

SALAM INTERNATIONAL
INVESTMENT LIMITED (Q.S.C.)
DOHA – QATAR

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2008
TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C)
DOHA - QATAR

SEPTEMBER 30, 2008

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QR. 31811

INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Board of Directors
Salam International Investment Limited (Q.S.C.)
Doha - Qatar**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **Salam International Investment Limited (Q.S.C.)** (the 'Company') comprising the interim condensed consolidated balance sheet as at September 30, 2008 and the related interim condensed consolidated income statement for the three and nine month periods ended September 30, 2008, statement of changes in equity and cash flows statement for the nine month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with **International Financial Reporting Standard: IAS 34 "Interim Financial Reporting"**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. The interim condensed consolidated financial statements include the assets, liabilities and results of operations of the subsidiaries which have been reviewed by other auditors who issued their unqualified review reports on the respective financial statements. These review reports were furnished to us, and our opinion in so far as it relates to the amounts included for these subsidiaries, is based solely on the reports of other auditors. These subsidiaries with a combined total assets of QR 981.5 million (December 31, 2007: QR 846.8 million), combined total liabilities of QR 724.8 million (December 31, 2007: QR 569.7 million) and net profits of QR 22.2 million (nine month period ended September 30, 2007: QR 26.8 million) are presented in these interim condensed consolidated financial statements.

Scope of Review

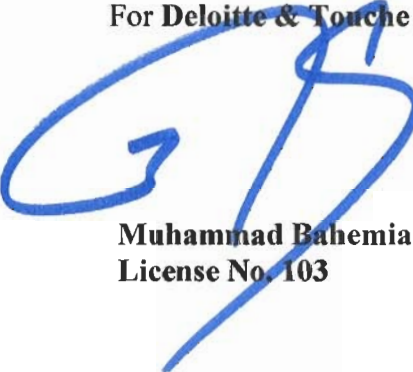
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial statements consist of making inquiries, primarily of persons responsible for financial 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, and reports of the other auditors, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Financial Reporting Standard: IAS 34 “Interim Financial Reporting”**.

**Doha - Qatar
October 21, 2008**

For Deloitte & Touche

A large, stylized handwritten signature in blue ink, appearing to be 'MB', is written over a light blue rectangular background.

**Muhammad Bahemia
License No. 103**

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

DOHA - QATAR

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2008

		September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	Note	QR.	QR.
ASSETS			
Current assets:			
Bank balances and cash	8	187,301,504	54,272,331
Trade and other receivables		284,399,832	279,660,269
Due from related parties		15,485,365	8,973,693
Retention receivables		33,921,275	30,621,427
Trading securities		8,947,676	--
Inventories		328,577,192	291,051,295
Excess of revenue over billings		150,469,781	116,435,528
Other assets		132,147,980	64,466,078
Total Current Assets		1,141,250,605	845,480,621
Non-current assets:			
Available for sale investments		143,660,523	158,073,587
Loan to an associate company		2,852,475	3,278,217
Investment in associates		207,752,316	192,682,147
Retention receivables		32,936,330	18,891,938
Intangible assets		113,537,556	115,305,020
Investment properties	5	596,686,916	678,903,591
Property, plant and equipment	6	391,652,003	343,424,942
Other assets		9,258,602	12,214,820
Total Non-Current Assets		1,498,336,721	1,522,774,262
Total Assets		2,639,587,326	2,368,254,883



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Issa Abdul Salam Abu Issa
Chairman and Chief Executive Officer

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Hussam Abdul Salam Abu Issa
Vice Chairman and Chief Operating Officer

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

DOHA - QATAR

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2008

	September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	QR.	QR.
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Borrowings	263,412,673	202,163,978
Post dated cheques payable	51,635,137	51,643,446
Trade and other payables	202,803,691	192,345,726
Due to related parties	4,690,890	8,368,668
Retention payables	11,708,948	9,952,652
Advances from customers	21,229,774	16,564,184
Excess of billings over revenue	30,717,772	24,687,654
Other liabilities	282,871,848	224,478,324
Total Current Liabilities	869,070,733	730,204,632
Non-current liabilities:		
Borrowings	216,501,488	217,444,861
Retention payables	12,467,726	11,899,951
Post dated cheques payable	2,122,394	3,659,391
Employees' end of service benefits	19,963,899	15,812,723
Other liabilities	47,826,283	45,465,758
Total Non-Current Liabilities	298,881,790	294,282,684
Capital and Reserves:		
Issued capital	931,516,880	828,015,000
Legal reserve	321,869,137	321,869,137
Fair value reserve	18,610,063	20,457,490
Retained earnings	189,859,147	60,850,066
Property revaluation reserve	4,423,264	5,019,080
Proposed issue of bonus shares	--	103,501,880
Equity Attributable to Equity Holders of the Parent	1,466,278,491	1,339,712,653
Minority Interest	5,356,312	4,054,914
Total Equity	1,471,634,803	1,343,767,567
Total Liabilities and Equity	2,639,587,326	2,368,254,883

Mr. Issa Abdul Salam Abu Issa
Chairman and Chief Executive Officer

Mr. Hussam Abdul Salam Abu Issa
Vice Chairman and Chief Operating Officer

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C)

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2008

	Note	For the three month period ended		For the nine month period ended	
		September 30,		September 30,	
		2008	2007	2008	2007
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		QR.	QR.	QR.	QR.
Operating income		452,760,107	349,679,310	1,237,496,991	909,122,080
Operating cost		(329,233,177)	(273,702,963)	(894,969,686)	(674,595,239)
Gross Profit		123,526,930	75,976,347	342,527,305	234,526,841
Investment income	7	22,489,739	11,245,190	101,398,833	36,352,022
Other operational income		2,005,727	790,316	4,627,351	3,503,276
Service and consultancy income		2,571,990	2,283,384	8,825,029	5,040,232
Other income		5,113,488	5,601,907	12,889,572	11,672,754
		155,707,874	95,897,144	470,268,090	291,095,125
Salaries and related cost		(49,085,661)	(34,784,914)	(142,033,093)	(105,021,670)
General and administrative expenses		(50,433,336)	(28,418,073)	(137,866,678)	(77,038,706)
Amortization of intangible assets		(794,967)	(734,046)	(2,332,595)	(2,174,727)
Depreciation of investment properties		(566,657)	(541,804)	(2,008,534)	(1,607,746)
Depreciation of property, plant and equipment		(10,483,055)	(6,972,044)	(30,947,585)	(19,685,169)
Finance costs		(5,570,407)	(4,625,123)	(14,729,542)	(12,375,490)
Provision for impairment of available for sale investments		(3,000,000)	--	(3,000,000)	--
		(119,934,083)	(76,076,004)	(332,918,027)	(217,903,508)
Profit Before Executives and General Managers' Bonus		35,773,791	19,821,140	137,350,063	73,191,617
Executives and General Managers' bonus		(3,149,405)	(1,045,426)	(6,857,247)	(3,040,128)
Net Profit for the Period		32,624,386	18,775,714	130,492,816	70,151,489
Attributable to :					
Equity holders of the parent		32,008,685	18,717,392	128,413,265	70,481,609
Minority interest holders		615,701	58,322	2,079,551	(330,120)
		32,624,386	18,775,714	130,492,816	70,151,489
Earnings Per Share (Basic and Diluted)		0.34	0.20	1.38	0.76

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

DOHA - QATAR

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008**

	<u>Issued Capital</u> QR.	<u>Legal Reserve *</u> QR.	<u>Fair Value Reserve</u> QR.	<u>Retained Earnings</u> QR.	<u>Property Revaluation Reserve</u> QR.	<u>Proposed Cash Dividends/ Issue of Bonus Shares</u> QR.	<u>Equity Attributable to Equity Holders of the Parent</u> QR.	<u>Minority Interest</u> QR.	<u>Total</u> QR.
Balance at January 1, 2007 (Audited)	828,015,000	309,015,572	3,674,705	48,631,374	6,052,492	82,801,500	1,278,190,643	1,945,000	1,280,135,643
Minority interest	--	--	--	--	--	--	--	869,990	869,990
Dividends paid for 2006	--	--	--	--	--	(82,801,500)	(82,801,500)	--	(82,801,500)
Net profit for the period	--	--	--	70,481,609	--	--	70,481,609	(330,120)	70,151,489
Net movement in investments' revaluation reserve	--	--	82,798	--	--	--	82,798	--	82,798
Revaluation reserve realized	--	--	--	703,444	(703,444)	--	--	--	--
Balance at September 30, 2007 (Reviewed)	828,015,000	309,015,572	3,757,503	119,816,427	5,349,048	--	1,265,953,550	2,484,870	1,268,438,420
Balance at January 1, 2008 (reviewed)	828,015,000	321,869,137	20,457,490	60,850,066	5,019,080	103,501,880	1,339,712,653	4,054,914	1,343,767,567
Minority interest	--	--	--	--	--	--	--	(778,153)	(778,153)
Bonus shares issued	103,501,880	--	--	--	--	(103,501,880)	--	--	--
Net profit for the period	--	--	--	128,413,265	--	--	128,413,265	2,079,551	130,492,816
Net movement in investments' revaluation reserve	--	--	(1,847,427)	--	--	--	(1,847,427)	--	(1,847,427)
Revaluation reserve realized	--	--	--	595,816	(595,816)	--	--	--	--
Balance at September 30, 2008 (Reviewed)	931,516,880	321,869,137	18,610,063	189,859,147	4,423,264	--	1,466,278,491	5,356,312	1,471,634,803

* Legal reserve will be accounted for at year end.

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

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INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008

	Note	For the nine month period ended	
		September 30,	
		2008	2007
		(Reviewed)	(Reviewed)
		QR.	QR.
<u>Cash Flows From Operating Activities:</u>			
Net profit for the period		130,492,816	70,151,489
Adjustments for:			
Provision for doubtful debts		8,320,964	3,915,786
Provision for slow moving stocks		14,751,977	7,221,141
Gain on sale of investments properties		(47,920,691)	--
(Gain) / loss on sale of available for sale investments	7	(6,434,057)	66,877
Gain on sale of trading securities	7	(1,552,107)	--
Amortization of intangible assets	7	2,332,595	2,174,727
Depreciation of investment properties	5	2,008,534	1,607,746
Depreciation of property, plant and equipment	6	32,335,265	21,034,028
Gain on sale of property, plant and equipment		(200,138)	(467,621)
Revaluation loss on trading securities		1,120,886	--
Employees' end of service benefits		5,712,064	4,234,568
Finance costs		14,729,542	12,375,490
Interest income		(2,819,912)	(751,440)
Dividend income		(3,939,238)	(3,233,776)
Provision for impairment of available for sale investments		3,000,000	--
		151,938,500	118,329,015
Trade and other receivable and other assets		(77,786,211)	(32,253,954)
Due from related parties		(6,511,672)	--
Retentions receivable		(17,344,240)	(8,771,325)
Inventories		(52,277,874)	(59,179,726)
Excess of revenue over billings		(34,034,253)	(31,246,137)
Trade and other payables and other liabilities		65,417,762	54,306,610
Due to related parties		(3,677,778)	--
Excess of billings over revenue		6,030,118	4,763,426
Retentions payable		2,324,071	2,639,769
Advance received from customers		4,665,590	(3,429,254)
		38,744,013	45,158,424
Cash from Operating Activities		38,744,013	45,158,424
Employees end of service benefits paid		(1,560,888)	(1,426,019)
		37,183,125	43,732,405
Net Cash from Operating Activities		37,183,125	43,732,405

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

DOHA – QATAR

INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008

	Note	For the nine month period ended	
		September 30,	
		2008	2007
		(Reviewed)	(Reviewed)
		QR.	QR.
<u>Cash Flows From Investing Activities:</u>			
Purchase of property, plant and equipment		(81,953,613)	(95,996,064)
Proceeds from sale of property, plant and equipment		1,591,425	5,623,740
Increase in intangible assets		(565,131)	(440,798)
Net movement in investment properties		132,377,778	(42,063,557)
Net movement in available for sale investments		17,551,801	(9,064,986)
Purchase of trading securities		(22,227,977)	--
Proceeds from sale of trading securities		12,159,415	--
Investment in associates		(15,070,169)	(2,235,373)
Collection / (additions) of loan from an associate		425,742	(425,742)
Dividends received		3,939,238	3,233,776
Interest received		2,819,912	751,440
		-----	-----
Net Cash from / (Used in) Investing Activities		51,048,421	(140,617,564)
		-----	-----
<u>Cash Flows From Financing Activities:</u>			
Net movement in term loan		26,243,822	116,240,746
Net movement in minority interest		(778,153)	869,990
Dividends paid		--	(82,801,500)
Finance cost paid		(14,729,542)	(12,375,490)
		-----	-----
Net Cash from Financing Activities		10,736,127	21,933,746
		-----	-----
Increase / (Decrease) in Cash and Cash Equivalent		98,967,673	(74,951,413)
Cash and Cash Equivalent – Beginning of the period		(97,596,823)	(23,555,741)
		-----	-----
Cash and Cash Equivalent - End of the period	8	1,370,850	(98,507,154)
		=====	=====
<u>Non-Cash Transaction</u>			
Post-dated cheques		(4,248,946)	(5,742,765)
Additions on investment properties		4,248,946	5,742,765
		-----	-----
		--	--
		=====	=====

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

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.S.C.)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008

1. Status and Activities:

Salam International Investment Limited (the “Company”) is a public shareholding company incorporated under Amiri Decree No. (1) on January 14, 1998.

The accompanying interim condensed consolidated financial statements represent the consolidated accounts of the Company and its subsidiaries.

The main activities of the Company and its subsidiaries are to establish, incorporate, acquire, and own enterprises in the commercial, industrial, educational, real estate, financial and services sectors.

2. Basis of Preparation and Significant Accounting Policies:

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2007, except for the adoption of certain revised / new interpretations which are effective as of January 1, 2008. Adoption of these interpretations did not have any material effect on the financial position or performance of the Company. These interim condensed consolidated financial statements should be read in conjunction with the 2007 annual consolidated financial statements and the notes attached thereto.

The interim condensed consolidated financial statements are prepared under the historical cost convention except for investments and financial instruments which are carried at fair value.

The interim condensed consolidated 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 nine month period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

3. Acquisition of a Subsidiary:

On October 26, 2005, the Company acquired 100 per cent of the issued share capital of Salam Group W.L.L., at a purchase consideration of QR. 403,715,000 which was settled through issuance of 26,914,330 new shares of the Company and QR. 50 payable in cash to the partners of Salam Group W.L.L. (the “acquiree”). The new shares were issued at QR. 15 per share which included QR. 5 per share as premium. The residual amount of QR. 50 remains payable to the acquiree.

Salam Group W.L.L. comprises of five limited liability companies (Salam Group Companies) registered in Qatar, Jordan and certain other GCC countries. The Salam Group Companies are registered under different legal arrangements at their respective places of incorporation. However, Salam Group W.L.L. has taken all legal procedures necessary to secure its rights in all Salam Group Companies as the partners and shareholders of Salam Group Companies have signed irrevocable affidavits that Salam Group W.L.L., Qatar fully owns these companies.

Salam Group W.L.L. operates in diversified activities mainly retailing of consumer products, photographic equipment, fashion wear, perfumery, advertising and design and rental of real estate.

This transaction has been accounted for by the purchase method of accounting. The net assets at fair value acquired in the transaction, and the discount on acquisition arising, are as follows:

	Fair value
	QR
Net assets acquired	419,639,631
Discount on acquisition	(15,924,631)

Total consideration	403,715,000
	=====
Net cash outflow arising on acquisition	
Cash and cash equivalents acquired	(60,207,538)
	=====

A complaint was filed by one of the shareholders regarding the evaluation procedures of Salam Group W.L.L. Accordingly it was agreed by the Ministry of Economy and Commerce and the Company to request the Civil Court to appoint one or more independent experts to verify the evaluation of Salam Group W.L.L. The civil court appointed the said experts.

On May 9, 2006 the Ministry of Economy and Commerce approved the listing of the new shares resulting from the above acquisition on the Doha Securities Market. The Ministry approved for Salam International Investment Limited to hold its shareholders' General Assembly Meeting for December 31, 2005 but asked the company to postpone absolving the chairman, vice chairman and the previous directors of the board from their responsibilities. Further, the Ministry also imposed temporary restriction on the chairman, vice chairman and directors of the previous board and the shareholders who have contributed for their shares in kind to trade in their shares until pending issues are resolved. The shareholders held their annual General Assembly Meeting on September 11, 2006 and approved unanimously the financial statements and all items on the agenda.

On December 9, 2007 the Ministry of Economy and Commerce approved for Salam International Investment Limited to hold its shareholders' General Assembly Meeting to absolve the 2005 Board members from their responsibilities and to remove the temporary restriction on the previous Board members and the shareholders who have contributed their shares in kind to trade in their shares. The ministry also approved the withdrawal of the request submitted to the Civil Court to appoint one or more independent experts to verify the evaluation of Salam Group W.L.L. The Company however decided not to withdraw the request, and the report of the independent expert was eventually submitted to the court on December 27, 2007.

The shareholders held their General Assembly Meeting with regard to the above on January 22, 2008 and approved in majority all items on the agenda.

On February 27, 2008 the civil court issued its ruling to adjust the value of the assets acquired from Salam Group W.L.L from QR. 403.7 million to QR. 408.5 million. However, the previous owners of Salam Group W.L.L irrevocably relinquished their rights to claim for the increase in value of about QR. 5 million.

The shareholders held their extraordinary general assembly meeting on March 10, 2008 and unanimously approved the following items on the agenda:

- Approve the decision taken by the previous owners of Salam Group W.L.L to irrevocably relinquish their rights to claim for the increase in value of about QR. 5 million in favor of the Company.
- Ratify the value of the assets acquired from Salam Group W.L.L as approved by the previous extraordinary general assembly meeting held on October 26, 2005 in the amount of about QR 403.7 million.
- Absolve the previous owners of Salam Group W.L.L from their liabilities as well as the experts from their responsibilities for the services rendered to the Company and its subsidiaries.

4. Segment Information:

The Company operates in the areas of communication, information technology industry, oil and gas services, contracting, real estate services and trade. For management purposes, the Company is organized into three geographical segments; the domestic market in Qatar and the regional market in Jordan and the GCC countries, mainly the United Arab Emirates. Transactions between segments are conducted at estimated market rates, as approved by management, and are eliminated on consolidation. The following table shows the distribution of the Company's revenue, expenditure and certain assets and liabilities information:

	Nine Month Period Ended				Nine Month Period Ended			
	September 30, 2008 (Reviewed)				September 30, 2007 (Reviewed)			
	Qatar QR.	GCC QR.	Others QR.	Total QR.	Qatar QR.	GCC QR.	Others QR.	Total QR.
Operating income								
From external customers	878,063,972	357,427,424	2,005,595	1,237,496,991	655,070,711	252,035,829	2,015,540	909,122,080
Inter-segment	58,550,667	10,680,738	--	69,231,405	39,985,206	2,373,137	--	42,358,343
Total revenue	936,614,639	368,108,162	2,005,595	1,306,728,396	695,055,917	254,408,966	2,015,540	951,480,423
Results								
Geographical results	122,679,433	6,549,658	1,263,725	130,492,816	69,159,104	1,030,864	(38,479)	70,151,489
Net profit				130,492,816				70,151,489
Assets and liabilities								
Segment assets	1,860,953,642	727,177,545	51,456,139	2,639,587,326	1,946,841,256	260,660,619	3,970,971	2,211,472,846
Segment liabilities	744,423,547	420,948,023	2,580,953	1,167,952,523	667,874,571	273,170,033	1,989,822	943,034,426
Other segment information								
Capital expenditures:								
Tangible assets	52,097,471	68,050,678	--	120,148,149	101,635,347	29,260,898	2,769	130,899,014
Intangible assets	598,834	151,367	--	750,201	--	--	--	--
	52,696,305	68,202,045	--	120,898,350	101,635,347	29,260,898	2,769	130,899,014
Depreciation	18,110,445	14,787,828	57,846	32,956,119	16,144,467	6,338,287	159,022	22,641,776
Amortisation	1,942,749	389,846	--	2,332,595	1,881,428	293,299	--	2,174,727

5. Investment Properties:

	September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	QR.	QR.
Cost for the period/year:		
Opening balance	688,805,717	639,118,313
Additions (a)	29,134,047	65,446,347
Disposals (b)	(110,402,202)	(15,758,943)
	607,537,562	688,805,717
Depreciation for the period/year:		
Opening balance	9,902,126	7,087,632
Charge for the period / year	2,008,534	2,818,040
Disposals	(1,060,014)	(3,546)
	10,850,646	9,902,126
Closing net book value	596,686,916	678,903,591

(a) During 2007, the Company acquired additional plots of land in Doha, Qatar and Dubai, UAE for future development.

(b) During the nine month period ending September 30, 2008, the Company sold properties located in Doha, Qatar and Dubai, UAE.

6. Property, Plant and Equipment:

	September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	QR.	QR.
Cost for the period/year:		
Opening balance	466,149,562	344,801,919
Additions	81,953,613	132,220,932
Disposals	(3,645,301)	(10,873,289)
	544,457,874	466,149,562
Depreciation for the period/year:		
Opening balance	122,724,620	100,427,931
Charge for the period / year	32,335,265	29,441,413
Disposals	(2,254,014)	(7,144,724)
	152,805,871	122,724,620
Closing net book value	391,652,003	343,424,942

The depreciation charges have been allocated as follows:

	September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	QR.	QR.
Operating cost	1,387,680	1,821,041
Depreciation	30,947,585	27,620,372
	32,335,265	29,441,413

7. Investment Income:

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2008 (Reviewed)	2007 (Reviewed)	2008 (Reviewed)	2007 (Reviewed)
	QR.	QR.	QR.	QR.
Rental income from investment				
Properties	13,264,900	10,166,871	37,105,913	29,215,372
Profit on sale of investment	1,633,449	(66,877)	6,434,057	(66,877)
Profit on sale of trading securities	--	--	1,552,107	--
Revaluation loss on trading securities	(1,887,024)	--	(1,120,886)	--
Gain on sale of investment properties	7,029,003	--	47,920,692	--
Interest income	1,484,065	179,850	2,819,912	751,440
Income from investment in associate	965,346	965,346	2,747,800	3,218,311
Dividend income	--	--	3,939,238	3,233,776
Total	22,489,739	11,245,190	101,398,833	36,352,022

8. Cash and Cash Equivalents:

For the purposes of the consolidated cash flow statement, cash and cash equivalents include bank balances and cash, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the consolidated cash flow statement can be reconciled to the related items in the consolidated balance sheet as follows:

	September 30, 2008 (Reviewed)	September 30, 2007 (Reviewed)
	----- QR.	----- QR.
Bank balances and cash	187,301,504	62,573,814
Due to banks	(185,930,654)	(161,080,968)
Net	1,370,850	(98,507,154)
	=====	=====

9. Contingent Liabilities:

	September 30, 2008 (Reviewed)	December 31, 2007 (Audited)
	----- QR.	----- QR.
Letters of Credit	79,674,280	68,579,533
Letters of Guarantees	340,281,098	166,718,104
	=====	=====

10. Key Management Remuneration

The remuneration of key management personnel during the period was as follows:

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2008	2007	2008	2007
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	----- QR.	----- QR.	----- QR.	----- QR.
Executives and General Managers' bonus	3,149,405	1,045,429	6,857,247	3,040,128
Salaries and other benefits	4,223,144	3,368,994	14,350,812	12,362,865
End of service benefits	213,073	261,679	489,802	513,870
Total	7,585,622	4,676,102	21,697,861	15,916,863
	=====	=====	=====	=====

11. Related Parties Transactions:

These represent transactions with related parties, i.e., the major shareholders, senior management of the Company and the companies of which they are the principal owners. The transactions with related parties consist principally of rent, purchase of computer software and accounting services. Pricing policies and terms of these transactions are conducted at terms approved by management.

During the period, the subsidiaries of the Company entered into the following trading transactions with related parties that are not members of the Group:

	For the Nine month period ended September 30,	
	2008 (Reviewed)	2007 (Reviewed)
	QR.	QR.
Operating Income	2,327,942	3,598,554
Operating cost	2,175,668	4,802,823
Rental Income from Investment properties	9,919,465	7,951,465
Other income	237,596	133,004
Other expense	1,165,941	469,848

12. Comparative Figures:

Certain figures for prior period have been reclassified to conform to current period's presentation.