

Qatar Oman Investment Company Q.S.C
FINANCIAL STATEMENTS
31 MARCH 2008

INCOME STATEMENT
Period Ended 31 MARCH 2008

		<i>31MARCH 2008</i>	<i>2007</i>
	<i>Notes</i>	<u>QR</u>	<u>QR</u>
Investments and interest income	3	5.852.796	12,168,687
Commission expense		(13.709)	(10,570)
NET INVESTMENT AND INTEREST INCOME		5.839.087	12,158,117
Other income		61.192	3,149
NET OPERATING INCOME		5.900.279	12,161,266
General and administrative expenses	4	(1.027.685)	(470,760)
PROFIT FOR THE PERIOD		4.872.594	11,690,506
Earnings per share			
Basic and diluted (QR)	13	.16	.39

BALANCE SHEET
At 31MARCH 2008

		<i>31 MARCH 2008</i>	<i>2007</i>
	<i>Notes</i>	QR	QR
		(UNAUDIT)	(AUDITD)
ASSETS			
Non-current assets			
Office equipment	5	215.412	120,450
Available-for-sale investments	6	117.020.557	6,406,484
		117.235.969	6,526,934
Current assets			
Trade and other receivables	7	1.360.718	2,596,963
Cash and bank balances		199.630.724	305,911,470
		200.991.442	308,508,433
TOTAL ASSETS		318.227.411	315,035,367
EQUITY AND LIABILITIES			
Equity			
Share capital	8	300,000,000	300,000,000
Treasury shares	9	(106,038)	(106,038)
Statutory reserve		4,439,972	4,439,972
Cumulative changes in fair value		(1.679.573)	(17,020)
Retained earnings		15.394.049	10,521,455
Total equity		318.048.410	314,838,369
Non-current liabilities			
Employees' end of service benefits	11	23.000	7,500
Current liabilities			
Accounts payable and accruals	12	156.001	189,498
Total liabilities		179.001	196,998
TOTAL EQUITY AND LIABILITIES		318.227.411	315,035,367

Sheikh Abdulrahman Bin Mohamed Bin Jabr Al Thani
Chairman

Nasser Mohamed Almansouri
Chief Executive

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.

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

	<i>31 MARCH</i>
	<i>2008</i>
	<i>QR</i>
Dividend Shars	770.000
Gain on sale of available-for-sale investments	354.550
Interest income	3.368.269
Real State Revenue	1.407.460
TOTAL	5.839.087

4 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>31 MARS</i>
	<i>2008</i>
	<i>QR</i>
Doha Scurities Market Fees	503.000
Salaries and wages	345.600
Rents	66.000
Advertisement expenses	37.962
Employees' end of service benefits	23.000
Printing and stationery	1.611
Government fees	5.915
Hospitality expenses	13.817
Official Duty And Ticket	26.235
Maintenance	4.545
TOTAL	1.027685

5 OFFICE EQUIPMENT

	<i>31MARCH</i>
	<i>2008</i>
	<i>QR</i>
Cost:	
Additions	226.749
At 31 Mars 2008	226749
Depreciation:	
Depreciation charge for the period	11.337
At 31 Mars 2008	-
Net carrying amount	
At 31 Mars 2008	215.412

6 AVAILABLE-FOR-SALE INVESTMENTS

	<i>2008</i>
	<i>QR</i>
Quoted equity	77.745.557
Real state Investment	39.275.000
	117.020.557

7 TRADE AND OTHER RECEIVABLES

	<i>2008</i>
	<i>QR</i>
Trade accounts receivable	28.018
Interest receivable	1.332.700
	1.360.710

8 CAPITAL

	<i>2008</i>
	<i>QR</i>
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 share

11 EMPLOYEES' END OF SERVICE BENEFITS

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

	<i>2008</i>
	<i>QR</i>
Provided during the period	<u>23.000</u>

12 ACCOUNTS PAYABLE AND ACCRUALS

	<i>2007</i>
	<i>QR</i>
Trade accounts payable	90,001
Accrued expenses	<u>66.000</u>
	<u><u>156.001</u></u>

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.

	<i>2008</i>
	<i>QR</i>
Profit for the period (QR)	5.839.087
Weighted average number of shares	<u>29,989,705</u>
Earnings per share	<u><u>0.16</u></u>

The weighted average number of shares excludes the treasury shares.