



**EZDAN HOLDING GROUP COMPANY Q.S.C
(EZDAN REAL ESTATE COMPANY Q.S.C “Previously”)
UNAUDITED CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENT
(31 March 2013)**



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

**Condensed consolidated interim financial statements
For the period ended
(31 March 2013)**

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Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

**Condensed consolidated interim statement of financial position
For the period ended (31 March 2013)**

(In thousands of Qatari Riyals)

	Note	31 March 2013 (Unaudited)	31 December 2012 (Audited)
ASSETS			
Cash and bank balances	6	254,494	323,687
Receivables and prepayments		184,748	254,197
Inventory		8,605	8,476
Due from related parties	7	22,320	24,141
Available for sale investments	9	2,233,504	2,324,257
Investments in associates	10	2,536,682	2,731,011
Property and equipment		20,953	21,409
Investment property	8	33,510,044	33,203,145
TOTAL ASSETS		38,771,350	38,890,323
LIABILITIES			
Payable and accruals		214,680	341,409
Due to related parties	7	431,747	693,610
Islamic Financing borrowings	11	10,331,517	10,108,451
TOTAL LIABILITIES		10,977,944	11,143,470
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		847,139	847,139
Revaluation reserve		(196,998)	(96,592)
Revaluation surplus		(896)	103,146
Foreign currency translation reserve		3,192	-
Retained earnings		616,002	368,193
TOTAL EQUITY		27,793,406	27,746,853
TOTAL LIABILITIES AND EQUITY		38,771,350	38,890,323



Dr. Khalid Bin Thani Al-Thani
Chairman of the Board of Directors



Ali Al-Obaidli
Group Chief Executive Officer

The attached notes from 1 to 14 form an integral part of these unaudited interim condensed consolidated financial statements



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

**Condensed consolidated interim income statement
For the period ended (31 March 2013)**

(In thousands of Qatari Riyals)

	Note	Three Months ended	
		31 March 2013 (Unaudited)	31 March 2012 (Unaudited)
Rental revenues		180,502	110,079
Other operating revenues		11,811	2,618
Operating expenses		(24,393)	(20,109)
Gross profit on rental activities		167,920	92,588
Construction revenues		-	784
Construction costs		-	(777)
Gross profit on construction activities		-	7
Gain on sale of investment property		-	106,767
Operating profit for the period		167,920	199,362
<i>Add / (Less):</i>			
Other income		2,475	2,819
General and administrative expenses		(34,985)	(18,610)
Depreciation		(3,046)	(1,764)
Share from the results of operation of associate companies		62,575	-
Dividends income from available for sale investments		106,432	-
Finance costs		(49,425)	(37,933)
Net gain on sale of available for sale investments		773	-
Net profit for the period		252,719	143,874
Basic and diluted earnings (QR per share)	12	0.10	0.05

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Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

**Condensed consolidated interim statement of comprehensive income
For the period ended (31 March 2013)**

(In thousands of Qatari Riyals)

	Three months ended	
	31 March 2013 (Unaudited)	31 March 2012 (Unaudited)
NET PROFIT FOR THE PERIOD	252,719	143,874
<i>Other comprehensive income</i>		
Net Change in fair value of available-for-sale investments	(101,412)	-
Share of other comprehensive (losses) / income of associates	4,198	-
Total other comprehensive (Loss) / income	(97,214)	-
Total comprehensive income for the period	155,505	143,874

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Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Condensed consolidated interim statement of changes in equity
For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

	<u>Share capital</u>	<u>Legal reserve</u>	<u>Revaluation reserve</u>	<u>Revaluation surplus</u>	<u>Foreign currency translation reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
At 1 January 2013 (audited)	26,524,967	847,139	(96,592)	103,146	-	368,193	27,746,853
Net profit for the period	-	-	-	-	-	252,719	252,719
Share of other reserves of associate companies	-	-	-	-	-	(4,910)	(4,910)
Revaluation reserve	-	-	(100,406)	-	-	-	(100,406)
Revaluation surplus	-	-	-	(104,042)	-	-	(104,042)
Foreign currency translation reserve	-	-	-	-	3,192	-	3,192
At 31 March 2013 (unaudited)	26,524,967	847,139	(196,998)	(896)	3,192	616,002	27,793,406
At 1 January 2012 (audited)	26,524,967	806,264	-	-	-	408,413	27,739,644
Net profit for the period	-	-	-	-	-	143,874	143,874
At 31 March 2012 (unaudited)	26,524,967	806,264	-	-	-	552,287	27,883,518

The attached notes from 1 to 14 form an integral part of these unaudited interim condensed consolidated financial statements

Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Condensed consolidated interim statement of cash flows
For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

	Note	31-March2013 (Unaudited)	31-March 2012 (Unaudited)
Operating Activities			
Net profit for the period		252,719	143,874
<i>Adjustments for:</i>			
Depreciation		3,046	5,036
Gain on disposal of property and equipment		-	(29)
Gain on sale of available for sale investments		(773)	-
Reversed impairment for doubtful receivables		(217)	(5)
Share of results of operations of associate companies		(62,575)	-
Dividends income from available for sale investments		(106,432)	-
Profit on Islamic bank accounts		(504)	(1,954)
Finance costs charged to profit or loss		49,425	37,933
		134,689	184,855
<i>Operating profit before working capital changes</i>			
<i>Changes in working capital</i>			
Changes in inventory		(129)	(1,023)
Changes in receivables and prepayments		60,515	(6,599)
Changes in payables and accruals		(126,729)	(7,465)
Changes in related party balances		(388,948)	389,155
Net cash used in /from operating activities		(320,602)	558,923
Investing Activities			
Payments for purchase and development of property		(128,095)	(170,073)
Payments for purchase of property and equipment		(2,399)	(955)
Profit on Islamic bank accounts		504	1,954
Payments for purchase of investment in associates		(1,062)	-
Payments for acquisition of available for sale investment		(223,247)	-
Proceeds from sale of available for sale investment		234,511	-
Dividends received from available for sale and investment in associates		236,810	-
Net cash used in investing activities		117,022	(169,074)
Financing Activities			
Proceeds from Islamic financing borrowings		364,000	-
Payments for Islamic financing borrowings		(229,613)	(564,841)
Net cash from financing activities		134,387	(564,841)
Net change in cash and bank balance during the period		(69,193)	(174,992)
Cash and bank balance at the beginning of the period		323,687	762,769
Cash and bank balance at the end of the period	6	254,494	587,777

The attached notes from 1 to 14 form an integral part of these unaudited interim condensed consolidated financial statements.



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

1. REPORTING ENTITY

Ezdan Holding Group 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 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 collect rentals, and providing property maintenance works.

These consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) as at and for the period ended 31 March 2013, include the following subsidiaries

#	Name of The Company	Share capital in thousands QR	Country	Effective percentage of ownership	
				31 March 2013 (Unaudited)	31 December 2012 (Audited)
1	Ezdan Hotel and Suites Company S.O.C	200	Qatar	100%	100%
2	Ezdan Mall Company S.O.C	200	Qatar	100%	100%
3	Ezdan Facility Management Company S.O.C	200	Qatar	100%	100%
4	Ezdan Partnerships Company S.O.C	200	Qatar	100%	100%
5	Itkan Trading Co. S.O.C	200	Qatar	100%	100%
6	Alrobe Alkhale Trading Co. S.O.C	200	Qatar	100%	100%
7	Al Iklim Real Estate Co. S.O.C	200	Qatar	100%	100%
8	Almnara Medical Equipment Co. S.O.C	200	Qatar	100%	100%
9	Al Taybeen Trading Co. S.O.C	200	Qatar	100%	100%
10	Al Kara Trading Co. S.O.C	200	Qatar	100%	100%
11	Ethmar Construction and Trading Co. S.O.C	200	Qatar	100%	100%
12	Al Namaa Maintenance services Co. S.O.C	200	Qatar	100%	100%
13	Shatee Alneel Co. S.O.C	200	Qatar	100%	100%
14	Arkan Import and Export Co. S.O.C	200	Qatar	100%	100%
15	Tarek Al Haq Trading Co. S.O.C	200	Qatar	100%	100%
16	Manazel Trading Co. S.O.C	200	Qatar	100%	100%
17	Een Jaloot Trading Co. S.O.C	200	Qatar	100%	100%
18	Tareek Alkher Trading Co. S.O.C	200	Qatar	100%	100%
19	Alkora Alzahbya Co. S.O.C	200	Qatar	100%	100%



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

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 2012.

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 2012.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount 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 2012.

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 2012.



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

6. CASH AND BANK BALANCES

	31 March 2013 (Unaudited)	31 December 2012 (Audited)
Cash on hand	1,184	105
<i>Cash in banks</i>		
Term deposits	42,000	42,000
Saving and call accounts	190,616	43,525
Current accounts	20,694	238,057
Cash and cash equivalents	254,494	323,687

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

	31 March 2013 (Unaudited)	31 December 2012 (Audited)
Sak Group for Investment Properties S.O.C.	-	16,418
White Square Real Estate (Associate company)	247	246
Other related parties	20,772	355
Al-Abdulwahab for Real Estate Development W.L.L (Associate company)	1,226	4,096
Asia Company	75	3,026
	22,320	24,141

b) Due to related parties

	31 March 2013 (Unaudited)	31 December 2012 (Audited)
Sak Group for Investment Properties S.O.C.	113,961	-
Al-Tadawul Holding Group Q.S.C. (Parent of the Group)	317,786	693,610
	431,747	693,610

c) Related party transactions

	31 March 2013 (Unaudited)	31 December 2012 (Audited)
Sale of property	-	610,584



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Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

8. INVESTMENT PROPERTY

	3 Months ended 31 March 2013 (Unaudited)	12 Months ended 31 December 2012 (Audited)
At 1 January	33,203,145	31,276,622
Development costs and acquired land during the year	267,645	653,708
Capitalized finance costs on property under development	39,254	173,553
Disposal of property	-	(515,302)
Acquired properties	-	1,583,320
Fair value adjustment on investment property	-	31,244
At end of the period / year	33,510,044	33,203,145

The Group has carried out a valuation of all investment properties owned by the Group as at 31 December 2012. 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 2012.

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

9. AVAILABLE FOR SALE INVESTMENTS

Concentration of investment portfolio

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of geographical distribution and industry concentration. The industry and geographic concentration of the investment portfolio is as follows:

	3 Months ended 31 March 2013 (Unaudited)	12 Months ended 31 December 2012 (Audited)
Banks and financial institutions	2,098,082	2,169,752
Insurance	-	125
Industry	77,954	73,548
Services	57,468	80,832
	2,233,504	2,324,257



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Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

10. INVESTMENTS IN ASSOCIATES

The Company has the following investments in associate companies:

	<i>Country of incorporation</i>	<i>Ownership interest In Thousands</i>			
		2013	2012	2013	2012
		<i>%</i>	<i>%</i>	<i>QR</i>	<i>QR</i>
Medicare Group Q.S.C.	Qatar	24.62%	24.52%	291,909	387,197
Qatar International Islamic Bank Q.S.C.	Qatar	22.65%	22.65%	1,823,194	1,927,944
Qatar Islamic Insurance Company Q.S.C.	Qatar	22.97%	22.97%	192,193	199,764
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	30.00%	30.00%	202,170	189,488
Dar Al-Arab W.L.L.	Qatar	49.00%	49.00%	27,086	26,488
White Square Real Estate W.L.L.	Qatar	32.50%	32.50%	65	65
Al-Abdulwahab for Real Estate Development W.L.L.	Qatar	32.50%	32.50%	65	65
				2,536,682	2,731,011

11. ISLAMIC FINANCING BORROWINGS

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

	3 Months ended 31 March 2013 (Unaudited)	12 Months ended 31 December 2012 (Audited)
At 1 January	10,108,451	4,841,985
Additional facilities obtained during the period / year	364,000	6,251,411
Repayments of outstanding facilities during the period / year	(140,934)	(984,945)
At end of the period / year	10,331,517	10,108,451

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

	3 Months ended 31 March 2013 (Unaudited)	12 Months ended 31 December 2012 (Audited)
Current portion	969,564	690,071
Non-current portion	9,361,953	9,418,380
At end of the period / year	10,331,517	10,108,451



Ezdan Holding Group Company Q.S.C – (Ezdan Real Estate Company Q.S.C “Previously”)

Notes to the condensed consolidated interim financial statements

For the period ended (31 March 2013)

(In thousands of Qatari Riyals)

12. EARNINGS PER SHARE

Basic earnings per share are 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 2013 (Unaudited)	3 Months ended 31 March 2012 (Unaudited)
Net profit for the period (in QR 000)	252,719	143,874
Weighted average number of shares outstanding during the three months period (in thousand shares)	<u>2,652,967</u>	<u>2,652,967</u>
Earnings per share (expressed in QR per share as calculated for three months of the year)	<u>0.10</u>	<u>0.05</u>

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.

13. SUBSEQUENT EVENTS

In the General Assembly meeting held on 7 April 2013, the shareholders approved the declaration for cash dividend distribution of QR 344,825 thousands (QR 0.13 per share) from the outstanding retained earnings as at 31 December 2012, which was proposed by the Board of Directors in their meeting held on 18 March 2013.

14. 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.