Gulf Warehousing Company (Q.S.C.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2011

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GULF WAREHOUSING COMPANY (Q.S.C.)

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Warehousing Company (Q.S.C.) (the "Company") and its subsidiaries (the "Group") as at 30 June 2011, comprising of the interim consolidated statement of financial position as at 30 June 2011 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and the related explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard 34 - *Interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these interim condensed consolidated 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 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. Consequently, it 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ziad Nader
of Ernst & Young
Auditor's Registration No: 258

Date: 20 July 2011
Doha

INTERIM CONSOLIDATED STATEMENT OF INCOME
For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 QR (Unaudited)	30 June 2010 QR (Unaudited)
Revenue	5	**191,455,275**	42,951,611
Direct costs	6	**(136,926,637)**	(26,953,690)
GROSS PROFIT		**54,528,638**	15,997,921
Other income		**-**	46,662
Finance income		**1,095,490**	1,332,299
Gain on disposal of property, plant and equipment		**70,270**	614,576
Staff costs		**(11,341,088)**	(4,306,829)
General and administration expenses		**(7,897,418)**	(3,975,566)
Finance costs		**(3,322,252)**	(2,297,110)
Amortization of intangible assets	8	**(1,678,000)**	-
Net impairment loss on trade receivables	9	**(1,200,000)**	-
PROFIT FOR THE PERIOD		**30,255,640**	7,411,953
Attributable to:			
Owners of the parent		**30,537,751**	7,411,953
Non-controlling interest		**(282,111)**	-
		30,255,640	7,411,953
BASIC AND DILUTED EARNINGS PER SHARE (Attributable to owners of the parent) (Expressed in QR per share)	14	**0.77**	0.30

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2011

	Six months ended	
	30 June 2011 QR (Unaudited)	*30 June 2010 QR (Unaudited)*
Profit for the period	**30,255,640**	7,411,953
Net gain (loss) on revaluation of available for sale investments	**404,049**	(1,983,961)
Other comprehensive income (loss) for the period	**404,049**	(1,983,961)
Total comprehensive income for the period	**30,659,689**	5,427,992
Attributable to:		
Owners of the parent	**30,941,800**	5,427,992
Non controlling interests	**(282,111)**	-
	30,659,689	5,427,992

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2011

	Notes	***30 June 2011 QR (Unaudited)***	*31 December 2010 QR (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	7	**585,767,958**	418,842,008
Leasehold property		**1,265,282**	-
Investment properties		**77,438,881**	41,741,015
Intangible assets	8	**82,222,000**	-
Goodwill	3	**77,403,716**	-
Available-for-sale investments		**2,974,033**	2,569,984
		827,071,870	463,153,007
Current assets			
Inventories		**4,582,782**	1,200,223
Trade and other receivables	9	**175,796,213**	47,577,533
Bank balances and cash		**78,879,924**	96,877,607
		259,258,919	145,655,363
TOTAL ASSETS		**1,086,330,789**	608,808,370
EQUITY AND LIABILITIES			
Attributable to owners of the parent			
Share capital	10	**396,341,460**	250,000,000
Legal reserve		**221,354,861**	67,696,321
Cumulative changes in fair value		**152,083**	(251,966)
Retained earnings		**37,008,860**	31,471,109
		654,857,264	348,915,464
Non-controlling interests		**697,889**	-
Total equity		**655,555,153**	348,915,464

Continued…..

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2011

	Notes	***30 June 2011 QR (Unaudited)***	*31 December 2010 QR (Audited)*
Non-current liabilities			
Interest bearing loans and borrowings	12	**257,861,708**	189,278,196
Employees' end of service benefits		**7,285,869**	1,595,469
		265,147,577	190,873,665
Current liabilities			
Trade payables and accruals	13	**77,242,221**	21,997,271
Interest bearing loans and borrowings	12	**66,211,286**	29,956,082
Retention payable		**22,174,552**	17,065,888
		165,628,059	69,019,241
Total liabilities		**430,775,636**	259,892,906
TOTAL EQUITY AND LIABILITIES		**1,086,330,789**	608,808,370

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Mohamed Ismail Al Emadi	Ranjeev Menon
Chairman	Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2011

		Six months ended	
		30 June 2011	*30 June 2010*
		QR	*QR*
	Notes	***(Unaudited)***	*(Unaudited)*
OPERATING ACTIVITIES			
Profit for the period		**30,255,640**	7,411,953
Adjustments for:			
Depreciation and amortisation		**17,371,762**	10,894,482
Amortization of intangible assets	8	**1,678,000**	-
Finance costs		**3,322,252**	2,297,110
Gain on disposal of property, plant and equipment		**(70,270)**	(614,576)
Allowance for impairment of accounts receivable	9	**1,200,000**	-
Provision for employees' end of service benefits		**1,198,767**	134,666
Finance income		**(1,095,490)**	(1,332,299)
Operating cash flows before working capital changes		**53,860,661**	18,791,336
Working capital changes:			
Inventories		**(3,130,185)**	31,115
Trade and other receivables		**(13,409,749)**	(3,593,773)
Trade payables and accruals		**29,244,686**	6,852,758
Retention payable		**5,108,664**	5,362,057
Cash from operations		**71,674,077**	27,443,493
Finance costs paid		**(3,322,252)**	(2,297,110)
Employees' end of service benefits paid		**(152,440)**	-
Net cash from operating activities		**68,199,385**	25,146,383
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(99,275,395)**	(63,910,730)
Proceeds from disposal of property, plant and equipment		**230,000**	3,650,083
Acquisition of subsidiary, net of cash acquired		**(26,665,879)**	-
Finance income received		**1,095,490**	25,329
Net cash used in investing activities		**(124,615,784)**	(60,235,318)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**62,438,716**	46,227,911
Contribution from non-controlling interests		**980,000**	-
Dividends paid to shareholders of the parent	11	**(25,000,000)**	-
Net cash from financing activities		**38,418,716**	46,227,911
(DECREASE) INCREASE IN BANK BALANCES AND CASH		**(17,997,683)**	11,138,976
Bank balances and cash at 1 January		**96,877,607**	55,725,076
BANK BALANCES AND CASH AT 30 JUNE		**78,879,924**	66,864,052

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six Months Ended 30 June 2011

	Attributable to owners of the parent						
	Share capital	*Legal reserve*	*Cumulative changes in fair values*	*Accumulated losses*	*Total*	*Non-controlling interests*	*Total equity*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
At 1 January 2010	250,000,000	62,595,564	(647,643)	(13,160,514)	298,787,407	-	298,787,407
Profit for the period	-	-	-	7,411,953	7,411,953	-	7,411,953
Other comprehensive loss for the period			(1,983,961)	-	(1,983,961)	-	(1,983,961)
Total comprehensive income for the period	-	-	(1,983,961)	7,411,953	5,427,992	-	5,427,992
Balance at 30 June 2010 (*Unaudited)*	250,000,000	62,595,564	(2,631,604)	(5,748,561)	304,215,399	-	304,215,399

	Attributable to owners of the parent						
	Share capital	*Legal reserve*	*Cumulative changes in fair values*	*Retained earnings*	*Total*	*Non-controlling interests*	*Total equity*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
At 1 January 2011	250,000,000	67,696,321	(251,966)	31,471,109	348,915,464	-	348,915,464
Profit for the period	-	-	-	30,537,751	30,537,751	(282,111)	30,255,640
Other comprehensive income for the period	-	-	404,049	-	404,049	-	404,049
Total comprehensive income for the period	-	-	404,049	30,537,751	30,941,800	(282,111)	30,659,689
Issue of share capital (Note 10)	146,341,460	153,658,540	-	-	300,000,000	-	300,000,000
Dividends paid (Note 11)	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Contribution from non-controlling interests	-	-	-	-	-	980,000	980,000
Balance at 30 June 2011 (*Unaudited)*	**396,341,460**	**221,354,861**	**152,083**	**37,008,860**	**654,857,264**	**697,889**	**655,555,153**

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Gulf Warehousing Company (Q.S.C.) (the "Company") is a public shareholding company incorporated in the State of Qatar under commercial registration number 27386. The Company together with its subsidiaries (the “Group”) specializes in providing set-up, establishment, and management of all types of warehouses for storage, freight forwarding and other ancillary services. The Company is listed at Qatar Exchange.

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2011 were authorised for issue by the Board of Directors on 20 July 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.*

The interim condensed consolidated financial statements are prepared in Qatar Riyals (QR), which is the Group’s functional and presentation currency.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2010. The results for the six months ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting principles.

The interim condensed consolidated financial statements incorporate the financial statements of the below subsidiaries:

Name of subsidiary	*Country of incorporation*	*Principal activities*	*Group effective shareholding % 30 June 2011*
Agility W.L.L	Qatar	Logistics and transportation	100%
GWC Special Projects WLL	Qatar	Transportation	100%
PWC Special Co WLL	Qatar	Investing in special projects	100%
Imdad Group Logistic Services WLL	Qatar	Trading in food stuff and other consumables	51%

Transactions eliminated on consolidation
All material inter-group balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the interim condensed consolidated financial statements.

Non controlling interests
Non controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from parent shareholders’ equity. Acquisitions of non controlling interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the fair value of the share of the net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a discount on acquisition) is recognized directly in the income statement in the year of acquisition.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies
The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as noted below:

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2011.

IAS 24, 'Related Party Disclosures (Revised)'
The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. A partial exemption from the disclosures has been included for government-related entities. For these entities, the general disclosure requirements of IAS 24 will not apply. Instead, alternative disclosures have been included, requiring: (a) The name of the government and the nature of its relationship with the reporting entity (b) The nature and amount of individually significant transactions (c) A qualitative or quantitative indication of the extent of other transactions that are collectively significant. This amendment did not give rise to any changes to the Group's financial statements.

Improvements to IFRS (issued May 2010)
'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

The following interpretations became effective in 2011, but were not relevant for the Group's operations:

IAS 12	Income Taxes – Tax recovery of underlying assets (Amendment)
IAS 32	Financial Instruments: Presentation - Classification of rights issues (Amendment)
IFRS 1	First-time adoption – Severe hyperinflation and removal of fixed dates for first-time adopters (Amendment)
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The Group is currently evaluating the impact of the following new IFRS which are effective from 1 January 2013:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement

Business combinations and goodwill
Business combinations are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of income. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)
Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognised in the consolidated statement of income. The interest of non controlling shareholders in the acquiree is initially measured at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3 BUSINESS COMBINATION

Acquisition of Agility W.L.L.
On 1 January 2011, the Group acquired 100 % shares of Agility W.L.L. ("Acquiree"), a limited liability company incorporated in the State of Qatar. The Company is engaged in the activities of warehouse storage handling, freight forwarding, transportation, customs clearance and relocation services. The Group has obtained control over the Subsidiary in accordance with the acquisition agreement effective from 1 January 2011.

The provisional fair value of the identifiable assets and liabilities of the above subsidiary immediately prior to the acquisition and the computation of goodwill and intangible assets are detailed below:

Assets	***Carrying amounts immediately prior to the acquisition QR***	***Provisional fair value recognised on acquisition date QR***
Property, plant and equipment	71,875,181	**85,147,067**
Leasehold property	1,300,262	**1,300,262**
Intangible assets (*Note a*)	-	**83,900,000**
Investment property	25,259,000	**35,697,866**
Goodwill	4,183,800	**-**
Advance to affiliates	1,020,000	**1,020,000**
Inventories	252,374	**252,374**
Trade and other receivables	96,836,902	**96,836,901**
Other short term assets	6,000,581	**6,000,581**
Bank balances and cash	12,151,449	**12,151,449**
	218,879,549	**322,306,500**
Liabilities		
Employees' end of service benefits	4,644,073	**4,644,073**
Loans and borrowings	42,400,000	**42,400,000**
Trade payables and accruals	10,636,021	**10,636,021**
Other short term liabilities	9,738,015	**15,364,243**
	67,418,109	**73,044,337**
Net assets acquired at fair values (provisional)		**249,262,163**
Less: Cost of business combination (*Note b*)		326,665,879
Goodwill on acquisition (*Note a*)		**77,403,716**

Notes:

(a) Due to the recent date of acquisition, the Group has not yet finalized the Purchase Price Allocation (PPA) to identify separately the intangible assets and goodwill of the acquisition. This will be finalized in due course, within the stipulated time frame. The amortization of intangible assets is based on provisional purchase price allocation performed at the end of the reporting period. The Group will recognize any adjustment to those provisional values as a result of completing the initial accounting within twelve months of the date of the acquisition, with effect from the acquisition date.Based on provisional purchase price allocation as of 30 June 2011, derived values of intangible assets of QR 83.9 million and a goodwill of QR 77.4 million is included in the value paid for the acquisition of 100% shares of Agility WLL. Intangible assets will be amortized within the useful life of 25 years.

3 BUSINESS COMBINATION (continued)

(b)
Cost of business combination:

Issue of 14,634,146 fully paid up ordinary shares of the Company	14,634,146	
Multiplied by the issue price	@ QR 20.50	299,999,993
Rounding off adjustment		7
Total value of issued shares		300,000,000
Cash consideration		16,065,879
Settlement of loans obtained by acquiree		10,600,000
Total cost of business combination		**326,665,879**

4 SEGMENT INFORMATION

For management purposes, the Group is divided into three operating segments which are based on business lines, as follows:

- Logistic operations segment includes storage, handling, packing and transportation;
- Freight forwarding segment includes freight services through land, air and sea;
- Others includes trading;

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The following table presents revenue and profit information regarding the Group's operating segment for the six months ended 30 June 2011 and 2010, respectively.

Six months ended 30 June 2011 *(Unaudited)*	***Logistic operations QR***	***Freight forwarding QR***	***Others QR***	***Unallocated QR***	***Total QR***
Segment revenue	**116,664,204**	**68,424,417**	**6,366,654**	**-**	**191,455,275**
Segment profit (loss)	**22,857,612**	**6,808,005**	**(575,738)**	**1,165,761**	**30,255,640**

Six months ended 30 June 2010 *(Unaudited)*	*Logistic operations QR*	*Freight forwarding QR*	*Others QR*	*Unallocated QR*	*Total QR*
Segment revenue	39,919,718	3,031,893	-	-	42,951,611
Segment profit	5,363,407	60,638	-	1,987,908	7,411,953

4 SEGMENT INFORMATION (continued)

The following table presents segment assets of the Group's operating segments as at 30 June 2011 and 31 December 2010:

	Logistic operations QR	*Freight forwarding QR*	*Others QR*	*Unallocated QR*	*Total QR*
Segment assets					
At 30 June 2011 **(*Unaudited*)**	**955,565,126**	**96,468,609**	**12,538,954**	**21,758,100**	**1,086,330,789**
At 31 December 2010 *(Audited)*	604,730,406	1,401,739	-	2,676,225	608,808,370

5 REVENUE

	30 June 2011 QR (Unaudited)	*30 June 2010 QR (Unaudited)*
Logistic operations	**116,664,204**	39,919,718
Freight forwarding	**68,424,417**	3,031,893
Others	**6,366,654**	-
	191,455,275	42,951,611

6 DIRECT COSTS

	30 June 2011 QR (Unaudited)	*30 June 2010 QR (Unaudited)*
Freight forwarding charges	**52,402,793**	2,968,627
Staff costs	**28,499,252**	4,558,003
Depreciation	**15,878,955**	10,185,889
Warehouse revenue cost	**7,412,881**	273,394
Repairs and maintenance	**6,611,464**	1,610,419
Material purchases	**5,797,664**	-
Transport revenue cost	**5,051,085**	376,680
Rent	**4,627,120**	602,850
Fuel	**3,021,641**	623,936
Water and electricity	**1,468,424**	600,269
Insurance	**1,464,039**	1,188,813
Manpower subcontract charges	**692,493**	3,472,386
Others	**3,998,826**	492,424
	136,926,637	26,953,690

7 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2011, the Group acquired assets with a cost of QR 99.2 million (31 December 2010: QR 189.3 million; 30 June 2010: QR 63.9 million). Assets with a net book value of QR 160 thousand was disposed by the Group during the six months ended 30 June 2011 (31 December 2010: QR 9 million; 30 June 2010: QR 1.8 million) resulting in a net gain of disposal amounted to QR 70 thousand (31 December 2010: QR 621 thousand; 30 June 2010: 614 thousand).

8 INTANGIBLE ASSETS

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
At the beginning of the period	**-**	
Acquisition of subsidiary (Note 3)	**83,900,000**	-
Amortisation for the period	**(1,678,000)**	-
At the end of the period	**82,222,000**	-

9 TRADE AND OTHER RECEIVABLES

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
Trade receivables	**117,603,467**	15,900,162
Advances paid	**34,399,941**	22,135,479
Prepayments	**12,066,570**	1,127,742
Accrued revenue	**3,209,002**	7,208,227
Other receivables	**8,517,233**	1,205,923
	175,796,213	47,577,533

At 30 June 2011, financial assets amounting to QR 2,390,667 were impaired (31 December 2010: QR 1,190,667).

Movements in the allowance for impairment of financial assets are as follows:

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
Balance at 1 January	**1,190,667**	325,645
Charge for the period/year	**1,200,000**	866,010
Written off during the period/year	**-**	(988)
Balance at 30 June / 31 December 2010	**2,390,667**	1,190,667

10 SHARE CAPITAL

	30 June 2011 (Unaudited)	*31 December 2010 (Audited)*
Issued and paid up capital (in Qatar Riyals) (Nominal value of ordinary shares QR 10 each)	**396,341,460**	250,000,000
Number of shares	**39,634,146**	25,000,000

Note:
On 1 January 2011, the Company issued 14,634,146 new ordinary shares, with an issue price of QR 20.50 per share including a share premium of QR 10.50 per share in accordance with the acquisition agreement entered between the Company and Agility W.L.L. In accordance Article 154 of the Qatar Commercial Companies Law, the amount in excess of the nominal value of the share issue price has been included in the legal reserve of the Company.

11 DIVIDENDS PAID

A cash dividend of QR 1 per share relating to the year ended 31 December 2010 (2009: Nil), amounting to QR 25 million, was approved at the Annual General Assembly held on 14 February 2011.

12 INTEREST BEARING LOANS AND BORROWINGS

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
Interest bearing loans and borrowings	**375,986,744**	264,841,049
Less: Deferred financing cost	**(51,913,750)**	(45,606,771)
	324,072,994	219,234,278

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
Presented in the consolidated statement of financial position as follows:		
Non-current portion	**257,861,708**	189,278,196
Current portion	**66,211,286**	29,956,082
	324,072,994	219,234,278

During the period ended 30 June 2011, the Group borrowed QR 86.7 million (30 June 2010: QR 58.1 million). These loans have been obtained to finance the Logistics Village Qatar project (LVQ). These loans carry financing costs at commercial rates. These loans are secured against warehouse buildings located in LVQ project.

13 TRADE PAYABLES AND ACCRUALS

	30 June 2011 QR (Unaudited)	*31 December 2010 QR (Audited)*
Trade payables	**25,675,197**	4,829,012
Accrued expenses	**10,195,853**	9,308,927
Deferred income	**6,653,487**	1,500,000
Other payables	**34,717,684**	6,359,332
	77,242,221	21,997,271

14 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at the any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

	30 June 2011 (Unaudited)	*30 June 2010 (Unaudited)*
Net profit for the period attributable to owners of the parent (QR)	**30,537,751**	7,411,953
Weighted average number of shares	**39,634,146**	25,000,000
Basic and diluted earnings per share (QR)	**0.77**	0.30

The weighted average numbers of shares have been calculated as follows:

	30 June 2011 QR (Unaudited)	*30 June 2010 QR (Unaudited)*
Qualifying shares at the beginning of the period	**25,000,000**	25,000,000
Issue of new ordinary shares	**14,634,146**	-
Balance at end of the period	**39,634,146**	25,000,000