



Ezdan Real Estate Company Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2009

Ezdan Real Estate Company Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Ended 30 September 2009

	Notes	<i>Nine months ended 30 September</i>	
		2009	2008
		QR	QR
		(Unaudited)	(Reviewed)
Rental income		348,764,995	239,319,867
Gain on disposal of investment properties		17,427,075	11,276,200
Other income		4,757,480	5,944,313
Operating expenses		(43,318,194)	(33,946,842)
PROFIT FROM OPERATIONS		327,631,356	222,593,538
Net fair value gains on investment properties	4	-	302,170,350
Profit on bank deposits		7,016,119	4,341,340
General and administrative expenses		(20,997,679)	(22,644,885)
Islamic financing cost		(10,727,814)	(7,215,622)
Depreciation		(5,482,984)	(6,682,210)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		297,438,998	492,562,511
BASIC AND DILUTED EARNINGS PER SHARE (QR)		0.65	1.08

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

Ezdan Real Estate Company Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	<i>Notes</i>	<i>30 September 2009 QR (Unaudited)</i>	<i>31 December 2008 QR (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	3	30,285,636	25,122,947
Investment properties	4	4,731,318,376	4,741,226,595
Projects under development		<u>2,473,299,856</u>	<u>1,955,427,556</u>
		<u>7,234,903,868</u>	<u>6,721,777,098</u>
Current assets			
Inventories		8,962,905	2,437,381
Accounts receivable and prepayments		72,085,665	31,990,253
Bank balances and cash		<u>268,900,838</u>	<u>164,898,132</u>
		<u>349,949,408</u>	<u>199,325,766</u>
TOTAL ASSETS		<u><u>7,584,853,276</u></u>	<u><u>6,921,102,864</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		4,569,000,000	4,569,000,000
Legal reserve	5	191,842,125	191,842,125
Retained earnings		<u>2,023,664,192</u>	<u>1,726,225,194</u>
Total shareholder's equity		<u><u>6,784,506,317</u></u>	<u><u>6,487,067,319</u></u>
Non-current liabilities			
Islamic financing facilities		693,712,144	366,000,000
Profit payable on Islamic financing facilities		38,618,005	15,829,091
Employees' end of service benefits		<u>2,672,529</u>	<u>2,062,072</u>
		<u>735,002,678</u>	<u>383,891,163</u>
Current liabilities			
Accounts payable and accruals		<u>65,344,281</u>	<u>50,144,382</u>
		<u>65,344,281</u>	<u>50,144,382</u>
Total liabilities		<u><u>800,346,959</u></u>	<u><u>434,035,545</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,584,853,276</u></u>	<u><u>6,921,102,864</u></u>

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Thani Bin Abdullah Al Thani
Chairman

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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.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended 30 September 2009

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2008	4,569,000,000	56,140,078	504,906,766	5,130,046,844
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>492,562,511</u>	<u>492,562,511</u>
Balance at 30 September 2008	<u>4,569,000,000</u>	<u>56,140,078</u>	<u>997,469,277</u>	<u>5,622,609,355</u>
Balance at 1 January 2009	4,569,000,000	191,842,125	1,726,225,194	6,487,067,319
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>297,438,998</u>	<u>297,438,998</u>
Balance at 30 September 2009	<u>4,569,000,000</u>	<u>191,842,125</u>	<u>2,023,664,192</u>	<u>6,784,506,317</u>

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

At 30 September 2009

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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 presentation currency of the Group.

These interim condensed consolidated financial statements should be read in conjunction with the 2008 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 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

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 2008, 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 2009.

IAS 1-(Revised) "Presentation of Financial Statements"

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

IFR 8 Operating Segment

The new standard, which replaced IAS 14, Segment Reporting' requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes and the segment are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker in the Group.

The Group concluded that the segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

At 30 September 2009

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2009</i>	<i>31 December 2008</i>
Ezdan Trading and Contracting Co. S.O.C	100%	100%
Ezdan Hotel and Suites Co. S.O.C	100%	-
Ezdan Real Estate Investment W.L.L.	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 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.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
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At 30 September 2009

3 PROPERTY, PLANT AND EQUIPMENT

	30 September 2009 QR (Unaudited)	31 December 2008 QR (Audited)
Cost:		
At 1 January	31,560,772	28,698,051
Additions	10,645,673	23,740,697
Transferred to investment properties	-	(21,220,876)
Transferred from projects under development	-	342,900
	<u>42,206,445</u>	<u>31,560,772</u>
Depreciation:		
At 1 January	6,437,825	10,752,169
Depreciation (i)	5,482,984	5,382,159
Transferred to investment properties	-	(9,696,503)
	<u>11,920,809</u>	<u>6,437,825</u>
Net carrying amount	<u>30,285,636</u>	<u>25,122,947</u>

- (i) Depreciation charge for the period amounting to QR 862,724 has been capitalized as part of projects under development.

4 INVESTMENT PROPERTIES

	30 September 2009 QR (Unaudited)	31 December 2008 QR (Audited)
At 1 January	4,741,226,595	5,120,062,358
Additions	26,982,781	197,532,969
Transferred from properties, plant and equipment	-	11,524,373
Transferred to projects under development	(9,268,300)	(1,560,110,490)
Disposals	(27,622,700)	(90,577,000)
Net gains from changes in the fair value (i)	-	1,062,794,385
	<u>4,731,318,376</u>	<u>4,741,226,595</u>

- (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 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 2009 as the Group will transfer the total required amount by 31 December 2009.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

At 30 September 2009

6 SEGMENT REPORTING

The Group is organised into one main business segment which deals in Real Estate. Geographically, the Group operates in the state of Qatar, where it has all its assets and performs all its activities.

7 Comparative figures

The comparative figures for the previous year/period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net assets or equity.