

Qatar Oman Investment Company Q.S.C.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2008

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR OMAN INVESTMENT COMPANY (Q.S.C.)

Introduction

We have reviewed the accompanying interim condensed financial statements of Qatar Oman Investment Company (Q.S.C.) ("the Company") as at 30 June 2008, comprising of the interim condensed balance sheet as at 30 June 2008 and the related interim condensed statements of income, changes in shareholders' equity and cash flows for the six month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consist 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Firas Qoussous
of Ernst & Young
Auditor's Registration No. 236

Date: 29 July 2008
Doha

UNAUDITED CONDENSED INCOME STATEMENT

Six Months Ended 30 June 2008

	<i>Six Months Ended 30 June 2008 QR (Reviewed)</i>
Investments and interest income	18,592,162
Commission expense	<u>(204,000)</u>
NET INVESTMENT AND INTEREST INCOME	18,388,162
Other income	<u>362,988</u>
NET OPERATING INCOME	<u>18,751,150</u>
General and administrative expenses	(1,691,417)
Depreciation	<u>(22,310)</u>
PROFIT FOR THE PERIOD	<u><u>17,037,423</u></u>
Earnings per share	
Basic and diluted (QR)	<u>0.57</u>

The attached notes 1 to 3 form part of these interim condensed financial statements

Qatar Oman Investment Company Q.S.C.

UNAUDITED CONDENSED BALANCE SHEET

At 30 June 2008

	<i>Notes</i>	<i>30 June 2008 QR (Reviewed)</i>	<i>31 December 2007 QR (Audited)</i>
ASSETS			
Non-current assets			
Office equipment and furniture		230,493	120,450
Available-for-sale investments		76,828,280	6,406,484
Investment properties		<u>39,097,500</u>	<u>-</u>
		<u>116,156,273</u>	<u>6,526,934</u>
Current assets			
Trade and other receivables		17,845,831	2,596,963
Bank balances and cash		<u>191,719,103</u>	<u>305,911,470</u>
		<u>209,564,934</u>	<u>308,508,433</u>
TOTAL ASSETS		<u>325,721,207</u>	<u>315,035,367</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		300,000,000	300,000,000
Treasury shares		(106,038)	(106,038)
Legal reserve	3	4,439,972	4,439,972
Fair value reserve		(6,356,839)	(17,020)
Retained earnings		<u>27,558,878</u>	<u>10,521,455</u>
Total equity		<u>325,535,973</u>	<u>314,838,369</u>
Non-current liabilities			
Employees' end of service benefits		<u>35,400</u>	<u>7,500</u>
Current liabilities			
Accounts payable and accruals		<u>149,834</u>	<u>189,498</u>
Total liabilities		<u>185,234</u>	<u>196,998</u>
TOTAL EQUITY AND LIABILITIES		<u>325,721,207</u>	<u>315,035,367</u>

.....
 Sheikh Abdulrahman Bin Mohamed Bin Jabr Al Thani
 Chairman

.....
 Nasser Mohamed Almansouri
 Chief Executive

The attached notes 1 to 3 form part of these interim condensed financial statements

UNAUDITED CONDENSED CASH FLOW STATEMENT

Six Months Ended 30 June 2008

	<i>Six months ended 30 June 2008 QR (Reviewed)</i>
OPERATING ACTIVITIES	
Profit for the period	17,037,423
Adjustments for:	
Depreciation	22,310
Provision for end of service benefits	27,900
Gain from sale of available for sale investments	<u>(10,593,543)</u>
	6,494,090
Working capital changes:	
Trade and other receivable	(15,248,868)
Accounts payable and accruals	<u>(39,664)</u>
Net cash used in operating activities	<u>(8,794,442)</u>
INVESTING ACTIVITIES	
Purchase of office equipment and furniture	(132,353)
Purchase of investment properties	(39,097,500)
Proceeds from sale of available for sale investments	139,508,707
Purchase of available for sale investments	<u>(205,676,779)</u>
Net cash used in investing activities	<u>(105,397,925)</u>
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(114,192,367)
Cash and cash equivalents at 1 January	<u>305,911,470</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>191,719,103</u></u>

The attached notes 1 to 3 form part of these interim condensed financial statements

Qatar Oman Investment Company Q.S.C.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

Six Month Ended 30 June 2008

	<i>Share capital QR</i>	<i>Treasury shares QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2008	<u>300,000,000</u>	<u>(106,038)</u>	<u>4,439,972</u>	<u>(17,020)</u>	<u>10,521,455</u>	<u>314,838,369</u>
Net changes in fair value reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,339,819)</u>	<u>-</u>	<u>(6,339,819)</u>
Total income and expense for the period recognised directly in equity	-	-	-	(6,339,819)	-	(6,339,819)
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,037,423</u>	<u>17,037,423</u>
Total income and expenses for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,339,819)</u>	<u>17,037,423</u>	<u>10,697,604</u>
Balance at 30 June 2008	<u>300,000,000</u>	<u>(106,038)</u>	<u>4,439,972</u>	<u>(6,356,839)</u>	<u>27,558,878</u>	<u>325,535,973</u>

The attached notes 1 to 3 form part of these interim condensed financial statements

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

At 30 June 2008

1. LEGAL STATUS AND MAIN ACTIVITIES

Qatar Oman Investment Company Q.S.C. was incorporated as a Qatari Public Shareholding Company under article 68 of Qatar Commercial Companies Law No. 5 of 2002. 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 and its registered office is located in Doha, Qatar.

The interim condensed financial statements of Qatar Oman Investment Company Q.S.C. for the six months ended 30 June 2008 were authorized for issue in accordance with a resolution of the Board of Directions on 28 July 2008.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements are prepared in accordance with the International Accounting Standard (IAS) 34 – Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the financial statements for the period ended 31 December 2007.

These interim condensed financial statements should be read in conjunction with the 2007 financial statements and the notes attached thereto.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, the results for the six months ended 30 June 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

3 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002, 10% of the net profit should be transferred to legal reserve until the reserve equals 50% of the share capital.

No transfer has been made for the period ended 30 June 2008 as the Company will transfer the required amount by 31 December 2008.