

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, 2012**

QATAR OMAN INVESTMENT COMPANY Q.S.C.

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REVIEW
REPORT**

For the six month period ended June 30, 2012

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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 condensed statement of financial position as at June 30, 2012, and the related interim condensed 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.

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 the International Accounting Standard: IAS 34 “Interim Financial Reporting”.

For Deloitte & Touche

**Doha - Qatar
August 2, 2012**

**Midhat Salha
License No. 257**

QATAR OMAN INVESTMENT COMPANY Q.S.C

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at June 30, 2012

	<u>Notes</u>	June 30, 2012 (Reviewed) QR.	December 31, 2011 (Audited) QR.
ASSETS			
Current Assets			
Cash and bank balances	3	71,645,011	92,370,195
Prepayments and other debit balances	7	1,968,498	65,892,592
Financial assets at fair value through profit and loss		4,115,500	14,774,335
		<u>77,729,009</u>	<u>173,037,122</u>
Non-Current Assets			
Investments at fair value through other comprehensive income	4	206,509,685	118,177,547
Investment properties		38,274,833	38,274,833
Property and equipment		499,841	574,781
		<u>245,284,359</u>	<u>157,027,161</u>
Total Assets		<u>323,013,368</u>	<u>330,064,283</u>
LIABILITIES AND SHAREHOLDERS EQUITY			
Current Liabilities			
Accruals and other credit balances		<u>8,970,759</u>	<u>6,874,239</u>
Non-Current Liabilities			
Employees' end of service benefits		<u>529,439</u>	<u>417,587</u>
Total Liabilities		<u>9,500,198</u>	<u>7,291,826</u>
Shareholders' Equity			
Capital	5	315,000,000	315,000,000
Treasury shares		(106,038)	(106,038)
Legal reserve		9,706,564	9,706,564
Fair value reserve		(26,082,509)	(19,812,906)
Proposed dividends		--	15,750,000
Retained earnings		14,995,153	2,234,837
Total Shareholders' Equity		<u>313,513,170</u>	<u>322,772,457</u>
Total Liabilities and Shareholders' Equity		<u>323,013,368</u>	<u>330,064,283</u>

These interim condensed financial statements were approved by the Directors on August 2, 2012 and signed on their behalf by:

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

Nasser Mohammed Al Khaldi
Chief Executive Officer

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

For the six month period ended June 30, 2012

	For the Six Month Period Ended June 30, 2012 (Reviewed)	For the Six Month Period Ended June 30, 2011 (Reviewed)
	<u>QR.</u>	<u>QR.</u>
Revenue		
Investment and interest income	<u>15,833,176</u>	<u>14,847,825</u>
Expenses		
General and administrative expenses	(2,837,689)	(2,152,379)
Loss on fair value of financial assets at fair value through profit and loss account	(571,283)	--
Depreciation	<u>(93,934)</u>	<u>(91,607)</u>
Total expenses	<u>(3,502,906)</u>	<u>(2,243,986)</u>
Other income	<u>409,186</u>	<u>243,916</u>
Net profit for the period	<u>12,739,456</u>	<u>12,847,755</u>
Other comprehensive income		
Movement in fair value reserve	<u>(6,248,743)</u>	<u>(16,061,697)</u>
	<u>6,490,713</u>	<u>(16,061,697)</u>
Total comprehensive income for the period	<u>6,490,713</u>	<u>(3,213,942)</u>
Earnings Per Share	<u>0.404</u>	<u>0.408</u>

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

QATAR OMNAN INVESTMENT COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended June 30, 2012

	Capital	Treasury shares	Legal reserve	Fair value reserve	Proposed dividends	Proposed bonus shares	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2011 - (Audited)	300,000,000	(106,038)	8,227,791	(11,702,498)	15,000,000	15,000,000	4,360,682	330,779,937
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)
Balance at June 30, 2011 - (Reviewed)	315,000,000	(106,038)	8,227,791	(27,764,195)	--	--	17,208,437	312,565,995
Balance at January 1, 2012 - (Audited)	315,000,000	(106,038)	9,706,564	(19,812,906)	15,750,000	--	2,234,837	322,772,457
Total comprehensive income for the period	--	--	--	(6,248,743)	--	--	12,739,456	6,490,713
Profit realized from sale of financial investments at fair value through other comprehensive income	--	--	--	(20,860)	--	--	20,860	--
Dividends paid	--	--	--	--	(15,750,000)	--	--	(15,750,000)
Balance at June 30, 2012 - (Reviewed)	315,000,000	(106,038)	9,706,564	(26,082,509)	--	--	14,995,153	313,513,170

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

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

For the month period ended June 30, 2012

	Note	For the Six Month Period Ended June 30, 2012 (Reviewed) QR.	For the Six Month Period Ended June 30, 2011 (Reviewed) QR.
<u>Cash Flows from Operating Activities:</u>			
Net income for the period		12,739,456	12,847,755
Adjustments for:			
Depreciation of property and equipment		93,934	91,607
Employees' end of service benefits		111,852	38,221
Interest Income		(677,546)	--
Unrealized loss on revaluation of financial investments		571,283	773,729
Gain from sale of financial assets at fair value through profit and loss		(5,092,220)	(3,402,924)
		7,746,759	10,348,388
Prepayments and other debit balances		63,924,094	48,461,089
Accruals and other credit balances		2,096,520	1,113,516
Purchase of financial investments at fair value through other comprehensive income		(116,410,528)	(78,645,572)
Proceeds from sale of financial investments at fair value through other comprehensive income		21,715,488	--
Purchase of trading investments		(92,117,144)	(68,902,207)
Proceeds from sale of trading investments		107,411,074	73,578,192
Net Cash used in Operating Activities		(5,633,737)	(14,046,594)
<u>Cash Flows from Investing Activities:</u>			
Interest Received		677,546.00	--
Purchase of property and equipment		(18,993)	(31,019)
Net Cash used in Investing Activities		658,553	(31,019)
<u>Cash Flows from Financing Activities:</u>			
Dividends paid		(15,750,000)	(15,000,000)
Net Cash used in Financing Activities		(15,750,000)	(15,000,000)
Net decrease in cash and bank balances		(20,725,184)	(29,077,613)
Cash and bank balances - Beginning of the period		92,370,195	122,045,293
Cash and Bank Balances - End of the Period		71,645,011	92,967,680

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, 2012

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 authorized for issue on August 2, 2012.

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, 2011. These interim condensed financial statements should be read in conjunction with the 2011 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, 2012 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2012.

3. CASH AND BANK BALANCES

	June 30, 2012 (Reviewed) QR.	December 31, 2011 (Audited) QR.
Petty cash	121	4,701
Current accounts	6,430,793	5,534,982
Call deposits	10,842,562	713,517
Fixed deposits	54,371,535	86,116,995
	<u>71,645,011</u>	<u>92,370,195</u>

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

For the month period ended June 30, 2012

4. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The movement on FVTOCI investments during the year was as follows:

	June 30, 2012 (Reviewed)	December 31, 2011 (Audited)
	QR.	QR.
Quoted shares	127,288,050	80,831,661
Unquoted shares	79,221,635	37,345,886
	<u>206,509,685</u>	<u>118,177,547</u>

5. SHARE CAPITAL

	June 30, 2012 (Reviewed)	December 31, 2011 (Audited)
	QR.	QR.
Authorized and issued share capital:		
31,500,000 shares with a value of QR.10 per share	<u>315,000,000</u>	<u>315,000,000</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 were as follows:

	<u>For the six month period ended</u>	
	June 30, 2012 (Reviewed)	June 30, 2011 (Reviewed)
	QR.	QR.
Short term benefits	<u>612,000</u>	<u>432,000</u>

QATAR OMAN INVESTMENT COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2012

7. PREPAYMENTS AND OTHER DEBIT BALANCES

	June 30, 2012 (Reviewed)	December 31, 2011 (Audited)
	QR.	QR.
Dalala Brokerage Company	536,689	65,264,737
Accrued interest income	1,225,409	548,166
Others	206,400	79,689
	<u>1,968,498</u>	<u>65,892,592</u>