



**Ezdan Real Estate Company Q.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 September 2010**

Ezdan Real Estate Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Ended 30 September 2010

	<i>Nine months ended 30 September</i>	
	<b>2010</b>	<b>2009</b>
	<b>QR'000</b>	<b>QR'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Rental income	<b>319,906</b>	348,765
Gain on disposal of investment properties	<b>6,757</b>	17,427
Other operating income	<b>7,448</b>	4,757
Operating expenses	<b>(56,377)</b>	(43,318)
<b>PROFIT FROM OPERATIONS</b>	<b>277,734</b>	327,631
Other Income	<b>1,398</b>	7,016
General and administrative expenses	<b>(36,483)</b>	(20,998)
Islamic financing costs	<b>(63,600)</b>	(10,728)
Depreciation	<b>(7,176)</b>	(5,483)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>172,173</b>	297,439
<b>BASIC AND DILUTED EARNINGS PER SHARE (QR)</b>	<b>0.07</b>	0.11

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements

# Ezdan Real Estate Company Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	<i>Notes</i>	<i>30 September 2010 QR'000 (Unaudited)</i>	<i>31 December 2009 QR'000 (Audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	71,736	83,119
Investment properties	4	11,211,661	8,645,361
Projects under development		<u>19,303,183</u>	<u>20,966,306</u>
		<b>30,586,580</b>	<b>29,694,786</b>
<b>Current assets</b>			
Inventories		37,621	107,916
Accounts receivable and prepayments		178,376	136,480
Bank balances and cash		<u>638,002</u>	<u>121,024</u>
		<b>853,990</b>	<b>365,420</b>
<b>TOTAL ASSETS</b>		<b><u>31,440,570</u></b>	<b><u>30,060,206</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		26,524,967	26,524,967
Legal reserve	5	759,589	759,589
Retained earnings		<u>172,173</u>	<u>-</u>
<b>Total equity</b>		<b><u>27,456,729</u></b>	<b><u>27,284,556</u></b>
<b>Non-current liabilities</b>			
Islamic financing facilities		2,700,940	1,791,290
Profit payable on Islamic financing facilities		217,320	25,944
Employees' end of service benefit		<u>11,149</u>	<u>9,173</u>
		<b>2,929,409</b>	<b>1,826,407</b>
<b>Current liabilities</b>			
Islamic financing facilities		333,303	251,327
Profit payable on Islamic financing facilities		63,054	32,365
Accounts payable and accruals		<u>658,075</u>	<u>665,551</u>
		<b>1,054,432</b>	<b>949,243</b>
<b>Total liabilities</b>		<b><u>3,983,841</u></b>	<b><u>2,775,650</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>31,440,570</u></b>	<b><u>30,060,206</u></b>

.....  
Thani Bin Abdullah Al Thani  
Chairman

.....  
Hesham Al-Sehetry  
Managing Director & CEO

The attached notes 1 to 7 form part of these interim condensed consolidated financial statements

Ezdan Real Estate Company Q.S.C.

---

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended 30 September 2010

	<i>Share capital QR '000</i>	<i>Legal reserve QR '000</i>	<i>Retained earnings QR '000</i>	<i>Total QR '000</i>
Balance at 1 January 2010	26,524,967	759,589	-	27,284,556
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>172,173</u>	<u>172,173</u>
<b>Balance at 30 September 2010</b>	<b><u>26,524,967</u></b>	<b><u>759,589</u></b>	<b><u>172,173</u></b>	<b><u>27,456,729</u></b>
Balance at 1 January 2009	4,569,000	191,842	1,726,225	6,487,067
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>297,439</u>	<u>297,439</u>
Balance at 30 September 2009	<u>4,569,000</u>	<u>191,842</u>	<u>2,023,664</u>	<u>6,784,506</u>

The attached notes 1 to 7 form part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2010

**1 LEGAL STATUS AND MAIN ACTIVITIES**

Ezdan Real Estate Company Q.S.C. is a Qatari public shareholding company registered in the State of Qatar under the Commercial Registration Number 15466.

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

The Company is mainly involved in developing, owning, trading and renting of real estates.

The interim condensed consolidated financial statements for the Nine months period ended 30 September 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 17 October 2010.

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation of the interim condensed financial statements**

These interim condensed consolidated financial statements are prepared in accordance with the International Accounting Standard (IAS) 34 – Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in Qatar Riyals, which is the functional and presentational currency of the Group.

These interim condensed consolidated financial statements should be read in conjunction with the 2009 annual financial statements and the notes attached thereto.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, the results for the Nine months ended 30 September 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

**Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statement for the year ended 31 December 2009, except as noted below:

During the period, the Group adopted the following new or revised standards effective for the annual periods beginning on or after 1 January 2010.

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2009, except as noted below:

The Group has adopted the following new and amended IFRS and IFRIC interpretations effective 1 January 2010:

- *IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions* effective 1 January 2010
- *IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)* effective 1 July 2009 including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- *IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items* effective 1 July 2009
- *IFRIC 17 Distributions of Non-Cash Assets to Owners* effective for financial periods beginning on or after 1 July 2009
- *IFRIC 18 Transfers of Assets from Customers* effective 1 July 2009
- *Improvements to International Financial Reporting Standards* (issued in 2009) effective for financial periods beginning on or after 1 January 2010

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2010

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Significant accounting policies (continued)**

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

*IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items*

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

*Improvements to International Financial Reporting Standards*

The International Accounting Standards Board issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of applicable amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

**Basis of consolidation**

The interim condensed consolidated financial statements comprise the financial statements of Ezdan Real Estate Company Q.S.C and its subsidiaries, as follows:

	<i>Effective Group Ownership percentage</i>	
	<i>30 September 2010</i>	<i>30 September 2009</i>
Ezdan Trading and Contracting Company S.O.C	<b>100%</b>	100%
Ezdan Hotel and Suites Company S.O.C	<b>100%</b>	100%
Ezdan Real Estate Investment Company W.L.L.	<b>100%</b>	100%

*Notes:*

- 1) Ezdan Trading and Contracting Company S.O.C (“subsidiary company”) was incorporated in Qatar and has an authorized and paid-up capital of QR 200,000. The Company is involved in general contracting for buildings, road paving, trading in building materials and equipment, electricity works and maintenance.
- 2) Ezdan Hotel and Suites Company S.O.C (“subsidiary company”) was incorporated in Qatar as a single owner company and has an authorized and paid up capital of QR 200,000. The Company is involved in managing hotels, suites, and restaurants.
- 3) Ezdan Real Estate Investment W.L.L. (“subsidiary company”) was incorporated in Qatar as a limited liability company and has an authorised and paid up capital of QR 10,000,000. The Company is involved in buying, selling and managing properties, construction of buildings, roads paving, trading in building materials, electricity work and maintenance.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Ezdan Real Estate Q.S.C. obtains control, and continue to be consolidated until the date that such control ceases.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2010

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of consolidation (continued)**

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

**3 PROPERTY, PLANT AND EQUIPMENT**

	<i>30 September 2010 QR (Unaudited)</i>	<i>31 December 2009 QR (Audited)</i>
Cost:		
At 1 January	104,904	31,561
Additions	8,668	18,313
Transfers as a result of the acquisition	-	55,030
Disposals	<u>(970)</u>	<u>-</u>
	<u>112,602</u>	<u>104,904</u>
Depreciation:		
At 1 January	21,785	6,438
Depreciation (i)	19,562	15,347
Disposals	<u>(481)</u>	<u>-</u>
	<u>40,866</u>	<u>21,785</u>
Net carrying amount	<u>71,736</u>	<u>83,119</u>

- (i) Depreciation charge for the period amounting to QR 12,230 thousand has been capitalized as part of projects under development.

**4 INVESTMENT PROPERTIES**

	<i>30 September 2010 QR'000 (Unaudited)</i>	<i>31 December 2009 QR'000 (Audited)</i>
At 1 January	8,645,361	4,741,227
Additions	-	10,645
Transferred from projects under development	2,566,300	13,270
Transferred to projects under development	-	(194,625)
Disposals	-	(27,623)
Net gains from changes in the fair value (i)	-	3,959,475
Investment properties transferred as a result of acquisition	<u>-</u>	<u>142,992</u>
	<u>11,211,661</u>	<u>8,645,361</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2010

**4 INVESTMENT PROPERTIES (continued)**

- (i) The Company did not appoint an independent valuer to revalue its investment properties as of the reporting date. Management, having the experience and knowledge in the real estate industry, believes that the carrying values of the investment properties are not materially different from their fair values.

**5 LEGAL RESERVE**

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002, 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. No transfer has been made for the Nine months period ended 30 September 2010 as the Company will transfer the total required amount by 31 December 2010.

**6 COMPARATIVE FIGURES**

The comparative figure for previous period / year has been reclassified where necessary in order to conform the Current period's presentation. Such reclassification doesn't affect the previously reported net assets or equity.