



EZDAN REAL ESTATE COMPANY Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

31 MARCH 2012

Ezdan Real Estate Company Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2012

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EZDAN REAL ESTATE COMPANY Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012 **In thousands of Qatari Riyals**

	Notes	31 March 2012 (Unaudited)	31 December 2011 (Audited)
ASSETS			
Cash and bank balances	6	587,777	762,769
Receivables and prepayments		280,402	270,549
Inventory		41,506	40,483
Due from related parties	7	573,537	458,878
Investments in equity accounted investees		130	130
Property, plant and equipment		73,421	77,474
Investment property	8	30,947,285	31,276,622
TOTAL ASSETS		32,504,058	32,886,905
LIABILITIES AND EQUITY			
Payables and accruals		256,546	297,276
Due to related parties		7,998	8,000
Islamic financing borrowings	9	4,355,996	4,841,985
TOTAL LIABILITIES		4,620,540	5,147,261
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		806,264	806,264
Retained earnings		552,287	408,413
TOTAL EQUITY		27,883,518	27,739,644
TOTAL LIABILITIES AND EQUITY		32,504,058	32,886,905



HE Sheikh Thani Bin Abdullah Al-Thani
Chairman of the Board of Directors



Hesham Al-Sehetry
Chief Executive Officer

The attached notes from 1 to 12 form an integral part of these unaudited interim condensed consolidated financial statements.

EZDAN REAL ESTATE COMPANY Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2012

In thousands of Qatari Riyals

	Notes	Three months ended	
		31 March 2012 (Unaudited)	31 March 2011 (Unaudited)
Rental revenues		110,079	119,184
Other operating revenues		2,618	3,350
Operating expenses		(20,109)	(20,222)
Gross profit on rental activities		92,588	102,312
Construction revenues		784	-
Construction costs		(777)	-
Gross profit on construction activities		7	-
Gain on sale of investment property	7	106,767	-
Operating profit for the period		199,362	102,312
<i>Add / (Less):</i>			
Other income		2,819	2,144
General and administrative expenses		(18,610)	(11,574)
Depreciation		(1,764)	(2,496)
Finance costs		(37,933)	(53,591)
Net profit and total comprehensive income for the period		143,874	36,795
Basic and diluted earnings (QR per share)	10	0.22	0.06

The attached notes from 1 to 12 form an integral part of these unaudited interim condensed consolidated financial statements.

EZDAN REAL ESTATE COMPANY Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2012

In thousands of Qatari Riyals

	Share capital	Legal reserve	Retained earnings	Total equity
31 March 2012 (unaudited)				
At 1 January 2012 (audited)	26,524,967	806,264	408,413	27,739,644
Net profit for the period	-	-	143,874	143,874
Total comprehensive income for the period	-	-	143,874	143,874
At 31 March 2012 (unaudited)	26,524,967	806,264	552,287	27,883,518

	Share capital	Legal reserve	Retained earnings	Total equity
31 March 2011 (unaudited)				
At 1 January 2011 (audited)	26,524,967	771,721	106,159	27,402,847
Net profit for the period	-	-	36,795	36,795
Total comprehensive income for the period	-	-	36,795	36,795
At 31 March 2011 (unaudited)	26,524,967	771,721	142,954	27,439,642

The Group elected to deduct 10% of the net profit for the period with respect to the legal reserve, on an annual basis as stipulated in the Company's Articles of Association

The attached notes from 1 to 12 form an integral part of these unaudited interim condensed consolidated financial statements.

EZDAN REAL ESTATE COMPANY Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2012

In thousands of Qatari Riyals

	Notes	Three months ended	
		31 March 2012 (Unaudited)	31 March 2011 (Unaudited)
Operating Activities			
Net profit for the period		143,874	36,795
<i>Adjustments for:</i>			
Depreciation		5,036	12,117
Gain on disposal of property, plant and equipment		(29)	-
Reversed impairment for doubtful receivables		(5)	-
Profit on Islamic bank accounts		(1,954)	(2,144)
Finance costs charged to profit or loss		37,933	53,591
Operating profit before changes in working capital		184,855	100,359
<i>Changes in working capital</i>			
Changes in inventory		(1,023)	26,709
Changes in receivables and prepayments		(6,599)	63,891
Changes in payables and accruals		(7,465)	(96,129)
Changes in related party balances		389,155	-
Net cash from operating activities		558,923	94,830
Investing Activities			
Payments for purchase and development of property		(170,073)	(312,544)
Payments for purchase of property, plant and equipment		(955)	-
Profit on Islamic bank accounts		1,954	2,144
Net cash used in investing activities		(169,074)	(310,400)
Financing Activities			
Proceeds from Islamic financing borrowings		-	95,845
Payments for Islamic financing borrowings		(564,841)	-
Net cash (used in) / from financing activities		(564,841)	95,845
Net change in cash and cash equivalents during the period			
Cash and cash equivalents at the beginning of the period		762,769	674,490
Cash and cash equivalents at the end of the period	6	587,777	554,765

The attached notes from 1 to 12 form an integral part of these unaudited interim condensed consolidated financial statements.

EZDAN REAL ESTATE COMPANY Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2012

1. REPORTING ENTITY

Ezdan Real Estate Company Q.S.C. (“the Company”) is a Qatari public shareholding company registered in the State of Qatar under the commercial registration number 15466. The Company was established on 24 May 1993 as a Limited Liability Company, and was publicly listed in Qatar Exchange on 18 February 2008.

The Company’s registered office is at P.O. Box 3222, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries (together referred to as “the Group”) include acquiring and sale of property and land, general contracting for all types of projects and buildings, trading in building materials and equipment, providing real estate consulting services, managing property and collecting rentals, managing commercial malls and markets, and providing property maintenance services.

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. (“Tadawul”) which aggregately owned directly and indirectly through its subsidiaries, 77.13% of the share capital of the Company as at 31 March 2012.

These unaudited interim condensed consolidated financial statements of the Group was authorized for issue by management of the Group on 25 April 2012.

2. BASIS OF PREPARATION

The accompanying unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards IAS 34 - Interim Financial Reporting. They do not include all of the information required for full annual financial statements, therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2011.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

5. FINANCIAL RISK MANAGEMENT

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

EZDAN REAL ESTATE COMPANY Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2012

In thousands of Qatari Riyals

6. CASH AND CASH EQUIVALENTS

	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Cash on hand	1,049	537
<i>Cash in banks</i>		
Term deposits	262,000	262,000
Saving and call accounts	273,434	471,989
Current accounts	48,074	21,523
Margin accounts	3,220	6,720
Cash and cash equivalents	587,777	762,769

7. SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the Parent of the Group, (Tadawul), the major shareholders, associated companies, 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 Board of Directors.

a) Due from related parties

Name of related party and nature of relationship	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Al-Tadawul Holding Group Q.S.C. (Parent of the Group)	552,862	451,954
Sak Group for Investment Properties S.O.C. (Affiliated entity)	5,231	4,382
White Square for Real Estate Development (Associate company)	14,409	2,204
Other related parties	1,035	338
	573,537	458,878

The outstanding balance due to Tadawul as at 31 December 2011 was fully settled during the current period, while the outstanding balance at the end of the current period mainly resulted from the sale of property transaction disclosed below.

b) Related party transactions

	3 months ended 31 March 2012 (Unaudited)	12 months ended 31 December 2011 (Audited)
Sale of property (i)	610,584	920,416
Settlement of non-profit bearing liabilities	-	473,688

(i) During January 2012, the Group has entered into a contract to sell investment property to Al- Tadawul Holding Group Q.S.C.(Parent of the Group) for an amount of QR 610,584 thousand. The sale has resulted in a gain of QR 106,767 thousand.

EZDAN REAL ESTATE COMPANY Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2012

In thousands of Qatari Riyals

8. INVESTMENT PROPERTY

	3 months ended 31 March 2012 (Unaudited)	12 months ended 31 December 2011 (Audited)
At 1 January	31,276,622	30,952,278
Development costs and acquired land during the period / year	133,560	1,016,155
Capitalized finance costs on property under development	40,920	201,591
Transferred to advances for acquisition of property	-	(10,561)
Reduction in liabilities for purchase of property	-	(20,554)
Carrying amount of land withdrawn by Government	-	(22,049)
Carrying amount of sold property	(503,817)	(879,043)
Fair value adjustment on investment property	-	38,805
At end of the period / year	30,947,285	31,276,622

The Group has carried out a valuation of all investment properties owned by the Group as at 31 December 2011. The valuation was prepared by D.T.Z Qatar L.L.C., a certified valuer, specialized in the valuation of real estate and similar activities. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements (“PS”) contained with the RICS Valuation Standards, 6th Edition (the “Red Book”). The methods used for valuation of investment property are disclosed in the consolidated financial statements for the year ended 31 December 2011.

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

9. ISLAMIC FINANCING BORROWINGS

a) The movements on the Islamic financing borrowings during the period were as follows:

	3 months ended 31 March 2012 (Unaudited)	12 months ended 31 December 2011 (Audited)
At 1 January	4,841,985	3,622,975
Additional facilities obtained during the period / year	-	1,635,890
Finance costs accrued on borrowings during the period / year	78,852	360,182
Repayments of outstanding facilities during the period / year	(564,841)	(777,062)
At end of the period / year	4,355,996	4,841,985

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2012

In thousands of Qatari Riyals

9. ISLAMIC FINANCING BORROWINGS (CONTINUED)

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

	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Current portion	601,204	940,997
Non-current portion	3,754,792	3,900,988
	4,355,996	4,841,985

10. EARNINGS PER SHARE

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

	3 months ended 31 March 2012 (Unaudited)	3 months ended 31 March 2011 (Unaudited)
Net profit for the period (in QR 000)	143,874	36,795
Weighted average number of shares outstanding during the three months period (in thousand shares)	663,124	663,124
Earnings per share (expressed in QR per share as calculated for three months of the year)	0.22	0.06

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

11. SUBSEQUENT EVENTS

In the General Assembly meeting held on 17 April 2012, the shareholders approved the declaration for cash dividend distribution of QR 397,875 thousands (QR 0.15 per share) from the outstanding retained earnings as at 31 December 2011, which was proposed by the Board of Directors in their meeting held on 18 March 2012.

12. COMPARATIVE FIGURES

Certain comparative figures in the unaudited interim condensed consolidated statement of comprehensive income were reclassified to match with the current period's classification. These reclassifications did not have any effect on the net profit and comprehensive income for the comparative period.