

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE SIX MONTH PERIOD ENDED**

**30 June 2009**

## **Review Report**

To  
The Board of Directors  
Salam International Investment Limited Q.S.C.  
Doha  
State of Qatar

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Salam International Investment Limited Q.S.C. (the "Company") and its subsidiaries (together to as the "Group") as at 30 June 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended (the "financial information"). Management is responsible for the preparation and presentation of the financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this financial information based on our review.

The comparative interim condensed consolidated financial information as at and for the period ended 30 June 2008 and the consolidated financial statements of the Group as at and for the year ended 31 December 2008 respectively were reviewed/ audited by another auditor, whose review / audit reports dated 19 July 2008 and 4 February 2009 thereon respectively, expressed an unqualified conclusion/ opinion on those interim condensed consolidated financial information/ consolidated financial statements respectively.

The interim condensed consolidated financial information of the subsidiaries, whose financial information reflect total assets of QR 573,429,682 as at 30 June 2009, and net profit of QR 5,510,377 for the six months then ended, were reviewed by other auditors and their unqualified conclusion reports have been furnished to us. Our conclusion, in so far as it relates to the amounts included for those subsidiaries, is based solely on the reports of the other auditors.

### **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 Company."* A review of interim financial information consists 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 the reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 *“Interim Financial Reporting”*.

2 August 2009  
Doha  
State of Qatar

Ahmed Hussain  
KPMG  
*Qatar Auditors Registry Number 197*

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 June 2009**

In Qatari Riyals

	Note	30 June 2009	31 December 2008
		Reviewed	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	434,790,324	433,872,514
Investment properties	7	653,920,274	657,741,096
Intangible assets		114,369,828	112,823,366
Investments in associates		207,072,973	209,215,864
Available-for-sale investments	8	122,783,835	130,042,032
Retention receivables		37,135,270	39,519,882
Loan to an associate company		2,852,476	2,852,476
Other noncurrent assets		11,300,529	12,988,079
<b>Total non-current assets</b>		<b>1,584,225,509</b>	<b>1,599,055,309</b>
<b>Current assets</b>			
Inventories		310,768,277	333,069,275
Excess of revenue over billings		165,960,131	129,338,934
Other current assets		150,052,632	89,421,739
Retention receivables		54,453,038	39,216,200
Due from related parties		47,423,441	22,056,297
Trade and other receivables		275,848,068	381,928,309
Investments at fair value through profit or loss		5,282,913	6,138,753
Cash and bank balances		149,368,717	163,883,100
<b>Total current assets</b>		<b>1,159,157,217</b>	<b>1,165,052,607</b>
<b>TOTAL ASSETS</b>		<b>2,743,382,726</b>	<b>2,764,107,916</b>

**(Continued)**

This interim condensed consolidated financial information was approved by the Board of Directors and was signed on their behalf by the following on 2 August 2009:

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 June 2009**

In Qatari Riyals

(Continued)	Note	30 June 2009 Reviewed	31 December 2008 Audited
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		989,736,680	931,516,880
Legal reserve		337,650,076	337,650,076
Investments fair value reserve		5,042,222	6,013,119
Property revaluation surplus		3,938,508	4,262,839
Proposed cash dividends		-	58,219,805
Proposed issue of bonus shares		-	58,219,800
Retained earnings		146,880,982	83,261,533
<b>Total equity attributable to equity holders of the Parent</b>		<b>1,483,248,468</b>	1,479,144,052
Non-controlling interests		4,451,620	7,272,284
<b>Total equity</b>		<b>1,487,700,088</b>	1,486,416,336
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits		25,892,963	22,778,636
Retention payables		13,953,799	14,750,393
Borrowings		240,406,947	232,606,546
Notes payable		52,005,669	2,689,991
Other liabilities		6,480,915	4,921,665
<b>Total non-current liabilities</b>		<b>338,740,293</b>	277,747,231
<b>Current liabilities</b>			
Due to related parties		7,539,851	7,439,409
Excess of billings over revenues		67,765,175	48,190,182
Advances from customers		8,511,572	15,574,842
Retention payables		22,082,351	12,980,303
Other liabilities		334,297,501	389,004,781
Trade and other payables		170,862,286	198,913,657
Notes payable		40,168,429	50,011,539
Bank overdrafts		167,535,552	200,349,214
Borrowings		98,179,628	77,480,422
<b>Total current liabilities</b>		<b>916,942,345</b>	999,944,349
<b>TOTAL LIABILITIES</b>		<b>1,255,682,638</b>	1,277,691,580
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,743,382,726</b>	2,764,107,916

This interim condensed consolidated financial information was approved by the Board of Directors and was signed on their behalf by the following on 2 August 2009:

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

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six month period ended 30 June 2009

In Qatari Riyals

	For the three months ended 30 June		For the six months ended 30 June	
	<b>2009</b> <b>Reviewed</b>	2008 Reviewed	<b>2009</b> <b>Reviewed</b>	2008 Reviewed
Operating income	426,492,259	414,579,578	877,951,045	784,736,884
Operating cost	<u>(306,266,395)</u>	<u>(294,623,559)</u>	<u>(624,825,759)</u>	<u>(565,736,509)</u>
<b>Gross profit</b>	<b>120,225,864</b>	119,956,019	<b>253,125,286</b>	219,000,375
Investment income	13,671,344	32,120,390	30,713,025	78,909,094
Other operating income	1,535,153	1,626,478	2,939,474	2,621,624
Service and consultancy income	2,433,840	4,603,775	4,556,089	6,253,039
Other income	<u>5,981,002</u>	<u>4,539,061</u>	<u>11,491,506</u>	<u>7,776,084</u>
	143,847,203	162,845,723	302,825,380	314,560,216
Salaries and staff benefits	(52,154,165)	(48,158,814)	(105,591,690)	(92,947,432)
General and administrative expenses	(40,937,895)	(53,520,135)	(81,572,624)	(87,433,342)
Amortisation of intangible assets	(593,808)	(730,202)	(1,196,634)	(1,537,628)
Depreciation of investment properties	(552,242)	(698,919)	(1,098,416)	(1,441,877)
Depreciation of property, plant and equipment	(11,446,259)	(10,528,411)	(23,191,585)	(20,464,530)
Impairment on available-for- sale investments	-	-	(8,969,730)	-
Finance costs	<u>(6,578,228)</u>	<u>(3,637,233)</u>	<u>(12,430,551)</u>	<u>(9,159,135)</u>
Profit before General Managers' profit share	31,584,606	45,572,009	68,774,150	101,576,272
Executives and general managers' bonus	<u>(2,041,154)</u>	<u>(2,587,751)</u>	<u>(4,417,602)</u>	<u>(3,707,842)</u>
<b>Profit for the period</b>	<b>29,543,452</b>	42,984,258	<b>64,356,548</b>	97,868,430
<b>Attributable to:</b>				
Equity holders of the Parent	29,893,744	42,380,340	63,295,118	96,404,580
Non-controlling interests	<u>(350,292)</u>	<u>603,918</u>	<u>1,061,430</u>	<u>1,463,850</u>
<b>Profit for the period</b>	<b>29,543,452</b>	42,984,258	<b>64,356,548</b>	97,868,430
<b>Basic and diluted earnings per share (QR)</b>	<b>0.30</b>	0.43	<b>0.64</b>	0.97

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six month period ended 30 June 2009**

In Qatari Riyals

	For the three months ended June 30		For the six months ended June 30	
	<b>2009 Reviewed</b>	2008 Reviewed	<b>2009 Reviewed</b>	2008 Reviewed
<b>Profit for the period</b>	<b><u>29,543,452</u></b>	<u>42,984,258</u>	<b><u>64,356,548</u></b>	<u>97,868,430</u>
<b>Other comprehensive income:</b>				
Transfer to profit on disposal of available-for-sale investments	-	(6,254,616)	-	(6,352,715)
Net movement in cumulative changes in fair value of available-for-sale investments	8,562,747	18,705,410	(9,940,627)	19,745,654
Impairment loss on available-for-sale investments transferred to profit	-	-	8,969,730	-
Revaluation reserve realised	<u>161,901</u>	<u>175,694</u>	<u>324,331</u>	<u>437,182</u>
<b>Other comprehensive income / (loss) for the period</b>	<b><u>8,724,648</u></b>	<u>12,626,488</u>	<b><u>(646,566)</u></b>	<u>13,830,121</u>
<b>Comprehensive income for the period</b>	<b><u>38,268,100</u></b>	<u>55,610,746</u>	<b><u>63,709,982</u></b>	<u>111,698,551</u>