

**GULF WAREHOUSING COMPANY – Q.S.C**  
**DOHA - QATAR**

**INTERIM CONDENSED FINANCIAL**  
**STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REVIEW**  
**REPORT FOR THE SIX MONTH PERIOD**  
**ENDED JUNE 30, 2008**

**GULF WAREHOUSING COMPANY - Q.S.C**  
**DOHA - QATAR**

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Independent Auditor's Review Report

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**REVIEW REPORT TO**

**The Shareholders  
Gulf Warehousing Company – Q.S.C.  
Doha - Qatar**

**Introduction**

We have reviewed the accompanying interim condensed balance sheet of Gulf Warehousing Company – Q.S.C. as of June 30, 2008 and interim condensed statements of 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 fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards. 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 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 interim condensed financial statements do not give a true and fair view of the financial position of the Gulf Warehousing Company – Q.S.C as of June 30, 2008, and of its financial performance and its cash flows for the six month period then ended in accordance with International Accounting Standard number 34, "Interim Financial Reporting".

For **Grant Thornton - AL EID & CO.**

**Samir M. Salem  
(Licence No. 99)**

Doha, July 16, 2008

**GULF WAREHOUSING COMPANY - Q.S.C**  
**DOHA - QATAR**  
**INTERIM CONDENSED BALANCE SHEET AS OF JUNE 30, 2008**  
**(Expressed In Qatari Rivals)**

Notes	June 30, 2008 Reviewed	December 31, 2007 Audited
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents - 3 -	68,252,161	85,795,028
Accounts receivable	17,241,097	17,651,912
Short-term advances, prepayments and other receivables	10,959,934	19,741,854
<b>Total Current Assets</b>	<b>96,453,192</b>	<b>123,188,794</b>
<b><u>Non - current Assets</u></b>		
Investments available for sale - 4 -	17,566,810	21,606,810
Investment in associate	15,392,730	15,392,730
Property, plant and equipment - 5 -	285,263,544	264,539,788
<b>Total Non - current Assets</b>	<b>318,223,084</b>	<b>301,539,328</b>
<b>Total Assets</b>	<b>414,676,276</b>	<b>424,728,122</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b><u>Non - current Liabilities</u></b>		
Provision for employees' terminal benefits	442,742	591,286
Long term loans	66,962,403	69,323,392
<b>Total Non - current Liabilities</b>	<b>67,405,145</b>	<b>69,914,678</b>
<b><u>Current Liabilities</u></b>		
Accounts payable	2,792,946	3,476,683
Accruals, provisions and other payables	521,691	2,897,511
Current portion of long term loans	21,767,826	27,450,426
Short term retention payable	5,420,437	6,024,138
<b>Total Current Liabilities</b>	<b>30,502,900</b>	<b>39,848,758</b>
<b>Total Liabilities</b>	<b>97,908,045</b>	<b>109,763,436</b>
<b><u>Shareholders' Equity</u></b>		
Capital	250,000,000	250,000,000
Legal reserve	61,757,621	61,757,621
Retained earnings	5,010,610	3,207,065
<b>Total Shareholders' Equity</b>	<b>316,768,231</b>	<b>314,964,686</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>414,676,276</b>	<b>424,728,122</b>

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**Mr. Faisal Mohammad Ghanem Al Sulaiti**  
**Chairman**

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**Mr. Vivek Nambiar**  
**General Manager**

THE ACCOMPANYING NOTES FORM PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**GULF WAREHOUSING COMPANY - Q.S.C**  
**DOHA - QATAR**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30,2008**  
**(Expressed In Qatari Rivals)**

Notes	For the six month Period ended June , 30 2008 <b>Reviewed</b>	For the six month period ended June 30, 2007 <b>Reviewed</b>
Operating income	25,897,095	19,898,560
Operating costs	( 16,784,665)	( 17,966,765)
<b>Gross profit</b>	<b>9,112,430</b>	<b>1,931,795</b>
Other income	7,712	5,600
Rent expenses	( 134,000)	( 800,000)
Depreciation	( 666,189)	( 429,130)
General and administrative expenses	( 6,743,347)	( 3,686,131)
Interest expenses	( 2,154,025)	- 0 -
Investment income, net	2,380,964	4,307,803
Impairment loss on available for sale investments	- 0 -	( 3,500,000)
<b>Net profit / (loss) for the period</b>	<b>1,803,545</b>	<b>( 2,170,063)</b>
<b>Earnings per share (basic and diluted)</b>	<b>- 6 -</b>	<b>( 0.07)</b>

THE ACCOMPANYING NOTES FORM PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**DOHA – QATAR**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30,2008**  
**(Expressed In Qatari Riyals)**

Notes	For the six month Period ended June , 30 2008 <b>Reviewed</b>	For the six month period ended June 30, 2007 <b>Reviewed</b>
<b><u>OPERATING ACTIVITIES</u></b>		
Net profit /(loss) for the period	1,803,545	( 2,170,063)
Adjustments:		
Depreciation	7,733,859	6,248,810
Unrealized loss on revaluation of Investments held for trading	- 0 -	21,775
Impairment loss on available for sale investments	- 0 -	3,500,000
Provision for employee’s end of service benefits	( 148,544)	6,817
<b>Operating cash flows before changes in working capital</b>	<b>9,388,860</b>	<b>7,607,339</b>
<b><u>Changes in Working Capital</u></b>		
Accounts receivable	410,815	( 6,592,227)
Short term advances, prepayments and other receivables	8,781,920	( 735,717)
Accounts payable	( 683,737)	10,766,954
Accrued expenses and other payables	( 2,375,820)	( 30,789)
Retention payable	( 603,701)	( 2,762,667)
<b>Net cash from operating activities</b>	<b>14,918,337</b>	<b>8,252,893</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Net movement in investments	4,040,000	( 24,778,218)
Acquisition of property and equipment	( 28,457,615)	( 49,318,794)
<b>Net cash used in investing activities</b>	<b>( 24,417,615)</b>	<b>( 74,097,012)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Repayment of term loans	( 8,043,589)	( 4,644,551)
<b>Net cash used in Financing Activities</b>	<b>( 8,043,589)</b>	<b>( 4,644,551)</b>
Decrease in cash and cash equivalents	( 17,542,867)	( 70,488,670)
Cash and cash equivalents at beginning of the period	85,795,028	177,061,520
<b>Cash and cash equivalents at end of the period</b>	<b>68,252,161</b>	<b>106,572,850</b>

THE ACCOMPANYING NOTES FORM PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**THE SIX MONTH PERIOD ENDED JUNE 30,2008**  
**(Expressed In Qatari Rivals)**

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**1. Activity and Registration**

Gulf Warehousing Company – Q.S.C. is a public shareholding company incorporated in the state of Qatar in March 2004 under registration number 27386 and governed by the provisions of the Qatari Commercial Companies' Law.

The company specializes in providing set-up, establishment, management and leasing of all types of warehouses for storage, freight for commodities and others.

**2. Significant Accounting Policies:**

The interim condensed financial statements of the company are prepared in accordance with International Accounting Standard number 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31,2007. These interim condensed financial statements should be read in conjunction with the 2007 annual financial statements and the 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 ended June 30,2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31,2008.

For the purpose of these interim condensed financial statements, the Company has adopted revised and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to its operations for the period beginning January 1,2008





## 5. Property , Plant and Equipment

	Land	Infrastructure Development	Buildings	Racking System	Office Equipment	Furniture & Fixtures	Warehouse Equipment	Vehicles	Work in progress	Total
<u>Cost :</u>										
Balance as of January 1,2008	8,167,353	6,104,978	60,479,058	5,017,257	4,496,685	1,016,665	4,158,798	61,723,515	128,785,146	279,949,455
Additions	- 0 -	- 0 -	- 0 -	- 0 -	51,857	89,421	402,832	8,343,646	19,569,859	28,457,615
Balance as of June 30,2008	<u>8,167,353</u>	<u>6,104,978</u>	<u>60,479,058</u>	<u>5,017,257</u>	<u>4,548,542</u>	<u>1,106,086</u>	<u>4,561,630</u>	<u>70,067,161</u>	<u>148,355,005</u>	<u>308,407,070</u>
<u>Accumulated Depreciation :</u>										
Balance as of January 1,2008	- 0 -	162,799	3,473,861	1,421,555	1,369,815	329,275	857,627	7,794,735	- 0 -	15,409,667
Charge for the peirod	- 0 -	122,100	1,511,976	501,726	698,526	132,395	449,916	4,317,220	- 0 -	7,733,859
Balance as of June 30,2008	<u>- 0 -</u>	<u>284,899</u>	<u>4,985,837</u>	<u>1,923,281</u>	<u>2,068,341</u>	<u>461,670</u>	<u>1,307,543</u>	<u>12,111,955</u>	<u>- 0 -</u>	<u>23,143,526</u>
Net Book Value as of June 30,2008	<u>8,167,353</u>	<u>5,820,079</u>	<u>55,493,221</u>	<u>3,093,976</u>	<u>2,480,201</u>	<u>644,416</u>	<u>3,254,087</u>	<u>57,955,206</u>	<u>148,355,005</u>	<u>285,263,544</u>
Net Book Value as of December 31,2007	<u>8,167,353</u>	<u>5,942,179</u>	<u>57,005,197</u>	<u>3,595,702</u>	<u>3,126,870</u>	<u>687,390</u>	<u>3,301,171</u>	<u>53,928,780</u>	<u>128,785,146</u>	<u>264,539,788</u>
	- 0 -	4 %	5 %	20%	20%-30%	25%	20%	12.50%-20%	- 0 -	

\* The work in progress as of December 31,2007 represents amount paid for project work relating to construction of warehouse and facilities and related vehicles and Equipment.

Depreciation for the period amounted to QR 7,733,859 of which QR 7,067,670 has been charged to operating costs.

**GULF WAREHOUSING COMPANY - Q.S.C**  
**DOHA - QATAR**

**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30,2008**  
**(Expressed In Qatari Rivals)**

	Share Capital	Legal Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as of January 1,2007	250,000,000	61,473,106	( 1,819,672)	646,432	310,299,866
Net loss for the period	- 0 -	- 0 -	- 0 -	( 2,170,063)	( 2,170,063)
Net movement in fair value reserve	- 0 -	- 0 -	268,138	- 0 -	268,138
Fair value reserve recognized in the Statement of income	- 0 -	- 0 -	3,500,000	- 0 -	3,500,000
Balance as of June 30, 2007	<u>250,000,000</u>	<u>61,473,106</u>	<u>1,948,466</u>	<u>( 1,523,631)</u>	<u>311,897,941</u>
Balance as of January 1, 2008	250,000,000	61,757,621	- 0 -	3,207,065	314,964,686
Net profit for the period	- 0 -	- 0 -	- 0 -	1,803,545	1,803,545
Balance as of June 30, 2008	<u>250,000,000</u>	<u>61,757,621</u>	<u>- 0 -</u>	<u>5,010,610</u>	<u>316,768,231</u>

THE ACCOMPANYING NOTES FORM PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**3. Cash and Cash Equivalents**

	June 30, 2008 <b>Reviewed</b>	December 31, 2007 <b>Audited</b>
Cash on hand	43,000	112,911
Current accounts	15,205,538	23,419,411
Fixed deposits	53,003,623	62,262,706
	<u>68,252,161</u>	<u>85,795,028</u>
	=====	=====

**4. Investments Available for Sale**

	June 30, 2008 <b>Reviewed</b>	December 31, 2007 <b>Audited</b>
Unquoted	17,566,810	21,606,810
	<u>17,566,810</u>	<u>21,606,810</u>
	=====	=====

**6. Earnings Per Share**

Earnings per share is calculated by dividing the net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	For the six month Period ended June , 30 2008 <b>Reviewed</b>	For the six month period ended June 30, 2007 <b>Reviewed</b>
Net profit/ (loss) for the period	1,803,545	( 2,170,063)
Adjusted weighted average number shares outstanding	25,000,000	25,000,000
Earnings per share (basic and diluted)	0.07	( 0.09)