

**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, 2011**

**QATAR OMAN INVESTMENT COMPANY Q.S.C.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
For the six month period ended June 30, 2011

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<b>INDEX</b>	<b>Page</b>
Independent Auditor's review report	--
Interim statement of financial position	1
Interim statement of comprehensive income	2
Interim statement of changes in shareholders' equity	3
Interim statement of cash flows	4
Notes to the interim condensed financial statements	5 - 6

**QR. 99 – 8**

## **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, 2011, 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.

### ***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 conclusion***

We were unable to obtain an evidence in respect of the fair value of investment properties with a carrying value of QR. 38.2 million as of June 30, 2011.

**INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)**

***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**

**Doha - Qatar**  
**July 31, 2011**

**Midhat Salha**  
**License No. 257**

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

**INTERIM STATEMENT OF FINANCIAL POSITION**

As at June 30, 2011

	<u>Notes</u>	<b>June 30, 2011 (Reviewed) QR.</b>	December 31, 2010 (Audited) QR.
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and bank balances	3	<b>92,967,680</b>	122,045,293
Prepayments and other debit balances		<b>17,228,115</b>	65,689,204
Financial assets at fair value through profit and loss		<b>19,820,670</b>	21,867,460
		<u><b>130,016,465</b></u>	<u>209,601,957</u>
<b>Non-Current Assets:</b>			
Investments	4	<b>149,749,096</b>	87,165,221
Investment properties		<b>38,274,833</b>	38,274,833
Property and equipment		<b>658,598</b>	719,186
		<u><b>188,682,527</b></u>	<u>126,159,240</u>
<b>Total Assets</b>		<u><b>318,698,992</b></u>	<u>335,761,197</u>
<b>LIABILITIES AND SHAREHOLDERS'</b>			
<b>Current Liabilities:</b>			
Accruals and other credit balances		<u><b>5,890,784</b></u>	<u>4,777,268</u>
<b>Non-Current Liabilities:</b>			
Employees' end of service benefits		<u><b>242,213</b></u>	<u>203,992</u>
<b>Total Liabilities</b>		<u><b>6,132,997</b></u>	<u>4,981,260</u>
<b>Shareholders' Equity:</b>			
Capital	5	<b>315,000,000</b>	300,000,000
Treasury shares		<b>(106,038)</b>	(106,038)
Legal reserve		<b>8,227,791</b>	8,227,791
Fair value reserve		<b>(27,764,195)</b>	(11,702,498)
Proposed dividends		--	15,000,000
Proposed bonus shares		--	15,000,000
Retained earnings		<b>17,208,437</b>	4,360,682
<b>Total Shareholders' Equity</b>		<u><b>312,565,995</b></u>	<u>330,779,937</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u><b>318,698,992</b></u>	<u>335,761,197</u>

These interim condensed financial statements were approved by the Directors on July 31, 2011 and signed on their behalf by:

**Sheikh Abdulrahaman Bin Mohamed Bin  
Jabr Al Thani**  
Chairman

**Naser Mohammed Al Mazkour Al  
Khalidi**  
Chief Executive Officer

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

For the six month period ended June 30, 2011

	<b>For the Six Month Period Ended June 30, 2011 (Reviewed)</b>	<b>For the Six Month Period Ended June 30, 2010 (Reviewed)</b>
	<b>QR.</b>	<b>QR.</b>
<b>Revenue</b>		
Investment and interest income	<u>14,847,825</u>	<u>10,549,352</u>
<b>Expenses</b>		
General and administrative expenses	<u>(2,152,379)</u>	<u>(1,958,841)</u>
Depreciation	<u>(91,607)</u>	<u>(26,007)</u>
<b>Total expenses</b>	<u>(2,243,986)</u>	<u>(1,984,848)</u>
Other income	<u>243,916</u>	<u>111,227</u>
<b>Net profit for the period</b>	<u>12,847,755</u>	<u>8,675,731</u>
<b>Other comprehensive income</b>		
Profit realized from sale of financial assets at fair value through other comprehensive income	--	3,726,310
Change in fair value of financial assets at fair value through other comprehensive income	<u>(16,061,697)</u>	<u>611,976</u>
	<u>(16,061,697)</u>	<u>4,338,286</u>
<b>Total comprehensive (loss) / income for the period</b>	<u>(3,213,942)</u>	<u>13,014,017</u>
<b>Earnings Per Share</b>	<u>0.408</u>	<u>0.275</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, 2011

	<b>Capital</b>	<b>Treasury</b>	<b>Legal</b>	<b>Fair value</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Retained</b>	<b>Total</b>
	<b>QR.</b>	<b>shares</b>	<b>reserve</b>	<b>reserve</b>	<b>dividends</b>	<b>bonus shares</b>	<b>earnings</b>	<b>QR.</b>
	<b>QR.</b>	<b>QR.</b>	<b>QR.</b>	<b>QR.</b>			<b>QR.</b>	<b>QR.</b>
<b>Balance at January 1, 2010 - (Audited)</b>	300,000,000	(106,038)	6,874,936	(21,563,488)	15,000,000	--	17,436,130	317,641,540
Total comprehensive income for the period	--	--	--	4,338,286	--	--	8,675,731	13,014,017
Profit realized from sale of financial investments at fair value through other comprehensive income	--	--	--	(3,726,310)	--	--	3,726,310	--
Dividends paid	--	--	--	--	(15,000,000)	--	--	(15,000,000)
<b>Balance at June 30, 2010 - (Reviewed)</b>	<u>300,000,000</u>	<u>(106,038)</u>	<u>6,874,936</u>	<u>(20,951,512)</u>	<u>--</u>	<u>--</u>	<u>29,838,171</u>	<u>315,655,557</u>
<b>Balance at January 1, 2011 - (Audited)</b>	<b>300,000,000</b>	<b>(106,038)</b>	<b>8,227,791</b>	<b>(11,702,498)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>4,360,682</b>	<b>330,779,937</b>
Total comprehensive income for the period	--	--	--	(16,061,697)	--	--	12,847,755	(3,213,942)
Bonus shares issued	15,000,000	--	--	--	--	(15,000,000)	--	--
Dividends paid	--	--	--	--	(15,000,000)	--	--	(15,000,000)
<b>Balance at June 30, 2011 - (Reviewed)</b>	<u><b>315,000,000</b></u>	<u><b>(106,038)</b></u>	<u><b>8,227,791</b></u>	<u><b>(27,764,195)</b></u>	<u><b>--</b></u>	<u><b>--</b></u>	<u><b>17,208,437</b></u>	<u><b>312,565,995</b></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, 2011

	<b>For the Six Month Period Ended June 30, 2011 (Reviewed) QR.</b>	<b>For the Six Month Period Ended June 30, 2010 (Reviewed) QR.</b>
<b><u>Cash Flows from Operating Activities:</u></b>		
Net income for the period	12,847,755	8,675,731
Adjustments for:		
Depreciation of property and equipment	91,607	26,007
Employees' end of service benefits	38,221	32,757
Unrealized loss on revaluation of financial investments	773,729	1,615,880
Gain from sale of financial assets at fair value through profit and loss	<u>(3,402,924)</u>	<u>(1,656,869)</u>
	<b>10,348,388</b>	<b>8,693,506</b>
Prepayments and other debit balances	48,461,089	3,799,592
Accruals and other credit balances	1,113,516	2,615,407
Purchase of financial investments at fair value through other comprehensive income	(78,645,572)	(19,101,127)
Proceeds from sale of financial investments at fair value through other comprehensive income	--	45,514,021
Purchase of trading investments	(68,902,207)	(36,970,920)
Proceeds from sale of trading investments	<u>73,578,192</u>	<u>18,526,129</u>
<b>Net Cash (used in) / from Operating Activities</b>	<b><u>(14,046,594)</u></b>	<b><u>23,076,608</u></b>
 <b><u>Cash Flows from Investing Activities:</u></b>		
Purchase of property and equipment	<u>(31,019)</u>	<u>(3,199)</u>
<b>Net Cash used in Investing Activities</b>	<b><u>(31,019)</u></b>	<b><u>(3,199)</u></b>
 <b><u>Cash Flows from Financing Activities:</u></b>		
Dividends paid	<u>(15,000,000)</u>	<u>(15,000,000)</u>
<b>Net Cash used in Financing Activities</b>	<b><u>(15,000,000)</u></b>	<b><u>(15,000,000)</u></b>
 Net (decrease) / increase in cash and bank balances	<b>(29,077,613)</b>	<b>8,073,409</b>
Cash and bank balances - Beginning of the period	<u>122,045,293</u>	<u>114,080,081</u>
<b>Cash and Bank Balances - End of the Period</b>	<b><u>92,967,680</u></b>	<b><u>122,153,490</u></b>

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



# QATAR OMAN INVESTMENT COMPANY Q.S.C.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2011

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### 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 No. 33411.

The interim condensed financial statements were approved by the Board of Directors and authorised for issue on July 31, 2011.

### 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 annual financial statements for the year ended December 31, 2010, except for the adoption of certain revised / new standards and interpretations which are effective as of January 1, 2011. The adoption of these standards and interpretations had no significant effect on the financial statements other than certain presentation and disclosure changes. These interim condensed financial statements should be read in conjunction with the 2010 annual financial statements and 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, results for the six month period ended June 30, 2011 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2011.

### 3. CASH AND BANK BALANCES

	<b>June 30, 2011 (Reviewed)</b>	December 31, 2010 (Audited)
	<b>QR.</b>	QR.
Petty cash	2,362	185
Current accounts	5,942,342	20,217
Call deposits	3,452,850	689,204
Fixed deposits	83,570,126	121,335,687
	<b>92,967,680</b>	122,045,293

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

For the month period ended June 30, 2011

**4. INVESTMENTS**

	<b>June 30, 2011 (Reviewed)</b>	December 31, 2010 (Audited)
	<b>QR.</b>	QR.
Quoted shares	<b>112,962,814</b>	52,010,631
Unquoted shares	<b>36,786,282</b>	35,154,590
	<b><u>149,749,096</u></b>	<u>87,165,221</u>

**5. SHARE CAPITAL**

	<b>June 30, 2011 (Reviewed)</b>	December 31, 2010 (Audited)
	<b>QR.</b>	QR.
Authorized and issued share capital: 31,500,000 shares (2010: 30,000,000) with a value of QR.10 per share	<b><u>315,000,000</u></b>	<u>300,000,000</u>

On March 22, 2011, the shareholders approved in their extraordinary general assembly meeting to increase the paid up capital by 5% amounting to of QR. 1.5 million by issuing bonus shares.

**6. 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:

	<b><u>For the six month period ended</u></b>	
	<b>June 30, 2011 (Reviewed)</b>	June 30, 2010 (Reviewed)
	<b>QR.</b>	QR.
Short term benefits	<b><u>432,000</u></b>	<u>432,000</u>