,505 thousand was transferred from the available for sale investments to investments in associates and the Group paid additional QR 302,176 thousand for the acquisition of the additional shares acquired during the year. The Group's share of results from Al-Imtiaz is amounting to QR 114,625 thousand, and share in fair value reserves is amounting to QR 7,425 thousand for the year ended 31 December 2009.

Note iv:
The Group sold its 25% ownership in the joint venture, Shard Funding Limited, to Qatar Central Bank during the current year, for QR 388,230 thousand representing the investment's carrying amount as of the date of sale. Share of results from the joint venture up to the date of sale of the investment amounting to QR 102,823 thousand was added to the carrying amount of the investment and charged to the current year's consolidated profit or loss.

15. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONTINUED)

b) The movement on the investments in equity accounted investees during the year are represented as follows:

	2009	2008
Balance at 1 January	828,499	596,852
Establishment of new associates	47,900	523,398
Acquisition of an associate ("Al-Imtiaz") (Note iii)	458,681	-
Additional investments in existing associates	418	-
Provision for excess losses of an associate (Note i)	12,768	-
Realized / (Unrealized) profit on downstream sale to associate (Note 32-d)	11,916	(11,916)
Associates acquired in business combinations	42,911	-
Provision for impairment loss of Panceltica (Note ii)	(200,935)	-
Sale of joint venture (Note iv)	(388,230)	-
Dividend declared by associates	-	(352,654)
Share of fair value reserve of an associate	7,425	-
Share of net results of operations	1,032,694	72,819
	1,854,047	828,499

16. INTANGIBLE ASSETS

Details of intangible assets at the end of the year are as follows:

	2009	2008
Goodwill (Note i)	32,639	97,547
Occupancy right (Note ii)	-	8,018
Banking license (Note iii)	193,851	-
Customers contracts (Note iii)	2,094	-
	228,584	105,565

Note i
Details of the movement on goodwill balance during the year are as follows:

	2009	2008
At 1 January	97,547	68,659
Goodwill resulting at acquisition of subsidiaries (Note 34-a-i)	7,303	28,453
Impairment of goodwill (Note i-a)	(69,027)	-
Goodwill reclassified to assets held for sale	-	(8,100)
Translation adjustments (Note i-b)	(3,184)	8,535
	32,639	97,547

16. INTANGIBLE ASSETS (CONTINUED)

Note i (continued)

Note i-a
The Group carried out an impairment testing for the cash generating units relating to its wholly owned subsidiary Barwa Luxemburg, which resulted in impairing the full residual goodwill balance attributed to Barwa Luxemburg amounting to QR 69,027 thousand. The residual decline in the fair value of the property of Barwa Luxemburg held as investment property amounting to QR 172,243 thousand was recorded in the fair value adjustment on investment property and charged accordingly to the consolidated profit or loss for the year.

Note i-b
QR 5,231 thousands were eliminated due to impairment of the goodwill attributed to Barwa Luxemburg and QR 2,047 thousand resulted from translating the goodwill of the acquired entities by Cavendish Capital at the end of the year. Total translation adjustment on goodwill as at 31 December 2009 is amounting to (QR 3,184) thousand (2008: QR 8,535 thousand) (Note 29).

Details of goodwill recognized on consolidated entity level at the reporting date is as follows:

	2009	2008
Barwa Luxemburg	-	74,259
Cavendish Capital acquired subsidiaries	25,336	23,288
Quality International Qatar	7,303	-
	32,639	97,547

Estimates used to measure recoverable amounts of cash-generating units containing goodwill

A) Barwa Luxemburg:
The recoverable amount of the CGUs has been determined based on fair value less cost to sell of the cash generating units (the investment properties) at year-end as assessed by independent accredited appraisers, which resulted in impairing the full residual balance of the goodwill attributed to Barwa Luxemburg properties.

B) Cavendish Capital acquired subsidiaries:
The recoverable amount of the CGUs has been determined based on a value in use calculated using the expected cash flow approach covering a period of five years, as the Group's management intends to hold these investments for a minimum tenure of that period. The pre tax discount rate applied to cash flow projections is 6.27 % for individual CGUs.

C) Quality International Qatar ("QIQ"):
As QIQ was acquired during the current year, resulted in immaterial amount of goodwill of QR 7,303 thousands, and reported net profit of QR 8.1 million for the year ended 31 December 2009, no impairment testing for goodwill was carried out as management believes that such impairment test is not necessary this year.

16. INTANGIBLE ASSETS (CONTINUED)

Note ii:
This is mainly represented in occupancy right for land utilization, obtained from the Qatari Government for the purpose of establishing an agriculture project, carried out by Hasad Barwa, a previously 50% owned subsidiary by the Group which was sold during the current year (see Note 32).

Note iii:

	Banking license	Customers contracts	Total 2009
Cost			
Acquired through business combination	194,812	2,147	196,959
At 31 December 2009	194,812	2,147	196,959
Accumulated amortization			
Charge for the year	961	53	1,014
At 31 December 2009	961	53	1,014
Net carrying amount			
At 31 December 2009	**193,851**	**2,094**	**195,945**

The above intangible assets were acquired through the acquisition of The First Investor ("TFI") on 13 December 2009 (Note 34-a-ii).

17. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Leasehold property	Furniture and Fixtures	Motor vehicles	Computers software and hardware	Office equipment	Leasehold improve-ments	Projects in progress	Total 2009	Total 2008
Cost											
At 1 January	90,190	60,899	-	39,338	2,531	14,964	15,051	137,715	671,523	1,032,211	327,164
Reclassifications	-	-	130,827	6,751	(1,113)	(2,383)	(1,764)	(132,318)	-	-	-
Acquired through business combinations (Note 32)	-	-	-	11,419	116	69	1,868	-	-	13,472	163,343
Additions	14,384	300	664	68,312	470	22,373	8,624	162,424	24,569	302,120	542,512
Disposals	-	-	-	-	(97)	(23)	(51)	(1,846)	(951)	(2,968)	(897)
Translation adjustment	2,056	6,320	15,007	377	95	-	598	-	-	24,453	89
At 31 December	106,630	67,519	146,498	126,197	2,002	35,000	24,326	165,975	695,141	1,369,288	1,032,211
Accumulated depreciation											
At 1 January	-	1,687	-	8,400	379	4,403	2,890	4,587	-	22,346	5,366
Reclassifications	-	(41)	236	1,137	(113)	(362)	1,489	(2,346)	-	-	-
Charge for the year	-	1,691	4,564	12,770	339	9,278	5,117	17,574	503	51,836	17,567
Disposals	-	-	-	(1)	(22)	(8)	(51)	(641)	-	(723)	(828)
Translation adjustment	-	452	2,695	304	98	(1)	688	(1)	(2)	4,233	241
At 31 December	-	3,789	7,495	22,610	681	13,310	10,133	19,173	501	77,692	22,346
Net carrying amount											
31 December 2009	**106,630**	**63,730**	**139,003**	**103,587**	**1,321**	**21,690**	**14,193**	**146,802**	**694,640**	**1,291,596**	-
31 December 2008	90,190	59,212	-	30,938	2,152	10,561	12,161	133,128	671,523	-	1,009,865

The above reclassifications on the current year resulted from changing the property, plant and equipment categories by the Group, however such reclassifications did not affect the charged depreciation and estimated useful lives for each category as at 31 December 2009.

Capitalized finance cost amounting to QR 43,718 thousand (2008: 33,547 thousand) was calculated based on the actual qualifying expenditures related to the projects in progress. Finance cost is capitalized using the Group's weighted average finance cost rate of 6.27% (2008: 6.7%).

18. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale as at 31 December 2008 represented the net realizable value of the assets and directly associated liabilities of its wholly owned subsidiary Barwa Malta (as one disposal group), which was sold during the current year (refer to Note 32.a).

19. PAYABLES AND ACCRUALS

	2009	2008
Subcontractors and suppliers	1,452,699	992,401
Retention payable	368,327	214,096
Accrued expenses	60,207	97,004
Accrued finance cost	648,152	417,877
Clients advances and unearned income	108,967	88,691
Placements from financial institutions	88,586	-
Employees end of services benefits	20,367	4,474
Other payables	81,047	36,188
	2,828,352	1,850,731

Payables and other credit balances are segregated between non-current and current portions as follows:

2009	**Non-current**	**Current**	**Total**
Subcontractors and suppliers	-	1,452,699	1,452,699
Retention payable	368,327	-	368,327
Accrued expenses	-	60,207	60,207
Accrued finance cost	581,647	66,505	648,152
Clients advances and unearned income	-	108,967	108,967
Placements from financial institutions	-	88,586	88,586
Employees end of services benefits	20,367	-	20,367
Other payables	-	81,047	81,047
	970,341	**1,858,011**	**2,828,352**

19. PAYABLES AND ACCRUALS (CONTINUED)

2008	Non-current	Current	Total
Subcontractors and suppliers	-	992,401	992,401
Retention payable	59,307	154,789	214,096
Accrued expenses	-	97,004	97,004
Accrued finance cost	324,950	92,927	417,877
Clients advances and unearned income	62,058	26,633	88,691
Employees end of services benefits	4,474	-	4,474
Other payables	7,109	29,079	36,188
	457,898	1,392,833	1,850,731

The Group's exposure to currency and liquidity risk related to payables and other credit balances is disclosed in Note 42.

20. LIABILITIES FOR PURCHASE OF LAND

Effective 10 October 2007, the Group acquired a piece of land located in New Cairo from the Egyptian Ministry of Housing and Building Development. The total purchase price is amounting to EGP 6,101 million (QR 4,244 million). In accordance with the initial contract, equal principal payment instalments were due on a quarterly basis starting on 16 May 2008 up to 16 May 2017. Finance cost is added on such principal instalments at the effective rate declared by Central Bank of Egypt as of payment date (11.5% during 2008 and 10% thereafter). Effective 26 January 2009, the Egyptian Urban Planning Authority formally declared unwinding of initially scheduled payment terms through deferral of 75% from the instalments due from 1 November 2008 and up to 31 December 2009, and 75% of the interest thereon, as to for both the deferred principal and interest thereon to be paid as final instalment due after 12 months from the last initial scheduled instalment, i.e. 16 May 2018. The Group recognized QR 294,655 thousand as gain on restructure of debt during the current period as a result of the above mentioned changes in the initial repayment schedule, representing the difference between the present value of the deferred instalments and accrued interest thereon up to 26 January 2009, and the carrying amounts of those instalments and accrued interest as previously recorded by the Group. The Group discounted the deferred instalments and accrued interest thereon using 10% discount rate, representing the same finance cost charged by the Egyptian Urban Planning Authority.

Furthermore, the group has been given during the current year additional adjacent piece of land (41 acres) for purchase consideration amounting to QR 244 million, paid as QR 102 million advance payment to the Egyptian Urban Planning Authority and increased the liability on the purchase of land by the residual QR 142 million.

All finance cost attributed to the unwinding of discount of the liability and direct finance cost paid are capitalized on the land being capitalization criteria in IAS 23 is met up to the end of the year.

20. LIABILITIES FOR PURCHASE OF LAND (CONTINUED)

The balance is segregated between current and non-current at the reporting date as follows:

	2009	2008
Non-current portion	3,349,014	2,973,763
Current portion	83,137	441,108
	3,432,151	3,414,871

21. UNRESTRICTED INVESTMENTS ACCOUNTS FOR ISLAMIC BANKING CONTRACTS

	2009
By term:	
Saving accounts	12,426
Term accounts	1,062,098
	1,074,524
Share of unrestricted investments accounts in profit	14,204
	1,088,728
By sector:	
Individuals	1,074,524
Share of unrestricted investments accounts in profit	14,204
	1,088,728

Details of share of unrestricted investments accounts in profit is as follows:

	Expected profit rates	**2009**
By term:		
Saving accounts	2.5%	56
1 month	3%	1
3 months	3.5%	3
6 months	4%	4
12 months	5.25% - 6%	14,140
		14,204

The share of unrestricted investment accounts in profit has been calculated on a provisional basis by the Bank, on the basis of expected profit rates with no deduction of Mudarib fees. As this is the first year of operations for the Bank, management of the Bank agreed to forego their Mudarib fee and hence no deductions to the share of unrestricted investment accounts in profits have been made.

22. OBLIGATIONS UNDER ISLAMIC FINANCING CONTRACTS

a) The movements on the obligations under Islamic financing contracts during the year were as follows:

	2009	2008
At 1 January	12,476,365	9,141,981
Additional facilities obtained during the year	11,131,617	6,687,669
Repayments of outstanding facilities during the year	(3,565,301)	(3,282,094)
Translation adjustment	8,156	(71,191)
At 31 December	**20.050,837**	12,476,365

b) Obligations under Islamic financing contracts are segregated between non-current and current maturity periods as follows:

	2009	2008
Non-current portion	6,067,569	9,130,197
Current portion	13,983,268	3,346,168
	20.050,837	12,476,365

c) Terms and conditions of the outstanding facilities were as follows:

Type of facility	Currency	Profit rate charged by banks	**2009**	2008
Secured facility (Note i)	QR	REPO rate	1,200,000	-
Secured facilities (Note i)	EURO	3m €BOR swap	973,583	958,807
Unsecured facilities	QR	REPO rate	12,808,560	4,275,569
Unsecured facilities	AED	3m EIBOR	509,594	510,572
Unsecured facilities	GBP	1Y £ LIBOR	-	179,417
Unsecured facilities (Note ii)	USD	3m LIBOR	4,559,100	6,552,000
			20,050,837	12,476,365

Note i
The secured facility in QR is against a mortgage on a project under development for one of the Group subsidiaries, without recourse to the Parent.

The secured facilities in Euro are against mortgage on the investment property of the wholly owned subsidiary Barwa Luxemburg.

Note ii
The Group management has the intention and ability to extend the unsecured USD facilities above to the year 2013. Variable finance cost on notional amount of USD 910 million as at 31 December 2009 (2008: USD 1.610 billion) from those facilities is hedged against fluctuations in banks variable finance cost rates (Note 23).

22. OBLIGATIONS UNDER ISLAMIC FINANCING CONTRACTS (CONTINUED)

d) The maturity profiles of the facilities are as follows:

2009	**1 year**	**2-5 years**	**Over 5 years**	**Total**
Secured facility QR	-	-	1,200,000	1,200,000
Secured facilities EURO	-	973,583	-	973,583
Unsecured facilities QR	3,064,569	7,743,992	2,000,000	12,808,561
Unsecured facilities AED	-	509,593	-	509,593
Unsecured facilities USD	3,003,000	1,556,100	-	4,559,100
	6,067,569	**10,783,268**	**3,200,000**	**20,050,837**

2008	1 year	2-5 years	Over 5 years	Total
Unsecured facilities QR	661,668	3,613,902	-	4,275,570
Unsecured facilities AED	-	510,571	-	510,571
Unsecured facilities GBP	-	179,417	-	179,417
Secured facilities EURO	-	958,807	-	958,807
Unsecured facilities USD	2,684,500	3,867,500	-	6,552,000
	3,346,168	9,130,197	-	12,476,365

The above maturity schedule for the year 2008 was reclassified to reflect the revised maturity dates agreed with banks during the current year.

This note provides information about the contractual terms of the Group's profit-bearing obligations which are measured at amortised cost. For more information about the Group's exposure to fluctuation in profit rate on the facilities, foreign currency and liquidity risk, see Note 42.

22. OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (CONTINUED)

e) Major covenants under Islamic Murabha Facilities:
Under Murabha agreements concluded with some of the Group's relationship banks, the Group is required to maintain the following major financial covenants:

i) The ratio of total liabilities to total equity does not exceed 3.5:1.
Total liabilities equals the consolidated liabilities for the Group as at 31 December 2009, excluding the project Group's non-recourse debts and the related finance costs.

At 31 December 2009, total liabilities to total equity is as follows:

	2009	2008
Total debt (consolidated liabilities)	29,129,713	19,544,626
Less:		
a) Barwa Luxemburg non-recourse outstanding loan balance	(973,584)	(958,807)
b) Non-recourse liability and accrued finance cost for purchase of Egypt land	(3,432,151)	(3,510,842)
c) Non-recourse facilities' balances	(6,800,000)	(179,417)
d) Qatari Diar Group subordinated payable balance	(114,591)	(247,518)
Net recourse outstanding debts at 31 December	17,794,962	14,648,042
Equity attributable to the Parent shareholders at 31 December	5,232,954	4,442,741
Total liabilities to total equity at 31 December	**3.4**	3.30

ii) The Group's finance cost coverage ratio should be not less than 2:1.
Finance cost coverage is the product of dividing earnings before depreciation, amortization, finance cost and taxes (EBITDA), by the finance cost.

	2009	2008
Finance charges		
Finance charges included in profit or loss (Note 37)	562,066	457,092
Less:		
a) Finance cost on non-recourse Barwa Luxemburg loan	(78,985)	(80,521)
b) Finance cost on non-recourse facilities	(149,608)	(17,135)
c) Subordinated finance cost relating to Qatari Diar payables	111,413	(73,932)
Net finance cost included in the ratio calculation	444,886	285,504
EBITDA		
Consolidated net profit for the year	779,512	305,874
Add / (Less):		
Depreciation charges	51,836	17,567
Net tax income	(59,260)	(34,504)
Net loss for the year from Barwa Luxemburg	133,624	79,158
Net finance cost above	444,886	285,504
Calculated EBITDA	1,350,598	653,599
Finance cost coverage ratio (EBITDA ÷ Finance Cost)	**3.04**	2.29

23. DERIVATIVE INSTRUMENTS AND CASH FLOW HEDGES

23.a. Derivative instruments designated for cash flow hedges
During the prior year, the Parent entered into several profit rate swap agreements with local banks in place with total notional amounts of USD 1.610 billion, that is fixed all over the swaps tenures, whereby the Parent receives variable rate equal to 3 month USD LIBOR and pays fixed rate ranging between 3.42% and 4.11% on the fixed notional amounts. Profit is settled under the agreements on a quarterly basis. The swaps were initially designated to hedge the exposure to the fluctuations on the variable portion (LIBOR) of the profit rates on Islamic Finance Obligations included in Note 22 above. The Islamic Finance Obligations and related profit rate swaps had the same critical terms at initial designation of the hedge at the beginning of the year 2008. However and as significant portions of the hedged items amounting to USD 812.5 million were settled during the current year, for which the related hedged relationships with the initially designated profit rate swap agreements were deemed ineffective.

The fair values of the profit rate swaps currently designated for cash flow hedges are calculated by reference to the market valuation of the swap agreements (3 month USD LIBOR), and the cash flows hedge effectiveness is tested by the end of the reporting period.

The Parent has recognized the unrealized loss on effective portion of the profit rate swaps amounting to QR 34,336 thousand as at 31 December 2009 (2008: QR 112,384 thousand) in the cash flow hedge reserve, and charged the unrealized loss on the residual ineffective interest rate swaps amounting to QR 206,362 thousand to the consolidated profit or loss for the year ended 31 December 2009. The realized amounts from the net settlement positions from those designated and undesignated swaps during the year amounting to QR 173,790 thousand was charged to the consolidated statement of comprehensive income for the year ended 31 December 2009 (2008: QR 13,422 thousand).

22.b. Derivative instruments not designated for hedges
The Parent entered into other derivative profit rate swap agreements with a local bank for the purpose of future profit rate hedging the results of fluctuations in profit rate swaps, with initial notional amounts of USD 1.090 billion. Under those two swap agreements, the Parent receives variable rate equal to 3 month USD LIBOR and pays fixed rate average of 3.66% on the fixed notional amounts subject to caps and floors.

The fair values of those profit rate swaps amounted to QR 80,240 thousand as at 31 December 2009 (2008: QR 9,517 thousand), were calculated by reference to the market valuation of the swap agreements, and the same amount was charged to the consolidated statement of comprehensive income for the years ended 31 December 2009 as unrealized loss on derivative instruments. While the realized amounts charged to the consolidated profit or loss during the year relating to the same is amounting to QR 94,204 thousand (2008: QR 3,962 thousand).

In addition, the Parent entered into several forward foreign currency contracts, resulted in realized losses on net settlement position amounting to QR 48,688 thousand for the year ended 31 December 2009 (2008: QR 25,291 thousand).

23. DERIVATIVE INSTRUMENTS AND CASH FLOW HEDGES (CONTINUED)

23.c. Sensitivity analysis for derivative instruments

A 50 basis points increase / (decrease) in the forward curve used in the Company's calculation for derivative instruments as at 31 December 2009, would have increased / (decreased) consolidated equity and consolidated profit or loss by the amounts shown below:

2009	**Equity**		**Profit or loss**	
	50 bp increase	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
Derivatives designated for cash flow hedges	15,464	(14,388)	-	-
Non-designated derivatives for hedges	115,842	(145,346)	115,842	(145,346)
Cash flow sensitivity (net)	**131,306**	**(159,734)**	**115,842**	**(145,346)**

2008	Equity		Profit or loss	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Derivatives designated for cash flow hedges	(24,143)	(298,172)	-	-
Non-designated derivatives for hedges	87,897	(98,316)	87,897	(98,316)
Cash flow sensitivity (net)	63,754	(396,488)	87,897	(98,316)

24. INCOME TAXES

a) Deferred tax asset and liability

Current and deferred tax expense (income) represent amounts recognized by subsidiary companies. The deferred tax asset (liability) at balance sheet date is made up as follows:

2009	**Assets**	**Liabilities**	**Net**
Investment property	-	170,420	(170,420)
Other items	-	24,139	(24,139)
Tax loss carry-forwards	146,280	-	146,280
Tax (assets) liabilities	(146,280)	194,559	48,279
Translation adjustment	390	(6,419)	(6,029)
Set off of tax	-	-	-
Net tax (assets) liabilities	**(145,890)**	**188,140**	**42,250**

24. INCOME TAXES (CONTINUED)

a) Deferred tax asset and liability (continued)

2008	Assets	Liabilities	Net
Investment property	-	148,490	148,490
Other items	-	10,641	10,641
Tax loss carry-forwards	(50,941)	-	(50,941)
Tax (assets) liabilities	(50,941)	159,131	108,190
Set off of tax	-	-	-
Net tax (assets) liabilities	(50,941)	159,131	108,190

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that taxable profits will be available against which those deductible temporary differences can be utilized.

The tax rate applicable to the taxable wholly owned subsidiary, Barwa Luxemburg, using the corporate tax rate enacted by French tax laws of 33.43%. Deferred tax asset is recorded also at the same rates. For the purpose of determining the taxable results for the year, the accounting profit of the companies has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices.

The taxable profit for any subsequent year is set off against tax losses brought forward from earlier years for the purpose of current tax computations.

Barwa Luxemburg has a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority the same taxable entity, hence deferred tax asset was offset against deferred tax liabilities.

b) Income taxes recognized in profit or loss

	2009	2008
Current tax expense		
Current year	(7,370)	(7,163)
Deferred tax benefit		
Origination and reversal of temporary differences	66,630	41,667
Net tax income for the year	**59,260**	34,504

25. PROVISIONS

	2009	2008
Provision for estimated contractual obligations (Note i)	903,412	903,412
Provision for excess losses from an associate (Note 15)	12,768	-
Provision for social and sports fund (Note ii)	19,988	-
Provision for severance costs	-	5,859
	936,168	909,271

Note i:
This provision represents estimated contractual obligations to be fulfilled by the Group against infrastructure work for sales of pieces of land by the Parent consummated in the year 2006. Periods in which the infrastructure work is to be carried out is not determined up to 31 December 2009, hence the provision balance is not discounted at present value, and the Group has not been claimed by the purchasers for the cost of infrastructure work on the sold land at the present.

Note ii:
In accordance with the instructions received from the Qatari Ministry of Finance and economy, all listed entities in the Doha Securities Market are to provide for 2.5% from its net profit for the year ended 31 December 2009 as contribution to the social and sports fund.

26. SHARE CAPITAL

	2009	2008
Authorised: 262,500,000 ordinary shares of QR 10 each (2008: 262,500,000 shares)	**2,625,000**	2,625,000
Issued and paid-up: 262,500,000 ordinary shares of QR 10 each (2008: 262,500,000 shares)	**2,625,000**	2,625,000

27. LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002 and the Parent'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.

During the current year, only 10% of net profits of the Parent and local subsidiaries was transferred to the legal reserve, while the net losses achieved by other subsidiaries were not offset against the transfer calculation.

28. GENERAL RESERVE

In accordance with the Parent's articles of association, the premium on issue of share capital is added to general reserve. In addition, residual annual profits, after the required transfer to legal reserve (Note 27), can be appropriated and transferred to general reserve based on the General Assembly Meeting's approval.

29. ACCUMULATED OTHER COMPREHENSIVE LOSS

	2009	2008
Cash flow hedge reserve	(34,336)	(112,384)
Available for sale financial assets fair value reserve	34,494	45,781
Translation reserve	(40,221)	35,937
Accumulated other comprehensive loss at 31 December	**(40,063)**	(30,666)

The movement on the accumulated other comprehensive income / (loss) during the year is illustrated as follows:

2009	**Cash flow hedge reserve**	**Available for sale financial assets fair value reserve**	**Translation reserve**	**Total 2009**
Balance at 1 January	(112,384)	45,781	35,937	(30,666)
Other comprehensive income for the year				
Net change in fair value of available for sale financial assets	-	(11,287)	-	(11,287)
Net change in fair value of cash flow hedges transferred to profit or loss	78,048	-		78,048
Foreign currency translation differences for foreign operations	-	-	(63,879)	(63,879)
Total other comprehensive income / (loss) for the year	**78,048**	**(11,287)**	**(63,879)**	**2,882**
Less: Other comprehensive income attributed to non-controlling interest	-	-	(12,279)	(12,279)
Other comprehensive income / (loss) attributed to Parent	78,048	(11,287)	(76,158)	(9,397)
Accumulated other comprehensive income / (loss) attributed to equity holders of the Parent	**(34,336)**	**34,494**	**(40,221)**	**(40,063)**

Net changes in fair value of available for sale financial assets during the year included QR 7,425 thousand share of the Group in fair value reserves of its associates (see Note 15).

29. ACCUMULATED OTHER COMPREHENSIVE LOSS (CONTINUED)

2008	Cash flow hedge reserve	Available for sale financial assets fair value reserve	Translation reserve	Total 2008
Balance at 1 January	-	18,773	42,850	61,623
Other comprehensive income for the year				
Net change in fair value of available for sale financial assets	-	27,008	-	27,008
Net change in fair value of cash flow hedges during the year	(112,384)	-	-	(112,384)
Foreign currency translation differences for foreign operations	-	-	(57,813)	(57,813)
Total other comprehensive income / (loss) for the year	(112,384)	27,008	(57,813)	(143,189)
Less: Other comprehensive income attributed to non-controlling interest	-	-	50,900	50,900
Other comprehensive income / (loss) attributed to Parent	(112,384)	27,008	(6,913)	(92,289)
Accumulated other comprehensive income / (loss) attributed to equity holders of the Parent	(112,384)	45,781	35,937	(30,666)

30. TREASURY SHARES

Treasury shares represents the value of shares owned by the Group subsidiaries in the Parent at the end of the reporting period.

31. NON-CONTROLING INTERESTS

Details of the non-controlling interests balances at year-end are as follows:

2009

Name of subsidiary	Commercial avenue	Barwa and QD Research Institute	Barwa Al-Afrad L.L.C	Cavendish Capital	Guidance	Nuzul Qatar	Barwa Bank	Barwa Al-Rayyan	Barwa Al-Doha	Amlak Finance	Tas Qatar	Barwa New Cairo	Total 2009
Percentage of non-controlling interests in subsidiary	*5%*	*49%*	*49%*	*40%*	*5%*	*50%*	*32.51%*	*30%*	*50%*	*40%*	*49%*	*31.25%*	
Share in capital	2,500	98	980	192,925	33,024	7,500	353,159	6,000	27,442	60,000	980	16,760	**701,368**
Share in (accumulated losses) / retained earnings of the subsidiaries	-	(6,331)	-	(2,892)	(4,236)	47,575	-	(13,594)	(6,927)	(3,820)	482	(3,458)	**6,799**
Non-controlling interests acquired during the year	-	-	-	(20,995)	-	-	111	-	-	-	-	(13,302)	**(34,186)**
Accumulated share in translation reserve	-	-	-	(38,348)	(273)	-	-	-	-	-	-	-	**(38,621)**
Minority's balances at 31 December	**2,500**	**(6,233)**	**980**	**130,690**	**28,515**	**55,075**	**353,270**	**(7,594)**	**20,515**	**56,180**	**1,462**	**-**	**635,360**

31. NON-CONTROLING INTERESTS (CONTINUED)

2008

Name of subsidiary	Cavendish Capital	Guidance	Nuzul Qatar	Hasad Barwa	Barwa Al-Rayyan	Barwa Al-Doha	Amlak Finance	Tas Qatar	New Cairo	Other*	Total 2008
Percentage of minority ownership in subsidiary	*40%*	*5%*	*50%*	*50%*	*30%*	*50%*	*40%*	*49%*	*31.25%*		
Share in capital	192,925	33,024	7,500	8,000	6,000	27,442	60,000	980	16,727	33	352,631
Share in (accumulated losses) / retained earnings of the subsidiaries	430	(2,096)	37,001	(1,224)	(1,169)	(3,580)	(655)	547	(1,176)	(33)	28,045
Share in translation adjustment	(50,507)	(393)	-	-	-	-	-	-	-	-	(50,900)
Non-controlling interests' balances at 31 December	142,848	30,535	44,501	6,776	4,831	23,862	59,345	1,527	15,551	-	329,776

* The non-controlling interest's share in the net losses of the subsidiaries for the year in excess of the minority's interests were allocated against the interest in share capital of the relevant subsidiary, as those minorities are not required to make additional investments to cover their shares of losses.

32. DISPOSAL OF SUBSIDIARIES

a) During the year, the Group undertook to sell its wholly owned subsidiary Barwa Malta to a third party in total consideration of CHF 473.7 million (equivalent to QR 1,525 million). The subsidiaries assets and liabilities as at 31 December 2008 were classified as held for sale (one disposal group) based on Board of Directors Resolution passed during the last year.

b) During the year, the Group sold its 50% interest in Hasad Barwa to Hasad Food Company in total aggregate consideration of QR 18.9 million.

c) During the year, the Group sold its wholly owned subsidiary Gulf Urban Construction and Development Company to a counter party in total consideration of EGP 293 million (equivalent to QR 195.6 million). The present value of the sales consideration is amounting to QR 181.8 million due to existence of deferred payment portion by the purchaser.

d) In addition, the Group recognized deferred gain amounting to QR 11,916 thousand on sale of a subsidiary in the prior year to its associate First Leasing Company ("the Associate"), as the Associate realized the sale transaction with external parties during the current year (Note 15-b).

The details of the carrying amounts of the subsidiaries disposed of during the year and the resultant gain on sale are summarized in the following:

	In 000 QR
Assets	
Non-current assets classified as held for sale	1,382,318
Property under development	115,090
Intangible asset	8,000
Property, plant and equipment	1,486
Prepayments	4,517
	1,511,411
Liabilities	
Liabilities directly associated with non-current assets classified as held for sale	21,774
Payables and accruals	5,817
	27,591
Fair value of net assets for sold subsidiaries	1,483,820
Non-controlling interest in sold subsidiaries	(6,776)
Fair value of net assets attributed to Parent equity holders	1,477,044
Total sales consideration (Note i)	1,725,890
Net gain on sale of subsidiaries	**248,846**
Add: realization of deferred gain at the Group level from the prior year (d) above)	11,916
Total recognized gain on sale of subsidiaries for the year	**260,762**

Note i:
As at 31 December 2009, QR 850,934 thousand is outstanding from the total sales consideration, and the collected amounts during the year are amounting to QR 874,956 thousand.

33. REVENUES FROM SERVICES

	2009	2008
Advertising revenues	11,003	-
Consulting revenues	71,766	-
	82,769	-

The revenues from services above represent advertisement and projects consulting revenues recognized during the current year by the Group subsidiaries Barwa Media, QIQ and Qatar Projects Management, being provided to external parties to the Group. Intercompany charged advertisement and consulting revenues and related costs are eliminated in these consolidated financial statements.

34. BUSINESS COMBINATIONS

a) New acquisitions during the year:

a-i) Acquisition of Quality International Qatar:

During January 2009, the Parent acquired 60% directly of the share capital of Quality International Company ("QIQ"), and the residual 40% indirectly through one of the group subsidiaries, hence QIQ became a wholly owned subsidiary to the Group. QIQ is engaged in the business of contracting, constructing buildings, and projects related services.

The fair values of the identifiable assets and liabilities of QIQ as at the effective dates of its acquisitions, and the related information on the resultant goodwill on the business combination are as follows:

	Total ***In 000 QR***
Property, plant and equipment	2,334
Receivables and prepayments	28,242
Payables and accruals	(11,404)
Fair value of acquired net assets	19,172
Acquisition cost*	**26,475**
Goodwill recognized at acquisition (Note 16)	**7,303**

The acquisition cost was provided as QR 15 million paid directly by the Parent to the existing shareholders for acquisition of 60% of QIQ and QR 11,475 thousand representing prior consideration paid by one of the acquired group subsidiaries for acquisition of the residual 40% of QIQ (Note 34-a-ii).

34. BUSINESS COMBINATIONS (CONTINUED)

a) New acquisitions during the year (continued):

a-ii) Acquisition of The First Investor:

On 13 December 2009, the shareholders of The First Investor Q.S.C.C. ("TFI") approved bid provided by one of the Group's previous wholly owned subsidiaries, Barwa Bank, for acquisition of 100% of the share capital of TFI, by signing the 'share transfer agreement', via a share swap. The ratio determined for the share swap was 1 TFI share to 1.08 shares of Barwa Bank for total increase in share capital of Barwa Bank amounting to QR 586,310 thousand, where total issued capital and share premium increased from QR 500 million to be QR 1,086,310 thousand, from which the previous investors of TFI's received 32.51% in total amount of QR 353,159 thousand, representing a resulting new non-controlling interest in the Group, and hence represents the purchase consideration paid by the group in the acquisition of TFI.

The acquisition cost for TFI at Barwa Group level is represented in the following:

The fair value of the identifiable net assets of TFI as assessed by an independent appraiser on 13 December 2009 was QR 583,667 thousand, including goodwill identified at Barwa Bank level amounting to QR 157 million, which is eliminated at the Group consolidation level being unidentifiable. The fair values of the acquired net assets were provisionally allocated based on the draft valuation report issued by the Independent appraiser provided to the group management, however the Group have one year measurement period to confirm the final fair values of the acquired met assets as per IFRS 3.

The provisional fair values of the identifiable assets and liabilities of TFI as at the effective date of its acquisition (reviewed by an independent auditor) from Barwa Group perspective at its consolidated level, and the related information on the resultant goodwill on the business combination are as follows:

	Total *In 000 QR*
Cash and bank balances	23,639
Available for sale financial assets (Note i)	183,983
Investment in associates (Note ii)	46,292
Intangible assets	196,959
Other assets	58,896
Property, plant and equipment	13,279
Placements from financial institutions	(86,500)
Other liabilities	(22,422)
Fair value of acquired net assets	414,126
Acquisition cost for assuming non-controlling interest to the Group	**(353,159)**
Negative goodwill arising in the acquisition	**(60,967)**
Less: loss on assuming preexisting non-controlling interest from the acquisition (Note iii)	2,263
Total negative goodwill arising in the acquisition	**(58,704)**

34. BUSINESS COMBINATIONS (CONTINUED)

a) New acquisitions during the year (continued):

a-ii) Acquisition of The First Investor (continued):

Note i:

	Total *In 000 QR*
Investment securities as presented in the reviewed financial information of TFI as at 13 December 2009	228,425
Less: TFI's investment in Cavendish Capital, one of the Group subsidiaries (Note iii)	(18,442)
Less: TFI's investment in First Leasing Company, one of the Group associates (Note ii)	(26,000)
Acquired available for sale investments at the Group level	**183,983**

Note ii:

	Total *In 000 QR*
Investments in associates as disclosed in the reviewed financial information of TFI as at 13 December 2009	31,767
Add: TFI's investment in First Leasing Company, one of the Group associates (Note i)	26,000
Less: TFI's investment in QIQ, one of the Group subsidiaries (Note a-i)	(11,475)
Acquired investments in associates at the Group level	**46,292**

Note iii:

	Total *In 000 QR*
Carrying amount of 6% non-controlling interest in Barwa Cavendish at date of the acquisition (Note 31)	20,995
Less: Fair value adjustment at date of acquisition	(290)
Less: TFI's investment in Cavendish Capital (Note i) (at cost)*	(18,442)
Loss on acquisition of non-controlling interest	**2,263**

TFI owns 6% of share capital of Cavendish Capital.

In the period to 31 December 2009 TFI contributed net operating income of QR 31.63 million and profit of QR 7.27 million.

34. BUSINESS COMBINATIONS (CONTINUED)

a-iii) Acquisition of non-controlling interests in Barwa Egypt
During the current year, the Group acquired the non-controlling interest in its subsidiaries Barwa New Cairo for Real Estate Investment Company – Egypt ("New Cairo") and Barwa Egypt for Real Estate Development ("BEFRED") through share transfer agreements. Such non-controlling interest was represented in shareholding percentages of 31.25% in New Cairo and 20% in BEFRED owned by Al-Imtiaz Investment Company Kuwait ("Al-Imtiaz") (one of the Group's associates).

The main owned asset by these subsidiaries is a plot of land acquired from the Egyptian Government and held for master development project (see Note 20).

Fair value of the acquired non-controlling interest at the effective date of acquisition was calculated as follows:

	Total *In 000 QR*
Fair value of the project's land at date of the acquisition	5,260,754
Carrying amount of the land in the subsidiaries records	(4,502,479)
Excess fair value of the land at date of acquisition	758,275
Non-controlling interest share in excess fair value of the land	**236,961**

The above non-controlling interest was acquired based on the land's valued amounts, and the Group paid Al-Imtiaz EGP 377,533 thousand (equivalent to QR 250,606 thousand) as purchase consideration for the non-controlling interest balance amounting to QR 13,302 thousand (see Note 31) and QR 237,303 thousand for the non-controlling interest's share in the excess fair value of the land (see Note 12).

b) Cash outflows on the acquisitions consummated during the current year

	QIQ (Note a-i) *In 000 QR*	**TFI (Note a-ii)** *In 000 QR*	**Total** *In 000 QR*
Cash purchase consideration	15,000	-	15,000
Net cash acquired with the subsidiary	-	(23,639)	(23,639)
Net cash outflow from acquisition of subsidiaries	**15,000**	**(23,639)**	**(8,639)**
Cash paid for acquisition of non-controlling interest (Note a-iii)			250,606
Net cash outflows from business combinations during the year			**241,967**

35. OTHER INCOME

	2009	2008
Dividend income	31,352	106,480
(Loss) / gain on sale of available for sale financial assets	(1,101)	6,490
Management fees income	4,068	41,168
Commission income	1,550	18,200
Unrealized gain / (loss) on financial assets at fair value through profit or loss	86	(2,527)
Other income	32,850	36,346
	68,805	206,157

36. IMPAIRMENT LOSSES

	2009	2008
Impairment of advances (Note i)	292,923	-
Impairment of an associate (Note 15)	200,935	-
Impairment of goodwill (Note 16)	69,027	-
	562,885	-

Note i
The management of the Group decided to record impairment losses amounting to QR 292,923 thousand during the current year, against certain unrecoverable advances paid during the prior periods.

37. FINANCE COST AND INCOME

	2009	2008
Finance costs		
Banks profits on Islamic financing obligations	1,052,650	768,174
Less: capitalized finance costs	(490,584)	(311,082)
Banks profits charged to profit or loss	562,066	457,092
Expenses from financing activities	15,348	-
Losses from derivative financial instruments	551,478	36,990
Finance costs for the year	1,128,892	494,082
Finance income		
Income from Murabha and Islamic deposits	74,476	167,618
Gain on restructure of debt (Note 20)	265,014	-
Income from financing activities	48,518	-
Net foreign exchange gains on financing activities	79,943	24,836
Finance income for the year	467,951	192,454
Net finance costs for the year	**660,941**	301,628

38. GENERAL AND ADMINISTRATIVE EXPENSES

	2009	2008
Staff costs	381,511	196,908
Professional expenses	201,739	100,757
Rent expenses	113,222	92,650
Advertising and promotion expenses	68,116	26,769
Travel expenses	15,881	20,206
Management fees	16,457	15,623
Pre-operating expenses	60,611	2,572
Hotels operating costs	9,972	-
Other expenses	129,395	56,065
	996,904	511,550

39. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year.

	2009	2008
Net profit attributable to the Parent's shareholders for the year (in 000 QR)	801,982	309,960
Weighted average number of shares outstanding during the year (in thousand shares)	262,500	212,917
Basic and diluted earnings per share (QR)	**3.06**	1.46

There were no potentially dilutive shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the basic earnings per share.

40. CONTINGENT LIABILITIES

	2009	2008
Bank guarantees	**6,277**	31,007
Letters of credit	**400,000**	400,000

The Group anticipates that no material liabilities will arise from the above guarantees and letter of credits, which are issued in the ordinary course of business.

41. CONTRACTUAL COMMITMENTS

	2009	2008
Contractual commitments to contractors and suppliers for property under development	**8,468,734**	13,177,752
Commitments for purchase of property	**322,000**	322,000
Commitments for purchase of investments	**379,377**	476,810
Commitments for operating leases	**525,205**	450,852

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT

a) Credit risk

Exposure to credit risk

The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amounts	
	2009	2008
Cash and banks balances	1,927,994	538,833
Financial assets at fair value through profit or loss	4,073	3,987
Available-for-sale financial assets	916,851	1,853,507
Due from customers under Islamic financing	510,979	-
Financial receivables	838,196	672,387
Due from related parties	4,450,636	2,522,977
	8,648,729	5,591,691

Cash and cash equivalents
Credit risk on bank balances is limited as they are placed with local and foreign banks having good credit ratings assigned by international credit rating agencies, balances held with Qatar Central bank and placements with well reputed banks and other financial agencies.

Financial assets at fair value through profit or loss / Available for sale financial assets
The Group significantly limits its exposure to credit risk by investing in securities, which are quoted in active securities markets. There was no impairment loss recognized in respect of available for sale financial assets as the decline in fair values of these investments has not been significant or prolonged during the current year. While the decline fair values of the investments classified as held for trading (fair value through profit or loss) was already included in profit or loss for the year. For unquoted investments, management depends on valuation and financial reports provided by the investees to asses recoverability of those investments.

There is a regular monitoring by the Group's management of the prices of the shares listed in Doha Securities Market, and if there is a permanent decline in the value of investments, impairment provisions are considered.

Financial receivables
Those consist of receivable from Qatari Government, bank profits and dividend receivable, receivables under escrow accounts and refundable deposits. Credit risk on those balances is minimal due to being receivable from accredited parties.

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

a) Credit risk (continued)

Due from customers under Islamic financing
The facilities provided by the Group subsidiary, Barwa Bank, to its customers which are currently limited to well reputed government owned entities.

Due from related parties
Due from related parties significantly consist of balances due from associates in which the Group significantly influence their operating and financial decisions, hence credit risk thereon is not material to the Group.

The maximum exposure to credit risk for the balances due from related parties at the reporting date by geographic region was as follows:

	Carrying amounts	
	2009 Due from related parties	**2009 Financial receivables**
Domestic	2,075,331	772,681
Other GCC countries	2,348,745	-
European countries	26,560	65,515
	4,450,636	**838,196**

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

b) Liquidity risk

The following are the contractual maturities of financial assets and financial liabilities including finance cost payments and excluding the impact of netting agreements, if any:

2009	Carrying Amounts	Contractual cash in / (out) flows	Less than 1 year	1 – 2 years	2 – 5 Years	More than 5 years
Cash and bank balances	1,927,994	1,927,994	1,927,994	-	-	-
Financial assets through profit or loss	4,073	4,073	4,073	-	-	-
Available for sale financial assets	916,851	916,851	-	916,851	-	-
Due from customers under financing	510,979	510,979	510,207	-	587	185
Financial receivables	838,196	838,196	692,057	129,268	16,871	-
Due from related parties	4,450,636	4,450,636	2,317,697	22,079	735,900	1,374,960
Islamic finance obligations	(20,050,837)	(20,521,106)	(6,067,570)	-	(11,253,536)	(3,200,000)
Liabilities for purchase of land	(3,432,151)	(3,432,151)	(47,028)	(381,246)	(1,906,230)	(1,097,647)
Unrestricted investments accounts for Islamic banking contracts	(1,088,728)	(1,088,728)	(14,204)	(1,074,524)		
Financial payables	(2,699,018)	(2,699,018)	(1,749,044)	(949,974)	-	-
Due to related parties	(466,352)	(466,352)	(121,035)	-	-	(345,317)
Derivative liabilities	(284,875)	(284,875)	(284,875)	-	-	-
Liquidity gap	**(19,373,232)**	**(19,843,501)**	**(2,831,728)**	**(1,337,546)**	**(12,406,408)**	**(3,267,819)**

2008	Carrying Amounts	Contractual cash in / (out) flows	Less than 1 year	1 – 2 years	2 – 5 Years	More than 5 years
Cash and bank balances	538,833	538,833	538,833	-	-	-
Financial assets through profit or loss	3,987	3,987	3,987	-	-	-
Available for sale financial assets	1,853,507	1,853,507	-	1,853,507	-	-
Financial receivables	672,387	672,387	672,387	-	-	-
Due from related parties	2,522,977	2,522,977	1,097,359	300,000	1,125,618	-
Islamic finance obligations	(12,476,365)	(13,676,899)	(3,175,252)	(4,387,366)	(6,114,281)	-
Liabilities for purchase of land	(3,414,871)	(3,414,871)	(777,656)	(497,656)	(932,968)	(1,206,591)
Financial payables	(1,719,455)	(1,719,455)	(1,663,926)	(55,529)	-	-
Due to related parties	(656,725)	(656,725)	-	-	-	(656,725)
Derivative liabilities	(106,699)	(106,699)	(106,699)	-	-	-
Liquidity gap	(12,782,424)	(13,982,958)	(3,410,967)	(2,787,044)	(5,921,631)	(1,863,316)

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group is in the process of setting acceptable parameters, based on value at risk, that may be accepted and which is monitored on a daily basis.

i. Currency risk

The Group hedges its currency exposure. However, management is in the process of studying a variety of alternatives to mitigate the Group's exposure to currency risk. The major items of the foreign currency financial liabilities are denominated in EGP,GBP and EURO. The liabilities denominated in USD are not subject to currency risk, as Qatari Riyal is pegged to the US Dollars.

Sensitivity analysis

A 10 percent strengthening / weakening of the Qatari Riyal against the following currencies as at 31 December would have increased / (decreased) consolidated equity and consolidated profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular finance cost rates, remain constant.

	Equity		Profit or loss	
	10%	10%	10%	10%
2009	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**
USD	(341,120)	341,120	(400,554)	400,554
EURO	(71,963)	71,963	(79,675)	79,675
GPB	39,396	(39,396)	5,884	(5,884)
AED	(8,955)	8,955	(50,959)	50,959
EGP	(353,885)	353,885	-	-
KWD	57,874	(57,874)	57,870	(57,870)
SAR	38,025	(38,025)	38,017	(38,017)
BHD	8,919	(8,919)	-	-

ii. Profit rate risk

Profile

At the reporting date the profit rate profile of the Group's profit-bearing financial instruments was:

	Carrying amounts	
	2009	2008
Fixed rate instruments		
Obligation for purchase of land	(3,432,151)	(3,414,871)
Unrestricted investments accounts for Islamic Banking contracts	(1,088,728)	-
Islamic obligations contracts	(12,907,143)	(5,868,794)
	(17,428,022)	(9,283,665)

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

c) **Market risk - ii. profit rate risk (continued)**

	Carrying amounts	
	2009	2008
Variable rate instruments		
Due from customers under Islamic Financing	510,979	-
Islamic Finance obligations	(7,143,694)	(6,607,571)
Derivative liabilities	(284,875)	(106,699)
	(6,917,590)	(6,714,270)

Cash flow sensitivity for variable rate instruments

A change of 50 basis points in profit rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

2009	**Equity**		**Profit or loss**	
	50 bp increase	**50 bp decrease**	**50 bp increase**	**50 bp Decrease**
Variable rate financial liabilities	**12,383**	**(12,342)**	**12,383**	**(12,342)**

Concentration risk

Concentration risk arises when a number of counterparties are engaged in similar economic activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its concentration risk by establishing geographic and industry wise concentration limits.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2009	
	Carrying amounts	**Fair values**
Cash and bank balances	1,927,994	1,927,994
Financial assets through profit or loss	4,073	4,073
Available for sale financial assets	916,851	916,851
Due from customers under financing	510,979	510,979
Financial receivables	838,196	838,196
Due from related parties	4,450,636	4,450,636
Islamic finance obligations	(20,050,837)	(20,050,837)
Liabilities for purchase of land	(3,432,151)	(3,432,151)
Unrestricted investments accounts for Islamic banking contracts	(1,088,728)	(1,088,728)
Financial payables	(2,699,018)	(2,699,018)
Due to related parties	(466,352)	(466,352)
Derivative liabilities	(284,875)	(284,875)
	(19,373,232)	**(19,373,232)**

43. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment
The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of land, buildings, equipment, fixtures and fittings is based on the quoted market prices for similar items.

b) Intangible assets
The fair value of any intangible assets, other than goodwill, acquired in a business combination is based on the discounted estimated contractual payments that have been avoided as a result of the banking license or customers contracts being owned, if any. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

c) Investment property
An external, independent valuation specialists, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every reporting period. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

d) Investment in equity and debt securities
The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

e) Advances and other receivables
The fair value of advances and other receivables, excluding construction work in progress, if any, is estimated as the present value of future cash flows, discounted at the market rate of profit at the reporting date.

37. DETERMINATION OF FAIR VALUES (CONTINUED)

f) Derivatives
The fair value of forward exchange contracts is based on their listed market price. While for the profit rate swaps, if a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free profit rate.

The fair value of profit rate swaps is also based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market profit rates for a similar instrument at the measurement date.

g) Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and profit cash flows, discounted at the market rate of profit at the reporting date. The market rate of profit is determined by reference to similar liabilities. For finance leases the market rate of profit is determined by reference to similar lease agreements.

44. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical accounting judgments

Impairment of receivables and advances
An estimate of the collectible amount of trade accounts receivable, advances and due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, there were no allowances for impairment of due from related parties or other receivables as the Group does not have collection concern with regards to its receivables from its related parties. The overdue and doubted amounts for collection amounting to QR 292,923 during the year were directly written off based on the group management determination.

Classification of property
The Group classified the property held for future long term capital appreciation or leases as investment property, measured at the fair value model. Fair value is determined by an independent appraisal by the end of each reporting period. Investment property is disclosed in Note 14.

While the other property held for the purpose of sale in the ordinary course of business, as disclosed in Note 7, is classified as trading property.

Classification of investment securities
On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. The Group classifies investments as "at fair value through profit or loss" if they are acquired primarily for the purpose of short term profit making and cash generation. All other investments are classified as "available-for-sale". The Group accounts for investments in equity securities as investment in associate only when significant influence over the investee's operations can be proved to exercise, else and regardless of the ownership share, the investment is classified as available for sale.

38. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

a) Critical accounting judgments (continued)

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

b) Estimation uncertainty

Impairment of available-for-sale equity investments
The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20% or more and 'prolonged' greater than six (6) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

Fair value of unquoted equity investments
If the market for a financial asset is not active or not available, the Group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the Group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries and associates and other indefinite life intangibles, if any, are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The estimates used by management in testing impairment of the goodwill resulting from business combinations are disclosed in Note 16.

45. SEGMENT INFORMATION

a) Geographical segments

The segment reporting format is determined to be business segments on the Group's risks and rates of return are affected pre-dominantly by differences in the products and services produced for the geographical areas. The businesses are organized and managed separately according to the nature of products and services provided, with each segment representing strategic business units that offers different products and serves different markets. These segments are distributed over various established subsidiaries all over the world to achieve the Group spread-over objectives.

Geographical distribution of business segments

2009	State of Qatar	United Kingdom	North Africa	Other GCC countries	Other European countries	Total
Revenues and income	1,505,476	44,733	294,363	291	90,823	1,935,687
Expenses and losses	(1,827,289)	(54,470)	(66,655)	(50,572)	(225,719)	(2,224,705)
Net share of results of associates	1,032,694	-	-	-	-	1,032,694
Results for the year	**710,881**	**(9,737)**	**227,709**	**(50,281)**	**(134,896)**	**743,676**
Assets and liabilities						
Segment assets	26,832,568	389,338	5,436,796	1,053,665	1,189,095	34,901,463
Segment liabilities	(22,158,813)	(62,923)	(5,179,979)	(551,925)	(1,176,463)	(29,130,104)
Net assets of the geographical segments	**4,673,755**	**326,415**	**256,818**	**501,740**	**12,632**	**5,771,359**

45. SEGMENT INFORMATION (CONTINUED)

2008	State of Qatar	United Kingdom	North Africa	Other GCC countries	Other European countries	Other countries	Total
Revenues and income	1,170,577	45,484	-	8,877	93,156	-	1,318,094
Expenses and losses	(848,267)	(42,737)	-	(34,807)	(172,315)	-	(1,098,126)
Net share of results of associates	72,819	-	-	-	-	-	72,819
Results for the year	395,129	2,747	-	(25,930)	(79,159)	-	292,787
Assets and liabilities							
Segment assets	12,426,082	587,355	4,741,117	3,638,064	2,921,008	10,336	24,323,962
Segment liabilities	(13,914,611)	(73,719)	(3,433,247)	(51,516)	(2,078,352)	-	(19,551,445)
Net assets of the geographical segments	(1,488,529)	513,636	1,307,870	3,586,548	842,656	10,336	4,772,517

45. SEGMENT INFORMATION (CONTINUED)

b) Business segments

For management purposes, the Group is organized into two major business segments. The real estate segment develops and sells condominiums, villas and plots of land. Other segments include businesses that individually do not meet the criteria for a reportable segment. These businesses are mainly related to equity investments, and other services.

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.

	Real estate	**Banking and financing activities**	**Investing activities and others**	**Total**
Total segment income	2,854,716	68,931	44,733	**2,968,381**
Total segment expenses	(2,086,773)	(83,463)	(54,470)	**(2,224,705)**
Segment results	767,944	(14,531)	(9,737)	**743,676**
Segment assets	32,065,943	2,446,182	389,338	**34,901,463**

2008	Real estate	Banking and financing activities	Investing activities and others	Total
Total segment income	996,952	-	443,962	1,440,914
Total segment expenses	(894,838)	-	(240,202)	(1,135,040)
Segment results	102,114	-	203,760	305,874
Segment assets	16,683,587	-	7,633,556	24,317,143

46. SUBSEQUENT EVENTS

The Group and Qatar Real Estate Investment Company Q.S.C. ("Alaqaria") announced on 4 March 2010 the full terms of their proposed combination (the "Proposed Transaction"), the formal offer document (the "Offer Document") relating to the offer by the Group to acquire the share capital of Alaqaria in exchange for shares in Barwa (the "Offer").

The Offer Document, which will be distributed to the shareholders of Alaqaria, contains details of the terms and conditions of the Offer and the Proposed Transaction, along with instructions for the Group and Alaqaria shareholders.

The Group and Alaqaria also announced details of their Extraordinary General Meetings ("EGMs") that will give shareholders of both companies the opportunity to vote on the Proposed Transaction. Both the Barwa and Alaqaria EGMs will take place on 30 March 2010.

47. COMPARATIVE FIGURES

The corresponding figures presented for 2008 have been reclassified where necessary to preserve consistency with the 2009 figures. However, such reclassifications did not have any effect on the consolidated net profit, or comprehensive income or the total consolidated equity for the comparative year.