

ZAD HOLDING COMPANY S.A.Q

(Formerly Qatar Flour Mills Company S.A.Q)

CONDENSED INTERIM FINANCIAL INFORMATION

**FOR THE SIX MONTH PERIOD ENDED
30 June 2009**

Zad Holding Company S.A.Q (Formerly Qatar Flour Mills Company S.A.Q)

**Condensed interim financial information
For the six month period ended 30 June 2009**

CONTENTS	Page
Independent auditors' review report on condensed interim financial information	1-2
Condensed interim financial information	
Condensed interim statement of financial position	3
Condensed interim statement of income	4
Condensed interim statement of comprehensive income	5
Condensed interim statement of changes in equity	6
Condensed interim statement of cash flows	7
Notes to the condensed interim financial information	8-15



KPMG
Tax
2nd Floor
Arab Bank Branch Building
25 C Ring Road
P.O. Box 4473, Doha,
State of Qatar

Telephone +974 432 9698
Fax +974 442 5626
Internet www.kpmg.com

Independent auditors' review report on condensed interim financial information

To
The Board of Directors
Zad Holding Company S.A.Q
(Formerly Qatar Flour Mills S.A.Q)
P.O Box 1444
Doha
State of Qatar

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Zad Holding Company S.A.Q (Formerly Qatar Flour Mills Company S.A.Q) (the "Company") as of 30 June 2009 and the related condensed interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended (the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The accompanying condensed interim financial information/financial statements of the Company as at and for the period/year ended 30 June 2008/31 December 2008 were reviewed/audited by another auditor, whose review/audit report dated 14 August 2008/19 March 2009 expressed qualified conclusion/opinion on those condensed interim financial information/statements respectively on matters discussed in the basis of qualified conclusion.

Scope of Review

Except as discussed in the basis for qualified conclusion paragraph, we conducted our review in accordance with International Standard on Review Engagements 2400, *"Engagements to review financial statements."* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

- (a) As explained in note 3 (b) to the condensed interim financial information, the baby food production line included in the property, plant and equipment which is depreciated on a straight line basis over a period up to 20 years, ceased operations during 2001. The carrying value of the production line at 30 June 2009 is QR 28,963,057 (31 December QR 2008: 30,340,196). The Company could not confirm to us when production will recommence or when the assets will be sold. Furthermore, no external valuation is available for these assets. Hence, we are unable to determine the extent of any impairment provision that might be necessary in respect of these assets. Any impairment provision will result in the decrease in the carrying value of the assets and retained earnings as at 30 June 2009.



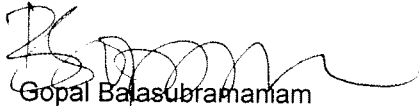
Basis for qualified conclusion (continued)

- (b) As explained in note 3 (c) to the condensed interim financial information, the pasta plant and the biscuit plant included in the property, plant and equipment are depreciated based on the units of production method. If the current production volume continues, the depreciation over the estimated useful lives of the assets may not be sufficient to cover the net book value. Accordingly, an impairment provision should be considered. In the absence of a firm projection of future production volumes, it is not practicable to assess the extent of impairment provision required against the production line, which is included at a net book value of QR 40,041,713 as at 30 June 2009 (31 December 2008: QR 40,076,027). Any impairment provision will result in a decrease in the carrying value of the assets and retained earnings as at 30 June 2009.
- (c) As explained in note 6 (b) to the condensed interim financial information, QR 60,368,576 is receivable from the State of Qatar as compensation from the State of Qatar in respect of subsidized flour sold during earlier years and subject to the compensation agreement that was enforced until 13 December 2007. The quantification of the claim in respect of subsidized flour is still under discussion with the Government of State of Qatar. We have been unable to obtain assurance that this amount will be recovered in full. Further, the State of Qatar Government loan of QR 59,959,040 as at 30 June 2009 (31 December 2008: QR 59,959,040) has been netted off against the amount due in respect of the subsidies to arrive at the net outstanding balance due from the Government, of QR 71,814,337 (31 December 2008 QR 89,533,057). The Company has been unable to demonstrate to us that the right of set off exists. Accordingly, we have been unable to obtain assurance that the set off is appropriate.

Qualified conclusion

Based on our review, except for the effect of such adjustments as might have been determined to be necessary had we been able to satisfy ourselves regarding the matters described in (a) to (c) in the basis of qualified conclusion above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

13 August 2009
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

Zad Holding Company S.A.Q (Formerly Qatar Flour Mills Company S.A.Q)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

In Qatari Riyals

	Note	30 June 2009 (Reviewed)	31 December 2008 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	131,282,554	140,909,545
Advance for purchase of land	4	14,328,280	14,328,280
Available for sale investments	5	201,967,816	223,289,263
Due from State of Qatar	6	64,368,576	60,368,576
Total non-current assets		411,947,226	438,895,664
Current assets			
Inventories	7	32,382,379	58,916,389
Due from State of Qatar	6	7,445,761	29,164,481
Trade receivables and prepayments		58,758,123	41,569,529
Assets held for sale	8	23,055,071	-
Cash and bank balances		6,106,205	29,390,907
Total current assets		127,747,539	159,041,306
TOTAL ASSETS		539,694,765	597,936,970
EQUITY AND LIABILITIES			
Equity (Page 4 & 5)			
Share capital		91,476,000	76,230,000
Legal reserve		70,283,862	70,283,862
General reserve		586,229	586,229
Capital reserve		15,000,000	15,000,000
Fair value reserve		127,658,576	148,055,415
Retained earnings		123,379,952	103,144,167
Total equity		428,384,619	413,299,673
Non-current liabilities			
Islamic finance loan – long term		-	3,282,524
Employees' end of service benefits		2,251,414	2,045,761
Total non-current liabilities		2,251,414	5,328,285
Current liabilities			
Trade and other payables		89,933,036	151,605,106
Islamic finance loan – short term		-	1,560,510
Liabilities held for sale	8	5,434,033	-
Bills payable		1,096,148	-
Due to banks		12,595,515	26,143,396
Total current liabilities		109,058,732	179,309,012
TOTAL EQUITY AND LIABILITIES		539,694,765	597,936,970

This condensed interim financial information was approved by the Board of Directors and was signed on their behalf by the following on 13 August 2009.

.....
Nasser Bin Mohammed Bin Jabor Al Thani
Chairman

.....
Tarique Mohammad
Chief Executive Officer

The attached notes 1 to 15 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF INCOME
For the six month period ended 30 June 2009

In Qatari Riyals

	Note	For the six month period ended 30 June 2009 (Reviewed)	For the six month period ended 30 June 2008 (Reviewed)
Revenue		87,477,924	160,766,728
Subsidy from Government		66,989,959	65,192,677
Total Revenue		154,467,883	225,959,405
Direct costs		(117,573,636)	(198,548,022)
Gross profit		36,894,247	27,411,383
Other income	10	23,494,155	27,468,101
General and administrative expenses		(12,152,379)	(7,760,477)
Selling and distribution expenses		(1,135,295)	(170,009)
Finance costs		(760,844)	(708,118)
Net profit for the period		46,339,884	46,240,880
Earnings per share			
Basic earnings per share (per Qatari Riyal)	14	5.06	5.05

The attached notes 1 to 15 form an integral part of this condensed interim financial information.

Zad Holding Company S.A.Q (Formerly Qatar Flour Mills Company S.A.Q)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2009

In Qatari Riyals

	For the six month period ended 30 June 2009 (Reviewed)	For the six month period ended 30 June 2008 (Reviewed)
Net profit for the period	46,339,884	46,240,880
Other comprehensive income		
Net change in fair value of available-for-sale investments	(20,581,753)	38,876,407
Transfer to profit on disposal of available-for-sale investments	184,914	(11,317,219)
Total other comprehensive (loss)/income for the period	(20,396,839)	27,559,188
Total comprehensive income for the period	25,943,045	73,800,068

The attached notes 1 to 15 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2009

	In Qatari Riyals						
	Share capital	Legal reserve	General reserve	Capital reserve	Investment fair value reserve	Retained earnings	Total Equity
Balance as at 1 January 2008 (Audited)	72,600,000	70,283,862	586,229	15,000,000	288,188,079	73,250,048	519,908,218
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	46,240,880	46,240,880
Other comprehensive income							
Net change in fair value on available-for-sale investments	-	-	-	-	27,559,188	-	27,559,188
Total comprehensive income for the period							
Bonus shares issued	3,630,000	-	-	-	27,559,188	46,240,880	73,800,068
Dividend paid for the year 2007	-	-	-	-	-	(3,630,000)	-
Directors' remuneration paid	-	-	-	-	-	(7,260,000)	(7,260,000)
Balance at 30 June 2008 (Reviewed)	76,230,000	70,283,862	586,229	15,000,000	315,747,267	107,000,928	584,848,286
Balance as at 1 January 2009 (Audited)	76,230,000	70,283,862	586,229	15,000,000	148,055,415	103,144,167	413,299,673
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	46,339,884	46,339,884
Other comprehensive income							
Net change in fair value on available-for-sale investments	-	-	-	-	(20,396,839)	-	(20,396,839)
Total comprehensive income for the period							
Bonus shares issued	15,246,000	-	-	-	(20,396,839)	46,339,884	25,943,045
Dividend paid for the year 2008	-	-	-	-	-	(15,246,000)	-
Directors' remuneration paid	-	-	-	-	-	(7,623,000)	(7,623,000)
Zakat allocation	-	-	-	-	-	(3,150,000)	(3,150,000)
	-	-	-	-	-	(85,099)	(85,099)
Balance at 30 June 2009 (Reviewed)	91,476,000	70,283,862	586,229	15,000,000	127,658,576	123,379,952	428,384,619

The attached notes 1 to 15 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2009

In Qatari Riyals

	For the six month period ended 30 June 2009 (Reviewed)	For the six month period ended 30 June 2008 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	46,339,884	46,240,880
Adjustments for :		
Depreciation	9,374,580	9,606,222
Finance costs	760,844	708,118
Provision for employees' end of service benefits (net)	205,653	188,911
Dividend received	(21,645,676)	(13,256,431)
Loss/(gain) on sale of available-for-sale investments	184,914	(11,317,219)
Operating profit before working capital changes	35,220,199	32,170,481
Change in inventories	26,534,010	(23,059,633)
Change in Due from State of Qatar	17,718,720	(17,754,282)
Change in trade receivables and prepayments	(17,188,594)	(13,744,749)
Change in assets classified as held for sale	(15,777,299)	-
Change in bills payable	1,096,148	-
Change in trade and other payables	(61,757,169)	37,657,163
Change in liabilities classified as held for sale	590,999	-
Net cash (used in)/from operating activities	(13,562,986)	15,268,980
CASH FLOWS INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(7,025,361)	(1,409,041)
Payments for acquisition of available-for-sale investments	(152,755)	(36,197,523)
Proceeds from sale of available-for-sale investments	892,449	13,197,892
Dividend received	21,645,676	13,256,431
Net cash from/(used in) investing activities	15,360,009	(11,152,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of borrowings	-	(437,712)
Finance costs paid	(760,844)	(708,118)
Dividend paid	(7,623,000)	(7,260,000)
Board of directors' remuneration paid	(3,150,000)	(1,600,000)
Net cash used in financing activities	(11,533,844)	(10,005,830)
Net decrease in cash and cash equivalents	(9,736,821)	(5,889,091)
Cash and cash equivalents at the beginning of the period	3,247,511	3,367,926
Cash and cash equivalents at the end of the period (Note 9)	(6,489,310)	2,521,165

The attached notes 1 to 15 form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2009

1 ESTABLISHMENT AND OPERATIONS

Zad Holding Company S.A.Q (formerly Qatar Flour Mills Company S.A.Q) (the "Company") was incorporated on 29 June 1969 as a Qatari Shareholding company by Emiri decree no.(45) of 1969 and by Concession law No. (12) of 1969. On 22 April 2008, the shareholders of the Company resolved to change the name of the company to Zad Holding Company S.A.Q

The main activities of the Company include import of wheat and production of different kinds of flour, manufacturing and marketing of pasta, biscuits, bakery products and baby food. In addition to above, the Company earns income from sales of certain types of grains and related commodities.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation and accounting policies**

The accompanying condensed interim financial information is prepared in accordance with International Accounting Standard (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 financial statements of the Company as at and for the year ended 31 December 2008. In addition, results for the six month period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2008.

Except as described below, the accounting policies applied by the Company in this condensed consolidated interim financial information are the same as those applied by the Company in its consolidated financial statements as at and for the year ended 31 December 2008.

i) Determination and presentation of operating segments

As of 1 January 2009 the Company determines and presents operating segments based on the information that internally is provided to the CEO, who is the Company's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2009

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Determination and presentation of operating segments - continued

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

ii) Presentation of financial statements

The Company applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the condensed statement of comprehensive income.

Total comprehensive income maybe presented in either a single statement of comprehensive income (effectively combining both the income information and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Company has decided to adopt a dual statement approach for presenting total comprehensive income. This presentation has been applied in this condensed interim financial information as at and for the six month period ended 30 June 2009. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(b) Basis of measurement

This condensed consolidated interim financial information has been prepared under the historical cost convention except for available-for-sale investments that have been measured at fair value.

(c) Significant accounting judgement, estimates and assumptions

The preparation of this interim condensed financial information requires management to make judgements, estimates and assumptions of future events that affect the application of accounting policies and the reported amounts and actual results may differ from these estimates.

In preparing these interim condensed financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2008.

(d) FINANCIAL RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those disclosed in the Company's financial statements as at and for the year ended 31 December 2008.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**For the six month period ended 30 June 2009**

In Qatari Riyals

3 PROPERTY, PLANT AND EQUIPMENT

	30 June 2009	31 December 2008
	(Reviewed)	(Audited)
Cost:		
Balance as at the beginning of the period/year	419,773,037	405,231,338
Additions for the period/year	7,025,361	14,541,699
Transfers [Note 3 (a)]	(12,137,437)	-
Disposals for the period/year	(257,900)	-
Balance as at the end of the period/year	<u>414,403,061</u>	<u>419,773,037</u>
Depreciation:		
Balance as at the beginning of the period/year	278,863,492	259,192,260
Charge for the period/year	9,374,579	19,671,232
Transfers [Note 3 (a)]	(4,859,664)	-
Disposals for the period/year	(257,900)	-
Balance as at the end of the period/year	<u>283,120,507</u>	<u>278,863,492</u>
Net book value as at the end of the period/year	<u>131,282,554</u>	<u>140,909,545</u>

- 3 (a)** Assets with a carrying amount of 7,277,772 were transferred to assets held for sale (see note 9) (2008: Nil).
- 3 (b)** The net book value of property plant and equipment includes baby food production line, in respect of which operations were ceased in the year 2001. Depreciation of QR 1,396,917 (2008: QR 1,396,917) was charged during the period and is included in the general and administrative expenses. The carrying value of the line of production at 30 June 2009 was QR 28,963,057 (31 December 2008: QR 30,340,196)
- 3 (c)** Included in the net book value of property, plant and equipment are the net book values of machinery associated with pasta and biscuit plants of QR 16,436,620 and QR 23,605,093 respectively (2008: QR 16,622,557 and QR 23,612,975) These plants are being depreciated on unit of production basis (UOP) basis. Depreciation of QR 67,138 (2008: 73,749) has been charged during the period and is included in the cost of sales. These plants are producing at levels below their normal production capacity, and hence the risk exists of a need to recognize some impairment in respect of these assets. However, in the opinion of the management these two plants are expected to reach their optimum production capacity in the future because of the increase in demand for the products produced by these plants, thereby allowing full recovery of their net book values within the estimated useful lives.
- 3 (d)** The Company is claiming from the State of Qatar title to the land on which Company premises are located and discussions are expected to be included as a part of the overall settlement to be reached over compensation claims with the State of Qatar (note 6). The net book value of land in the books of the Company is Nil.
- 3 (e)** Capital work in progress of QR 3,277,388 included in the property, plant and equipment as at 30 June 2009 represents amount spent on installation of the third production line in the Mills Division. The installation has not been completed as at the period end. The management expects the construction of the production line will be completed during 2010.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2009

In Qatari Riyals

4 ADVANCES FOR PURCHASE OF LAND

The company has entered into an agreement with a real estate development company for purchase of land located in Qatar, the payment of which is to be made in 5 annual equal instalments of QR 7,164,140 each. The title of the land will be transferred to the company upon payment of the 5th instalment, which is due in 2011.

5 AVAILABLE FOR SALE INVESTMENTS

	30 June 2009	31 December 2008
	<u>(Reviewed)</u>	<u>(Audited)</u>
Balance as at the beginning of the period/year	223,289,263	314,896,172
Additions during the period/year	152,755	113,062,883
Fair value adjustment at the end of the period/year	(20,396,839)	(140,132,664)
Impairment loss at the end of the period/year	-	(18,955,227)
Fair value of disposals during the period/year	(1,077,363)	(45,581,901)
Balance as at the end of the period/year	<u>201,967,816</u>	<u>223,289,263</u>

6 DUE FROM STATE OF QATAR

	30 June 2009	31 December 2008
	<u>(Reviewed)</u>	<u>(Audited)</u>
Compensation from State of Qatar		
Balance as at the beginning of the period/year	149,492,097	124,445,137
Cash transferred from State of Qatar for the period/year	(88,708,679)	(133,226,488)
Compensation of subsidized flour for the period/year	66,989,959	153,273,448
Amounts refunded to State of Qatar [Note 6(a)]	4,000,000	-
	131,773,377	149,492,097
State of Qatar government loan	(59,959,040)	(59,959,040)
Balance as at the end of the period/year	<u>71,814,337</u>	<u>89,533,057</u>

6(a) This represents an amount of QR 4,000,000 refunded to the State of Qatar account for the excess of scheduled payments received in 2007.

6(b) The amount due from State of Qatar is classified as follows:

	30 June 2009	31 December 2008
	<u>(Reviewed)</u>	<u>(Audited)</u>
Non-current (see note below)	64,368,576	60,368,576
Current	7,445,761	29,164,481
	<u>71,814,337</u>	<u>89,533,057</u>

The current period compensation for subsidized flour sold during the period has been computed on the terms of subsidy agreement dated 13 December 2007 signed by the Company with the State of Qatar, which was effective from that date. The compensation receivable of QR 60,368,576 due up to 13 December 2007 was computed based on the terms of a subsidy agreement dated 25 May 1993.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2009

In Qatari Riyals

6 DUE FROM STATE OF QATAR (CONTINUED)**State of Qatar Government Loan**

A loan amounting to QR 40,000,000 was provided by the Government of State of Qatar on 5 June 1994 according to a decision taken by the cabinet of ministers in 1991. The loan is repayable in equal semi annual instalments for 10 years commencing three years after the receipt of the loan. It carries interest at a variable rate of 2% over the Qatar Central Bank lending rate. In addition, the Company is required to pay an additional 1% annual rate of interest if it failed to make repayments on the due dates. The Company has not yet made any repayment of the principal or interest but has provided for the interest on the loan amounting to QR 19,959,040.

The interest has been computed by the Company on the loan balance net of the amount due from state of Qatar on account of the compensation for subsidized flour. As the amount receivable in respect of compensation for subsidized flour has exceeded the loan balance since start of 2006, no interest has been accrued for the subsequent period.

The amounts relating to the claim relating to previous compensation agreement and the loan are under review by the State of Qatar and are considered as long term receivables.

7 INVENTORIES

	30 June 2009	31 December 2008
	(Reviewed)	(Audited)
Wheat stock	26,246,768	50,657,860
Raw materials	1,641,986	470,140
Packing materials	2,531,392	2,399,185
Empty bags and others	644,714	1,079,839
Spare parts	1,248,412	1,024,880
Products in process	79,432	84,140
Others	10,200	-
	32,402,904	55,716,044
Less: provision for slow moving inventory	(2,571,710)	(2,571,710)
	29,831,194	53,144,334
Finished products	2,551,185	5,772,055
	32,382,379	58,916,389

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**For the six month period ended 30 June 2009**

In Qatari Riyals

8 ASSETS HELD FOR SALE

Transport division of Zad Holding S.A.Q (formerly Qatar Flour Mills Company S.A.Q) is presented as disposal group held for sale following the commitment of Company's management, on 01 January 2009, to plan to sell the division. Efforts to sell the disposal group have commenced, and a sale is expected by December 2009. As at 30 June 2009, the disposal group comprised the total assets of QR 23,055,071 less total liabilities of QR 5,434,033, the details of which are as follows:

	As at 30 June 2009 (Reviewed)
Property, plant and equipment	7,277,772
Inventories	18,722
Accounts receivable and prepayments	3,152,822
Due from other divisions	12,453,000
Cash and bank balances	152,755
Total assets classified as held for sale	<u>23,055,071</u>
Trade and other payables	(590,999)
Islamic finance loan	<u>(4,843,034)</u>
Total liabilities classified as held for sale	<u>(5,434,033)</u>
	<u>17,621,038</u>

9 CASH AND CASH EQUIVALENTS

	30 June 2009 (Reviewed)	30 June 2008 (Reviewed)
Cash in hand	144,931	220,680
Cash at Bank	<u>5,961,274</u>	<u>15,868,849</u>
Cash and bank balances	6,106,205	16,089,529
Bank overdraft	<u>(12,595,515)</u>	<u>(18,610,694)</u>
Cash and cash equivalents	<u>(6,489,310)</u>	<u>(2,521,165)</u>

10 OTHER INCOME

	For the Six month period ended 30 June 2009 (Reviewed)	For the Six month period ended 30 June 2008 (Reviewed)
(Loss)/gain on sale of investments	(184,914)	11,317,220
Dividend income	21,645,676	13,256,431
Rental income	168,667	252,999
Others	<u>1,864,726</u>	<u>2,641,451</u>
	<u>23,494,155</u>	<u>27,468,101</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2009

In Qatari Riyals

11 DIVIDEND AND BONUS SHARE

In the Company's annual general assembly held on 06 April 2009, the shareholders approved a 30% of paid up capital as distribution for the year 2008 (2007: 15%) of which 10% represents cash dividend amounting to QR 7,623,000 and 20% represents bonus shares amounting to QR 15,246,000. As at 30 June 2009 the Company have effected the above resolutions.

12 RELATED PARTY DISCLOSURES**12 (a) Compensation of key management personnel**

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the entity. The remuneration paid and proposed to the Board of Directors during the period has been separately disclosed in the Statement of Changes in Equity.

In addition to the above, a sum of QR 2,330,399 (2008: QR 905,467) is paid to the members of Board of Directors and the General Manager as part of salaries.

13 CONTINGENT LIABILITIES

	As at 30 June 2009	As at 31 December 2008
	<u>(Reviewed)</u>	<u>(Audited)</u>
Letters of credit		81,0062
Letter of guarantee	17,739,000	32,034,500
Bills for collection		245,221
Acceptances	37,935,294	46,854,879
Capital commitments	21,492,420	21,492,420
Claims against the company not accounted for as liabilities to date	<u>1,973,575</u>	<u>1,973,575</u>

14 BASIC EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

The basic earnings per share are the same as there were no dilutive effects on earnings.

<i>In Qatari Riyals</i>	30 June 2009 <u>Reviewed</u>	30 June 2008 <u>Reviewed</u>
Net profit attributable to equity holders of the parent	46,339,884	46,240,880
Adjusted weighted average number of outstanding shares*	9,147,600	9,147,600
Basic earnings per share (per Qatari Riyal)	<u>5.06</u>	<u>5.05</u>

* Weighted average number of outstanding shares for the comparative period was adjusted by the bonus issue occurred during the current period.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2009

15 COMPARATIVE FIGURES

Certain comparative figures were reclassified to match with the current period's presentation. Those reclassifications did not have any effect on the comparative net profit or equity.