

QATAR OMAN INVESTMENT COMPANY Q.S.C.

DOHA - QATAR

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2009**

QATAR OMAN INVESTMENT COMPANY Q.S.C.
INTERIM CONDENSED FINANCIAL STATEMENTS
For the six month period ended June 30, 2009

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QR. 31626

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Board of Directors
Qatar Oman Investment Company Q.S.C.
Doha - Qatar**

Introduction

We have reviewed the accompanying interim condensed financial statements of Qatar Oman Investment Company Q.S.C. ("the Company") which comprise the interim statement of financial position as at June 30, 2009, and the related interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard: IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

The interim condensed financial statements for the six month period ended June 30, 2008 and the financial statements for the year ended December 31, 2008 respectively, were reviewed and audited by another auditor whose reports dated July 29, 2008 and February 24, 2009, respectively, expressed an unqualified opinion on those statements.

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 condensed financial statements consists of making inquiries, primarily of persons responsible for the 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 opinion

In 2008, the Company took an impairment provision of QR. 17.5 million against certain of its available for sale investments in local equities. The Company has not taken an additional impairment provision of QR 7.2 million in respect of the same investments as of June 30, 2009 as the Company is of the opinion that such investments are not impaired as of that date and will be fully assessed for impairment at year end.

Conclusion

Based on our review, except for the effect of the matter discussed above, 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 the International Accounting Standard: IAS 34 "Interim Financial Reporting".

For Deloitte & Touche

July 30, 2009

**Muhammad Bahemia
License No. 103**

QATAR OMAN INVESTMENT COMPANY Q.S.C

INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2009

	<u>Notes</u>	<u>June 30, 2009 (Reviewed) QR.</u>	<u>December 31, 2008 (Audited) QR.</u>
ASSETS			
Current Assets:			
Cash and bank balances	3	116,012,896	120,584,814
Prepayments and other debit balances		888,868	2,038,551
Financial assets at fair value through profit and loss – trading investments		<u>1,695,000</u>	--
		<u>118,596,764</u>	<u>122,623,365</u>
Non-Current Assets:			
Available-for-sale investments	4	143,227,259	121,914,857
Investment properties		38,274,833	38,274,833
Property and equipment		<u>186,371</u>	212,084
		<u>181,688,463</u>	<u>160,401,774</u>
Total Assets		<u><u>300,285,227</u></u>	<u><u>283,025,139</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Accruals and other credit balances		<u>2,611,928</u>	<u>136,468</u>
Non-Current Liabilities:			
Employees' end of service benefits		<u>103,903</u>	<u>71,548</u>
Total Liabilities		<u><u>2,715,831</u></u>	<u><u>208,016</u></u>
Shareholders' Equity:			
Capital	5	300,000,000	300,000,000
Treasury shares		(106,038)	(106,038)
Legal reserve		4,815,903	4,815,903
Fair value reserve		(35,930,557)	(35,797,579)
Retained earnings		<u>28,790,088</u>	<u>13,904,837</u>
Total Shareholders' Equity		<u><u>297,569,396</u></u>	<u><u>282,817,123</u></u>
Total Liabilities and Shareholders' Equity		<u><u>300,285,227</u></u>	<u><u>283,025,139</u></u>

These interim condensed financial statements were approved by the Directors on July 30, 2009 and signed on their behalf by:

Sheikh Abdulrahman Bin Mohamed Bin Jabr Al Thani
Chairman

Nasser Mohammed Al Manssoory
Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

QATAR OMAN INVESTMENT COMPANY Q.S.C.**INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

For the six month period ended June 30, 2009

	<u>Note</u>	For the Six Month Period Ended June 30, 2009 (Reviewed) QR.	For the Six Month Period Ended June 30, 2008 (Reviewed) QR.
Investment and interest income		16,466,907	18,592,162
Commission expense		<u> --</u>	<u> (204,000)</u>
Net investment and interest income		<u>16,466,907</u>	<u>18,388,162</u>
General and administrative expenses		(1,704,729)	(1,691,417)
Depreciation		<u> (25,713)</u>	<u> (22,310)</u>
Total expenses		<u>(1,730,442)</u>	<u>(1,713,727)</u>
Other income		<u> 148,786</u>	<u> 362,988</u>
Net income for the period		<u>14,885,251</u>	<u>17,037,423</u>
Other comprehensive income			
Change in fair value of available for sale investments		<u> (132,978)</u>	<u> (6,339,819)</u>
Total comprehensive income for the period		<u>14,752,273</u>	<u>10,697,604</u>
Earning Per Share	6	<u> 0.496</u>	<u> 0.568</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED
FINANCIAL STATEMENTS

QATAR OMNAN INVESTMENT COMPANY Q.S.C.

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended June 30, 2009

	<u>Note</u>	<u>Capital</u> <u>QR.</u>	<u>Treasury</u> <u>shares</u> <u>QR.</u>	<u>Legal</u> <u>reserve</u> <u>QR.</u>	<u>Fair value</u> <u>reserve</u> <u>QR.</u>	<u>Retained</u> <u>earnings</u> <u>QR.</u>	<u>Total</u> <u>QR.</u>
Balance at January 1, 2008 - (Audited)		300,000,000	(106,038)	4,439,972	(17,020)	10,521,455	314,838,369
Total comprehensive income 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 June 30, 2008 - (Reviewed)		<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>
Balance at January 1, 2009 - (Audited)		300,000,000	(106,038)	4,815,903	(35,797,579)	13,904,837	282,817,123
Total comprehensive income for the period		<u>--</u>	<u>--</u>	<u>--</u>	<u>(132,978)</u>	<u>14,885,251</u>	<u>14,752,273</u>
Balance at June 30, 2009 - (Reviewed)		<u>300,000,000</u>	<u>(106,038)</u>	<u>4,815,903</u>	<u>(35,930,557)</u>	<u>28,790,088</u>	<u>297,569,396</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

QATAR OMAN INVESTMENT COMPANY Q.S.C.
INTERIM STATEMENT OF CASH FLOWS

For the month period ended June 30, 2009

	Note	For the Six Month Period Ended June 30, 2009 (Reviewed) QR.	For the Six Month Period Ended June 30, 2008 (Reviewed) QR.
<u>Cash Flows from Operating Activities:</u>			
Net income for the period		14,885,251	17,037,423
Adjustments for:			
Depreciation of property and equipments		25,713	22,310
Employees' end of service benefits		32,355	27,900
Gain from sale of available for sale investments		(1,158,866)	(10,593,543)
Gain on trading investments		(2,242,410)	--
		<u>11,542,043</u>	<u>6,494,090</u>
Prepayments and other debit balances		1,149,683	(15,248,868)
Accruals and other credit balances		2,475,460	(39,664)
		<u>15,167,186</u>	<u>(8,794,442)</u>
<u>Cash Flows from Investing Activities:</u>			
Purchase of available for sale investments		(37,896,886)	(205,676,779)
Proceeds from sale of available for sale investments		17,610,372	139,508,707
Purchase of property and equipments		--	(132,353)
Purchase of trading investments		(39,616,400)	--
Proceeds from sale of trading investments		40,163,810	--
Purchase of investment property		--	(39,097,500)
		<u>(19,739,104)</u>	<u>(105,397,925)</u>
Net decrease in cash and bank balances		(4,571,918)	(114,192,367)
Cash and bank balances - Beginning of the period		<u>120,584,814</u>	<u>305,911,470</u>
Cash and Bank Balances - End of the Period		<u><u>116,012,896</u></u>	<u><u>191,719,103</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED
FINANCIAL STATEMENTS

QATAR OMAN INVESTMENT COMPANY Q.S.C.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2009

1. GENERAL INFORMATION

Qatar Oman Investment Company (“The Company”) is a Qatari Public Shareholding Company registered and incorporated in Qatar and engaged in investment activities in the State of Qatar and Sultanate of Oman. The Company is registered under the Commercial Registration under No. 33411.

The interim condensed financial statements were approved by the Board of Directors and authorised for issue on July xx, 2009.

2. ACCOUNTING POLICIES

These interim condensed financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2008, except the following:

IFRS 8, “Operating Segments”

IFRS 8, effective for annual periods beginning on or after 1 January 2009, is a disclosure Standard that has resulted in a re-designation of the Company’s reportable segments, but has had no impact on the reported results or financial position of the Company.

IAS 1 (Revised), “Presentation of Financial Statements”

This revised standard, effective for annual periods beginning on or after January 1, 2009, has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Company.

These interim condensed financial statements should be read in conjunction with the 2008 annual 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 month period ended June 30, 2009 are not necessarily indicative of the results that may be expected for the full financial year ending December 31, 2009.

3. CASH AND BANK BALANCES

	June 30, 2009 (Reviewed) QR.	December 31, 2008 (Audited) QR.
Petty cash	3,110	--
Current accounts	500,747	6,591
Call deposits	704,795	30,578,223
Fixed deposits	114,804,244	90,000,000
	<u>116,012,896</u>	<u>120,584,814</u>

QATAR OMAN INVESTMENT COMPANY Q.S.C.C.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the month period ended June 30, 2009

4. AVAILABLE FOR SALE INVESTMENTS

	June 30, 2009 (Reviewed) QR.	December 31, 2008 (Audited) QR.
Quoted shares	104,551,550	84,776,198
Unquoted shares	38,675,709	37,138,659
	143,227,259	121,914,857

In 2008, the Company recognised an unrealized impairment loss on available for sale investments of QR. 17,516,782 in respect of three of its equity investment.

Management is of the opinion that these investments have not been further impaired as of June 30, 2009 and therefore has not recognized any additional impairment loss for the period then ended. Management will assess the said investments and will recognize any additional impairment loss as of December 31, 2009.

5. SHARE CAPITAL

	June 30, 2009 (Reviewed) QR.	December 31, 2008 (Audited) QR.
Authorized and issued share capital: 30,000,000 shares with a value of QR.10 per share	300,000,000	300,000,000

6. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	For the six month period ended	
	June 30, 2009 (Reviewed) QR.	June 30, 2008 (Reviewed) QR.
Net income for the period	14,885,251	17,037,423
Weighted average number of shares	29,989,705	29,989,705
Earnings per share	0.496	0.568

QATAR OMAN INVESTMENT COMPANY Q.S.C.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2009

7. RELATED PARTIES TRANSACTIONS

These represent transactions with related parties, such as the major shareholders, senior management of the Company and the companies of which they are the principal owners.

The remuneration of directors and other members of key management during the period was as follows:

	<u>For the six month period ended</u>	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
	<u>(Reviewed)</u>	<u>(Reviewed)</u>
	<u>QR.</u>	<u>QR.</u>
Short term benefits	<u>432,000</u>	<u>432,000</u>