Qatar Oman Investment Company Q.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2007

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR OMAN INVESTMENT COMPANY Q.S.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Qatar Oman Investment Company Q.S.C. (the "Company") which comprise the balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2007 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements

Furthermore, in our opinion proper books of account have been kept by the Company, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002, and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the period which might have had a material effect on the business of the Company or on its financial position.

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date : 18 February 2008
Doha

INCOME STATEMENT
Four Months Period Ended 31 December 2007

	Notes	*2007* *QR*
Investments and interest income	3	**12,168,687**
Commission expense		**(10,570)**
NET INVESTMENT AND INTEREST INCOME		**12,158,117**
Other income		**3,149**
NET OPERATING INCOME		**12,161,266**
General and administrative expenses	4	**(470,760)**
PROFIT FOR THE PERIOD		**11,690,506**
Earnings per share		
Basic and diluted (QR)	13	**.39**

The attached notes 1 to 16 form part of these financial statements

BALANCE SHEET
At 31 December 2007

	Notes	***2007 QR***
ASSETS		
Non-current assets		
Office equipment	5	**120,450**
Available-for-sale investments	6	**6,406,484**
		6,526,934
Current assets		
Trade and other receivables	7	**2,596,963**
Cash and bank balances		**305,911,470**
		308,508,433
TOTAL ASSETS		**315,035,367**
EQUITY AND LIABILITIES		
Equity		
Share capital	8	**300,000,000**
Treasury shares	9	**(106,038)**
Statutory reserve	10	**4,439,972**
Cumulative changes in fair value		**(17,020)**
Retained earnings		**10,521,455**
Total equity		**314,838,369**
Non-current liabilities		
Employees' end of service benefits	11	**7,500**
Current liabilities		
Accounts payable and accruals	12	**189,498**
Total liabilities		**196,998**
TOTAL EQUITY AND LIABILITIES		**315,035,367**

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Sheikh Abdulrahman Bin Mohamed Bin Jabr Al Thani	Nasser Mohamed Almansouri
Chairman	Chief Executive

The attached notes 1 to 16 form part of these financial statements

CASH FLOW STATEMENT
Four Months Period Ended 31 December 2007

	Note	*2007* *QR*
OPERATING ACTIVITIES		
Profit for the period		**11,690,506**
Adjustments for:		
Provision for end of service benefits	11	**7,500**
		(11,698,006)
Working capital changes:		
Trade and other receivable		**(2,596,963)**
Accounts payable and accruals		**189,498**
Available for sale investments		**6,423,504**
Net cash from operating activities		**2,967,037**
INVESTING ACTIVITIES		
Purchase of office equipment	5	**(120,450)**
Net cash used in investing activities		**(120,450)**
FINANCING ACTIVITIES		
Proceeds from issue of shares		**300,000,000**
Net share premium		**3,270,921**
Payments for treasury shares		**(106,038)**
Net cash from financing activities		**303,164,883**
INCREASE IN CASH AND BANK BALANCES		**305,911,470**
Cash and bank balances at beginning of period		**-**
CASH AND BANK BALANCES AT 31 DECEMBER		**305,911,470**

The attached notes 1 to 16 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

Four Month Period Ended 31 December 2007

	Share capital	*Treasury shares*	*Statutory reserve*	*Cumulative changes in fair values*	*Retained earnings*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*
Paid up capital	300,000,000	-	-	-	-	300,000,000
Treasury shares	-	(106,038)	-	-	-	(106,038)
	300,000,000	(106,038)	-	-	-	299,893,962
Net realised gain reclassified to the income statement on disposal	-	-	-	(171,118)	-	(171,118)
Net unrealised gain	-	-	-	154,098	-	154,098
Total income and expense for the period recognised directly in equity	-	-	-	(17,020)	-	(17,020)
Profit for the period	-	-	-	-	11,690,506	11,690,506
Total income and expenses for the period	-	-	-	(17,020)	11,690,506	11,673,486
Share issuance premium net of issuing costs	-	-	3,270,921	-	-	3,270,921
Transfer to statutory reserve	-	-	1,169,051	-	(1,169,051)	-
Balance at 31 December 2007	**300,000,000**	**(106,038)**	**4,439,972**	**(17,020)**	**10,521,455**	**314,838,369**

The attached notes 1 to 16 form part of these financial statements

1 ACTIVITIES

Qatar Oman Investment Company Q.S.C. is a Closed Qatari Shareholding Company registered and incorporated in Qatar and its registered office is located in Doha, Qatar. The Company's core objective is to invest its funds in all types of investment opportunities available in Qatar and Oman based on sound business ground in order to maximize shareholders' returns and to contribute in the economic and social developments in Qatar and Oman. The Company is registered in the Commercial Register under No. 33411.

These financial statements are prepared for the period from 1 September 2007 to 31 December 2007 and represent the first financial statements issued by the Company.

The financial statements for the year ended 31 December 2007 were authorised for issue by the Board of Directors on 18 February 2008.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the Qatar Commercial Companies Law.

The financial statements have been presented in Qatar Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments.

IASB Standards and Interpretations issued at 31 December 2007 not yet effective

IFRS 8 Operating Segments
IFRS 8 Operating Segments was issued by the IASB in November 2006, becoming effective for periods commencing on or after 1 January 2009. The new standard may require changes in the way the Group discloses information about its operating segments.

IAS 1 – Presentation of financial statements (Revised)
A revised IAS 1 was issued in September 2007, and becomes effective for financial year beginning on or after 1 January 2009. The standard has been revised to set overall requirements for the presentation of financial statements.

Revenue recognition
Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue is recognised when the right to receive the dividend is established.

Office equipment
Office equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful lives of assets as follows:

Office equipment	5 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Impairment and uncollectibility of financial assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Available-for-sale investments
After initial recognition, available for sale investments are remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement for the year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividends earned on investments are recognised in the income statement as "Dividend income" when the right to receive dividend has been established.

The fair value of investments that are actively traded in organised financial markets, is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available- for- sale are not recognised in the income statement..

When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the income statement.

Trade receivable
Trade receivables are carried at original invoiced amount less provision for non-collectability of these receivables. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible**.**

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions
Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' end of service benefits
The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Pension plan
Under Law No. 24 of 2002 on Retirement and Pension, the Company is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Fair values
For investments traded in an active markets, fair value is determined by reference to quoted market bid prices.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

3 INVESTMENTS AND INTEREST INCOME

	Four Month Period Ended 31 December 2007 QR
Gain on sale of available-for-sale investments	**171,118**
Interest income	**11,997,569**
	12,168,687

4 GENERAL AND ADMINISTRATIVE EXPENSES

	Four Month Period Ended 31 December 2007 QR
Salaries and wages	**296,637**
Rents	**53,333**
Advertisement expenses	**11,337**
Employees' end of service benefits	**7,500**
Printing and stationery	**7,270**
Government fees	**47,527**
Legal and professional charges	**10,000**
Hospitality expenses	**33,210**
Transportation	**3,856**
Miscellaneous expenses	**90**
	470,760

5 OFFICE EQUIPMENT

	Office equipment QR	*Total QR*
Cost:		
Additions	120,450	120,450
At 31 December 2007	120,450	120,450
Depreciation:		
Depreciation charge for the period	-	-
At 31 December 2007	-	-
Net carrying amount		
At 31 December 2007	**120,450**	**120,450**

Depreciation expense has not been calculated for the period ended 31 December 2007, since all the office equipments has been purchased at the end of the period.

6 AVAILABLE-FOR-SALE INVESTMENTS

	2007 QR
Quoted equity	**6,406,484**

7 TRADE AND OTHER RECEIVABLES

	2007 *QR*
Trade accounts receivable	**525,589**
Interest receivable	**2,071,374**
	2,596,963

As at 31 December, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired		
	Total *QR*	*Neither past due nor impaired* *QR*	*30 – 60 days* *QR*	*90-180 days* *QR*	*>120 days* *QR*
2007	**2,596,963**	**2,596,963**	**-**	**-**	**-**

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

8 CAPITAL

	2007 *QR*
Issued and fully paid share capital of 30,000,000 shares of QR 10 each	**300,000,000**

9 TREASURY SHARES

Treasury shares comprise 10,295 shares at a cost of QR 10.3 per share. In accordance with the prospectus, any parts of the shares resulting from the allotment will be accumulated and paid by the Company. These shares will be subsequently sold when the Company's shares are traded in the Doha Securities Market. As of the balance sheet date, the Company was still in possession of these shares.

10 STATUTORY RESERVE

In accordance with Companies' Law No. 5 of 2002, 10% of the net profits is required to be transferred to statutory reserve. The transfer to statutory reserve may cease when the reserve equals 50% of the paid up share capital. This reserve is not available for distribution except in the manner stipulated in the Companies' Law.

In accordance with the provisions of the Companies' Law No. 5 of 2002, the excess share premium over the transaction costs has been transferred to statutory reserve.

	2007
	QR
Share premium on 29,989,705 shares	**8,996,912**
Less : Transaction costs relating to the issue of share capital	**(5,725,991)**
	3,270,921
Transferred from retained earnings	**1,169,051**
	4,439,972

11 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the balance sheet are as follows:

	2007
	QR
Provided during the period	**7,500**

12 ACCOUNTS PAYABLE AND ACCRUALS

	2007
	QR
Trade accounts payable	**90,001**
Accrued expenses	**91,164**
Other credit balances	**8,333**
	189,498

13 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	2007 *QR*
Profit for the period (QR)	**11,690,506**
Weighted average number of shares	**29,989,705**
Earnings per share	**0.39**

The weighted average number of shares excludes the treasury shares.

14 FINANCIAL RISK MANAGEMENT

Interest rate risk
The Company is exposed to interest rate risk on its interest bearing bank deposits.

The income statement and equity is not sensitive to the effect of reasonable possible changes in interest rates, with all other variables held constant, as the company does not hold any floating rate financial assets and financial liabilities at 31 December 2007. There were no floating rate deposits outstanding as at 31 December 2007.

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in equity price 2007 QR	*Effect on equity 2007 QR*
Doha Securities Market	**+10%**	**606,608**

Credit risk
The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

With respect to credit risk arising from the other financial assets of the Company, including bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Currency risk
Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. Management is of the opinion that its exposure to currency risk is minimal.

14 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

Period ended 31 December 2007	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 years QR*	*> 5 years QR*	*Total QR*
Trade accounts payables and accruals	**189,498**	**-**	**-**	**-**	**189,498**
Total	**189,498**	**-**	**-**	**-**	**189,498**

Capital management
The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support is business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment or issue new shares. No changes were made in the objectives, policies or processes during the period ended 31 December 2007. Capital comprises share capital and retained earnings, and is measured at QR 310,415,417 as at 31 December 2007.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial assets consist of cash and bank balances, available-for-sale investments, interest receivable and trade receivables. Financial liabilities consist of payables, and accrued expenses.

The fair values of the financial assets and liabilities, with the exception of certain available-for-sale investments carried at cost are not materially different from their carrying values.

16 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the balance sheet date, gross trade accounts and interest receivable were QR 2,596,963, and no provision was made for doubtful debts. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the income statement.