



Ezdan Real Estate Company Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2009

Interim Consolidated Income Statement
 For The Three Months Ended 31 March

	<i>Notes</i>	Three Months ended	31 March	31 March
		31 March	2009	2008
		(Unaudited)	(Unaudited)	(Unaudited)
		QR	QR	QR
Rental income		119,983,906	67,724,381	67,724,381
Other operating income		1,814,383	156,819	156,819
Operating expenses		<u>(11,298,869)</u>	<u>(11,568,551)</u>	<u>(11,568,551)</u>
PROFIT FROM OPERATIONS		110,499,420	56,312,649	56,312,649
General and administration expenses		(7,992,378)	(4,307,203)	(4,307,203)
Profit on bank deposits		710,447	8,650	8,650
Islamic finance cost		(3,506,542)	-	-
Depreciation		<u>(1,719,033)</u>	<u>(1,994,212)</u>	<u>(1,994,212)</u>
PROFIT FOR THE PERIOD		<u>97,991,914</u>	<u>50,019,884</u>	<u>50,019,884</u>
EARNINGS PER SHARE		<u>0.21</u>	<u>0.11</u>	<u>0.11</u>

Interim Consolidated Balance Sheet
 As At 31 March 2009

	<i>Notes</i>	31 March 2009 (Unaudited) QR	31 December 2008 (Audited) QR
ASSETS			
Non-current assets			
Property, plant and equipment	3	25,622,708	25,122,947
Investment properties	4	4,731,958,295	4,741,226,595
Development work in progress		<u>2,130,526,648</u>	<u>1,955,427,556</u>
		<u>6,888,107,651</u>	<u>6,721,777,098</u>
Current assets			
Inventories		2,418,808	2,437,381
Accounts receivable and prepayments		63,032,133	31,990,253
Bank balances and cash	5	<u>393,173,357</u>	<u>164,898,132</u>
		<u>458,624,298</u>	<u>199,325,766</u>
TOTAL ASSETS		<u>7,346,731,949</u>	<u>6,921,102,864</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	4,569,000,000	4,569,000,000
Legal reserve	7	191,842,125	191,842,125
Retained earnings		<u>1,824,217,108</u>	<u>1,726,225,194</u>
Total equity		<u>6,585,059,233</u>	<u>6,487,067,319</u>
Non-current liabilities			
Islamic financing facilities	8	691,000,000	366,000,000
Profit payable on Islamic facilities		23,365,881	15,829,091
Employees' end of service benefit		<u>2,284,138</u>	<u>2,062,072</u>
		<u>716,650,019</u>	<u>383,891,163</u>
Current liabilities			
Accounts payable and accruals		<u>45,022,697</u>	<u>50,144,382</u>
		<u>45,022,697</u>	<u>50,144,382</u>
Total liabilities		<u>761,672,716</u>	<u>434,035,545</u>
TOTAL EQUITY AND LIABILITIES		<u>7,346,731,949</u>	<u>6,921,102,864</u>

 Sheikh Thani Bin Abdullah Al Thani
 Chairman

 Sheikh Abdullah Bin Thani Al Thani
 Deputy Chairman

The attached notes 1 to9 form part of these financial statements

Interim Consolidated Cash Flow Statement
 For The Three Months Ended 31 March 2009

	Three Months ended 31 March	
	31 March 2009 (Unaudited) QR	31 March 2008 (Unaudited) QR
<i>Notes</i>		
OPERATING ACTIVITIES		
Profit for the period	97,991,914	50,019,884
Adjustment for:		
Depreciation	1,719,033	1,994,212
Net movement on Provision for employees' end of service benefits	222,066	69261
Net movement on provision for doubtful debts	(2,180,057)	-
Islamic finance costs	3,506,542	-
Profit on bank deposits	(710,447)	(8,650)
	100,549,051	52,074,707
Operating profit before working capital changes:		
Accounts receivable and prepayments	(28,861,823)	7,945,997
Inventory	18,573	(514,196)
Islamic facilities cost payable	(3,506,542)	-
Profit payable on Islamic facilities	7,536,790	-
Accounts payable and accruals	(5,121,685)	(22,543,811)
	(29,934,687)	(15,112,010)
Cash used in operating activities		
	70,614,364	36,962,697
Net cash flows from operating activities		
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,218,794)	(9,941,050)
Purchase of investment properties	-	(23,020,815)
Payments for development work in progress	(165,830,792)	-
Profit on bank deposits	710,447	8,650
	(167,339,139)	(32,953,215)
Net cash flows used in investing activities		
FINANCING ACTIVITIES		
Proceeds from Islamic finance	325,000,000	-
Net cash flows from financing activities	325,000,000	-
	228,275,225	4,009,482
INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as of 1 January	164,898,132	33,533,811
CASH AND CASH EQUIVALENTS AS OF 31 March	393,173,357	37,543,293

The attached notes 1 to 8 form part of these financial statements

Interim Consolidated Statement of Changes in Shareholders'
 Equity

For The three months Ended 31 March

	Share capital <i>QR</i>	Legal reserve <i>QR</i>	Retained earnings <i>QR</i>	Total <i>QR</i>
Balance at 1 January 2008 (Audited)	<u>4,569,000,000</u>	<u>56,140,078</u>	<u>504,906,766</u>	<u>5,130,046,844</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>50,019,884</u>	<u>50,019,884</u>
Total income and expense for the period	<u>-</u>	<u>-</u>	<u>50,019,884</u>	<u>50,019,884</u>
Transfer to legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2008 (Unaudited)	<u>4,569,000,000</u>	<u>56,140,078</u>	<u>544,926,650</u>	<u>5,180,066,728</u>

	Share capital <i>QR</i>	Legal reserve <i>QR</i>	Retained earnings <i>QR</i>	Total <i>QR</i>
Balance at 1 January 2009 (Audited)	<u>4,569,000,000</u>	<u>191,842,125</u>	<u>1,726,225,194</u>	<u>6,487,067,319</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>97,991,914</u>	<u>97,991,914</u>
Total income and expense for the period	<u>-</u>	<u>-</u>	<u>97,991,914</u>	<u>97,991,914</u>
Transfer to legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2009 (Unaudited)	<u>4,569,000,000</u>	<u>191,842,125</u>	<u>1,824,217,108</u>	<u>6,585,059,233</u>

The attached notes 1 to 9 form part of these financial statements

1- 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.

During the period the company established Ezdan Hotel & Suites Company as a subsidiary company fully owned by Ezdan Real Estate Company with a capital of QR 200,000 in order to manage the company's hotel and serviced apartments.

2- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These interim condensed consolidated financial statements for the three months ended 31 March 2009 are prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the audited financial statements for the year 2008.

These consolidated interim condensed financial statements should be read in conjunction with the 2008 audited consolidated financial statements and the first quarter 2008 unaudited consolidated financial statements and the notes attached thereto.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Ezdan real estate Company Q.S.C and its subsidiaries, Ezdan Trading and contracting Company and Ezdan Hotel & Suites Company as at 31 March 2009.

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

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

	31 March 2009 (Unaudited) <i>QR</i>	31 December 2008 (Audited) <i>QR</i>
Cost:		
At 1 January	32,096,264	28,698,051
Additions	1,912,204	23,740,697
Transfers to investment properties	-	(21,220,876)
Transfers from work in progress	-	342,900
	34,008,468	31,560,772
Depreciation		
At 1 January	6,437,824	10,752,169
Depreciation Charge For The Period	1,947,936	5,382,159
Transfer to investment properties	-	(9,696,503)
	8,385,760	6,437,825
Net carrying amount	25,622,708	25,122,947

4 - INVESTMENT PROPERTIES

	31 March 2009 (Unaudited) <i>QR</i>	31 December 2008 (Audited) <i>QR</i>
At 1 January	4,741,226,595	5,120,062,358
Additions	-	197,532,969
Transferred from properties, plant & equipment	-	11,524,373
Transferred to development work in progress	(9,268,300)	(1,560,110,490)
Disposals	-	(90,577,000)
Net gains from changes in the fair value	-	1,062,794,385
Net carrying amount	4,731,958,295	4,741,226,595

4- INVESTMENT PROPERTIES (CONTINUED)

Investment properties are presented at fair value, which has been determined, based on the valuation conducted by Al-Zaini Trading and Real Estate Company W.L.L. as at 31 December 2007, Al-Zaini Trading and Real Estate Company W.L.L. is a certified valuer and adjustor, registered with several government entities and is specialized in the valuation of this type of properties. The revaluation is prepared based on the yearly income of the investment properties and the forecasted changes in the nationwide economy.

During 2008, the Group has revalued all its freehold lands
 During 2009 the Group has not revalued its Investment properties,

In the opinion of the management the market price of the investment properties at March 31, 2009 is not materially different from the carrying values as of that date.

5- BANK BALANCES AND CASH

Cash and cash equivalents in the Cash Flow Statement consist of the following balance sheet amounts:

	31 March 2009 (Unaudited) QR	31 December 2008 (Audited) QR
	<u>QR</u>	<u>QR</u>
Bank balances and cash	154,578,957	18,898,132
Short term deposits	<u>238,594,400</u>	<u>146,000,000</u>
	<u>393,173,357</u>	<u>164,898,132</u>

6- SHARE CAPITAL

	31 March 2009 (Unaudited) QR	31 December 2008 (Audited) QR
	<u>QR</u>	<u>QR</u>
Authorized, issued and fully paid 456,900,000 share of QR 10 each	<u>4,569,000,000</u>	<u>4,569,000,000</u>

7- LEGAL RESERVE

As required by Qatar Commercial Companies' Law No, 5 of 2002 and the company's articles of association, 10% of the profit for the year should be transferred to legal reserve.

As per company's policy, at the end of the year the transfer from retained earnings to legal reserve shall be done

8- Islamic Facilities

Notes	31 March 2009 (Unaudited) QR	31 December 2008 (Audited) QR
Facility -1	195,000,000	195,000,000
Facility -2	171,000,000	171,000,000
Facility -3	325,000,000	-
	691,000,000	366,000,000

Notes:

- Facility 1 - On 21 July 2008, the Group entered into an Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 195 million. The facility is repayable in 20 quarterly instalments starting on 18 January 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against an investment property with a book value of QR 234 millions.
- Facility 2 - On 22 May 2008, the Group entered into an Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 171 million. The facility is repayable in 20 quarterly instalments starting on 22 August 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against two investment properties with a carrying value of QR 177 millions.
- Facility -3: On 18th Jan 2009, the Group entered into an Islamic agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 325 million. The facility is repayable in 18 quarterly installments starting on 31st August 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against an investment property with a book value of QR 369 millions.

9 - RELATED PARTY DISCLOSURES
Related party transactions and balances

Related parties represent affiliated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial Period.

Assets	31 March 2009 QR	31 March 2008 QR
Due from related parties	16,721,467	-
Transactions during the year	31 March 2009 QR	31 March 2008 QR
Purchase of investment properties	-	23,021,853
Payments for development work in progress	138,807,854	-
	138,807,854	23,021,853
Revenue	31 March 2009 QR	31 March 2008 QR
Bank Deposit profit	4,942	8,650