



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

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2010**

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**Interim Consolidated Income Statement**  
 For The Three Months Ended 31 March

	<i>Notes</i>	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 March 2009 (Unaudited) QR'000</b>
Rental income		<b>108,646</b>	119,984
Other operating income		<b>5,073</b>	1,814
Total Operating Revenue		<u>113,719</u>	<u>121,798</u>
Operating expenses		<u>(13,841)</u>	<u>(11,299)</u>
<b>PROFIT FROM OPERATIONS</b>		<b>99,878</b>	110,499
Profit on bank deposits		<b>329</b>	710
General and administration expenses		<b>(12,815)</b>	(7,992)
Islamic finance cost		<b>(13,440)</b>	(3,507)
Depreciation	2	<b>(2,367)</b>	(1,719)
<b>PROFIT FOR THE PERIOD</b>		<u>71,585</u>	<u>97,992</u>
<b>EARNINGS PER SHARE</b>	8	<u>0.03</u>	<u>0.21</u>

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

**Interim Consolidated Balance Sheet**  
 As At 31 March 2009

	<i>Notes</i>	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	78,747	83,119
Investment properties	3	8,740,361	8,740,361
Development work in progress	4	21,233,307	20,976,306
		<u>29,952,415</u>	<u>29,799,786</u>
<b>Current assets</b>			
Inventories		20,340	107,917
Accounts receivable and prepayments		252,262	137,480
Bank balances and cash	5	482,144	121,024
		<u>754,746</u>	<u>366,421</u>
<b>TOTAL ASSETS</b>		<u><u>30,707,161</u></u>	<u><u>30,166,207</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	27,024,967	27,024,967
Legal reserve	6	709,089	709,089
Retained earnings		71,080	-
<b>Total equity</b>		<u>27,805,136</u>	<u>27,734,056</u>
<b>Non-current liabilities</b>			
Islamic financing facilities	7	2,374,960	1,791,290
Profit payable on Islamic facilities		38,043	20,944
Employees' end of service benefit		9,860	9,173
		<u>2,422,863</u>	<u>1,821,407</u>
<b>Current liabilities</b>			
Islamic financing facilities	7	289,604	201,327
Profit payable on Islamic facilities		12,848	32,370
Accounts payable and accruals		640,100	770,001
		<u>942,552</u>	<u>943,700</u>
<b>Total liabilities</b>		<u>3,365,415</u>	<u>2,765,107</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>30,707,161</u></u>	<u><u>30,166,207</u></u>

 .....  
 Thani Bin Abdullah Al Thani  
 Chairman

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

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

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

	<b>Three Months ended 31 March</b>	
	<b>31 March 2009 (Unaudited) QR'000</b>	<b>31 March 2009 (Unaudited) QR'000</b>
	<i>Notes</i>	
Net cash flows from operating activities	<u>(20,146)</u>	<u>70,614</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,164)	(2,219)
Purchase of investment properties	102	-
Payments for development work in progress	(267,001)	(165,831)
Profit on bank deposits	۳۲۹	710
Net cash flows used in investing activities	<u>(۲۶۸,۷۳۴)</u>	<u>(167,339)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Islamic finance	650,000	325,000
Net cash flows from financing activities	<u>650,000</u>	<u>325,000</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>۳۶۱,۱۲۰</u>	<u>228,275</u>
Cash and cash equivalents as of 1 January	<u>121,024</u>	<u>164,898</u>
<b>CASH AND CASH EQUIVALENTS AS OF 31 March</b>	<u><u>482,144</u></u>	<u><u>393,173</u></u>

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

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 Interim Consolidated Statement of Changes in Shareholders' Equity  
 For The three months Ended 31 March

	<b>Share capital QR'000</b>	<b>Legal reserve QR'000</b>	<b>Retained earnings QR'000</b>	<b>Total QR'000</b>
Balance at 1 January 2009 (Audited)	<u>4,569,000</u>	<u>191,842</u>	<u>1,726,225</u>	<u>6,487,067</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>97,992</u>	<u>97,992</u>
Total income and expense for the period	<u>-</u>	<u>-</u>	<u>97,992</u>	<u>97,992</u>
Transfer to legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 March 2009 (Unaudited)</b>	<b><u>4,569,000</u></b>	<b><u>191,842</u></b>	<b><u>1,824,217</u></b>	<b><u>6,585,059</u></b>

	<b>Share capital QR'000</b>	<b>Legal reserve QR'000</b>	<b>Retained earnings QR'000</b>	<b>Total QR'000</b>
Balance at 1 January 2010 (Audited)	<u>٢٦,٥٢٤,٩٦٧</u>	<u>٧٥٩,٥٨٩</u>	<u>-</u>	<u>27,284,556</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>٧١,٥٨٥</u>	<u>٧١,٥٨٥</u>
Total income and expense for the period	<u>-</u>	<u>-</u>	<u>٧١,٥٨٥</u>	<u>٧١,٥٨٥</u>
Transfer to legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 March 2010 (Unaudited)</b>	<b><u>٢٦,٥٢٤,٩٦٧</u></b>	<b><u>٧٥٩,٥٨٩</u></b>	<b><u>٧١,٥٨٥</u></b>	<b><u>٢٧,٣٥٦,١٤١</u></b>

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## ١. 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 owning, developing and trading in real estates.

## ٢. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

These interim condensed consolidated financial statements for the three months ended 31 March 2010 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 2009.

These consolidated interim condensed financial statements should be read in conjunction with the 2009 audited consolidated financial statements and the first quarter 2009 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 2010.

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.

The consolidated financial statements are prepared under the historical cost convention, modified to include the measurement at fair value of investment properties and projects under development.

The consolidated financial statements have been presented in Qatar Riyals, which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand (QR'000) except where otherwise indicated

### ٣. PROPERTY, PLANT AND EQUIPMENT

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
Cost:		
At 1 January	104,904	31,561
Additions	2,164	18,313
Transfers to investment properties	-	55,030
Disposals	(195)	-
	<b>106,873</b>	<b>104,904</b>
Depreciation		
At 1 January	21,785	6,438
Depreciation Charge For The Period	6,495	15,347
Disposals	(154)	-
	<b>28,126</b>	<b>21,785</b>
Net carrying amount	<b>78,747</b>	<b>83,119</b>

- (i) Depreciation charge for the year amounting to QR 4,128 thousand has been capitalised (2009 : 7,812 Thousand QR as part of properties under construction.

### ٤. INVESTMENT PROPERTIES

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
At 1 January	<b>8,645,361</b>	4,741,227
Additions	-	10,645
Transfer from projects under development	-	13,270
Transfer from properties, plant & equipments	-	-
Transfer to projects under development	-	(194,625)
Disposals	-	(27,623)
Net gains from changes in the fair value (a)	-	3,959,475
Investment properties transferred as a result of the acquisition	-	142,992
Net carrying amount	<b>8,645,361</b>	<b>8,645,361</b>

#### ٥. PROJECTS UNDER DEVELOPMENT

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
Opening balance	20,966,306	1,955,427
Additions (i)	267,001	1,057,487
Transfer to property, plant and equipment	-	-
Transfer to investment properties	-	(13,270)
Transfer from investment properties	-	194,625
Net gain from changes in the fair value (8 a)	-	4,345,436
Projects under development transferred as a result of the acquisition	-	13,426,459
	<u>21,233,307</u>	<u>20,966,306</u>

Note:

- (i) Islamic finance costs amounting to QR ٣٢,٨٦٧ thousand (2009: QR٤٠,١١٣ thousand) has been capitalised as part of projects under development.

#### ٦. BANK BALANCES AND CASH

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

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
Bank balances and cash	٤٧٩,٨٢٨	١٠٥,٢٧١
Short term deposits	٢,٣١٦	١٥,٧٥٣
	<u>482,144</u>	<u>١٢١,٠٢٤</u>

#### ٧. 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



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**٨. ISLAMIC FACILITIES**

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 December 2009 (Audited) QR'000</b>
	<u>                    </u>	<u>                    </u>
Classified in the statement of financial position as follows:		
Current portion	289,653	251,327
Non-current portion	<u>2,364,965</u>	<u>1,791,290</u>
	<u>2,654,618</u>	<u>2,042,617</u>

**٩. EARNINGS PER SHARE**

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

	<b>31 March 2010 (Unaudited) QR'000</b>	<b>31 March 2009 (Unaudited) QR'000</b>
	<u>                    </u>	<u>                    </u>
Profit for the period (QR'000)	<u>71,5858</u>	<u>97,992</u>
Weighted average number of shares outstanding during the year (thousand of share)	<u>2,652,496,691</u>	<u>456,900,000</u>
Basic and diluted earnings per share (QR)	<u>0.03</u>	<u>0.21</u>