

Gulf Warehousing Company (Q.S.C.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2012

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 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 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 notes. The Board of Directors 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: 19 July 2012

Doha

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2012

	Notes	Six months ended	
		30 June 2012 QR (Unaudited)	30 June 2011 QR (Unaudited)
Revenue	4	230,453,629	191,455,275
Direct costs	5	(157,862,617)	(136,926,637)
GROSS PROFIT		72,591,012	54,528,638
Other income		13,558	-
Gain on disposal of property, plant and equipment		-	70,270
Staff costs		(15,327,649)	(11,341,088)
General and administration expenses		(8,923,330)	(7,897,418)
Amortization of intangible assets	8	(3,323,407)	(1,678,000)
Net impairment loss on trade receivables	10	(841,401)	(1,200,000)
OPERATING PROFIT		44,188,783	32,482,402
Finance income		244,991	1,095,490
Finance costs		(4,356,290)	(3,322,252)
Loss on disposal of available for sale investments	9	(1,014,124)	-
PROFIT FOR THE PERIOD		39,063,360	30,255,640
Attributable to:			
Owners of the parent		40,458,586	30,537,751
Non-controlling interest		(1,395,226)	(282,111)
		39,063,360	30,255,640
BASIC AND DILUTED EARNINGS PER SHARE	18	1.02	0.77
(Attributable to owners of the parent)			
(Expressed in QR per share)			

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	<i>Six months ended</i>	
	<i>30 June</i> <i>2012</i> <i>QR</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2011</i> <i>QR</i> <i>(Unaudited)</i>
Profit for the period	<u>39,063,360</u>	<u>30,255,640</u>
Transferred to income statement on disposal of available for sale investments	958,798	-
Net unrealized gain on revaluation of available for sale investments	<u>-</u>	<u>404,049</u>
Other comprehensive income for the period	<u>958,798</u>	<u>404,049</u>
Total comprehensive income for the period	<u>40,022,158</u>	<u>30,659,689</u>
Attributable to:		
Owners of the parent	41,417,384	30,941,800
Non controlling interests	<u>(1,395,226)</u>	<u>(282,111)</u>
	<u>40,022,158</u>	<u>30,659,689</u>

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

		<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	6	813,118,276	666,443,356
Investment properties		95,376,595	95,376,595
Intangible assets	8	151,357,241	154,680,648
Available-for-sale investments	9	-	1,863,152
		<u>1,059,852,112</u>	<u>918,363,751</u>
Current assets			
Inventories		14,245,238	10,321,977
Trade and other receivables	10	253,553,166	239,582,609
Bank balances and cash	11	57,168,055	80,653,809
		<u>324,966,459</u>	<u>330,558,395</u>
TOTAL ASSETS		<u>1,384,818,571</u>	<u>1,248,922,146</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	396,341,460	396,341,460
Legal reserve		221,354,861	221,354,861
Cumulative changes in fair value		-	(958,798)
Retained earnings		47,668,166	66,660,794
		<u>665,364,487</u>	<u>683,398,317</u>
Equity attributable to owners of the parent		<u>665,364,487</u>	<u>683,398,317</u>
Non-controlling interests		2,035,816	3,431,042
		<u>667,400,303</u>	<u>686,829,359</u>
Total equity		<u>667,400,303</u>	<u>686,829,359</u>

Continued.....

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2012

		<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
	<i>Notes</i>		
Non-current liabilities			
Loans and borrowings	14	535,557,033	346,194,671
Employee benefits		10,114,641	7,977,610
		<u>545,671,674</u>	<u>354,172,281</u>
Current liabilities			
Trade payables and accruals	15	74,996,302	107,953,076
Loans and borrowings	14	72,258,659	75,298,520
Retention payable		24,491,633	24,668,910
		<u>171,746,594</u>	<u>207,920,506</u>
Total liabilities		<u>717,418,268</u>	<u>562,092,787</u>
TOTAL EQUITY AND LIABILITIES		<u>1,384,818,571</u>	<u>1,248,922,146</u>

 Mohamed Ismail Al Emadi
 Chairman

 Ranjeev Menon
 Group Chief Executive Officer

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Notes	Six months ended	
		30 June 2012 QR (Unaudited)	30 June 2011 QR (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		39,063,360	30,255,640
Adjustments for:			
Depreciation		17,187,003	17,371,762
Amortisation of intangible assets	8	3,323,407	1,678,000
Impairment of trade receivables (net)	10	841,401	1,200,000
Gain on disposal of property, plant and equipment		-	(70,270)
Loss on disposal of available for sale investments		1,014,124	-
Provision for employees' end of service benefits		2,618,255	1,198,767
Finance income		(244,991)	(1,095,490)
Finance costs		4,356,290	3,322,252
Operating cash flows before working capital changes		68,158,849	53,860,661
Working capital changes:			
Inventories		(3,923,261)	(3,130,185)
Trade and other receivables		(14,811,958)	(13,409,749)
Trade payables and accruals		(32,956,774)	29,244,686
Retention payable		(177,277)	5,108,664
Cash from operations		16,289,579	71,674,077
Finance costs paid		(4,356,290)	(3,322,252)
Employees' end of service benefits paid		(481,224)	(152,440)
Net cash from operating activities		11,452,065	68,199,385
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(163,861,923)	(102,991,695)
Net proceeds from disposal of available for sale investments		1,807,826	-
Finance income received		244,991	1,095,490
Proceeds from disposal of property, plant and equipment		-	230,000
Acquisition of subsidiary, net of cash acquired		-	(26,665,879)
Net cash used in investing activities		(161,809,106)	(128,332,084)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		186,322,501	66,155,016
Dividends paid to shareholders' of the parent	13	(59,451,214)	(25,000,000)
Contribution from non-controlling interests		-	980,000
Net cash from financing activities		126,871,287	42,135,016
DECREASE IN BANK BALANCES AND CASH		(23,485,754)	(17,997,683)
Bank balances and cash at 1 January		80,653,809	96,877,607
BANK BALANCES AND CASH AT 30 JUNE	11	57,168,055	78,879,924

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	<i>Attributable to owners of the parent</i>					<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Cumulative changes in fair values</i>	<i>Retained earnings</i>	<i>Total</i>		
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>		
At 1 January 2012	396,341,460	221,354,861	(958,798)	66,660,794	683,398,317	3,431,042	686,829,359
Profit for the period	-	-	-	40,458,586	40,458,586	(1,395,226)	39,063,360
Other comprehensive income	-	-	958,798	-	958,798	-	958,798
Total comprehensive income for the period	-	-	958,798	40,458,586	41,417,384	(1,395,226)	40,022,158
Dividends paid (Note 13)	-	-	-	(59,451,214)	(59,451,214)	-	(59,451,214)
Balance at 30 June 2012 (Unaudited)	396,341,460	221,354,861	-	47,668,166	665,364,487	2,035,816	667,400,303

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2012

	<i>Attributable to owners of the parent</i>					<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Cumulative changes in fair values</i>	<i>Retained earnings</i>	<i>Total</i>		
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>		
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 12)	146,341,460	153,658,540	-	-	300,000,000	-	300,000,000
Dividends paid (Note 13)	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Contribution from non-controlling interests	-	-	-	-	-	980,000	980,000
Balance at 30 June 2011 (<i>Unaudited</i>)	<u>396,341,460</u>	<u>221,354,861</u>	<u>152,083</u>	<u>37,008,860</u>	<u>654,857,264</u>	<u>697,889</u>	<u>655,555,153</u>

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

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 2012 were authorised for issue by the Board of Directors on 19 July 2012.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2012 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 2011. The results for the six months ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2012.

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:

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Group effective shareholding %</i>	
			<i>30 June 2012</i>	<i>30 June 2011</i>
Agility WLL	Qatar	Logistics and transportation	100%	100%
GWC Chemical WLL	Qatar	Chemical trading and transportation	100%	100%
PWC Special Co WLL	Qatar	Investing in special projects	100%	100%
GWC Global Transport LLC	UAE	Warehousing and transportation	100%	-
Imdad Sourcing & Logistic Group WLL	Qatar	Trading in food stuff and other consumables	51%	51%
GWC Saudi Arabia – Riyadh Branch	Kingdom of Saudi Arabia	Logistics and transportation	100%	-
GWC Saudi Arabia – Jeddah Branch	Kingdom of Saudi Arabia	Logistics and transportation	100%	-

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2011, 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 2012.

IFRS 7 - Disclosures - Transfers of financial assets (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

The following amendments to standards became effective in 2012, but did not have any impact on the accounting policies, financial position or performance of the Group:

<i>Standards</i>	<i>Content</i>
IAS 12	Income Taxes – Tax recovery of underlying assets (Amendment)
IFRS 1	First-time adoption – Severe hyperinflation and removal of fixed dates for first-time adopters (Amendment)

Standards and amendments issued but not adopted

The Group is currently considering the implications of the new standards and amendments to standards which are effective for future accounting periods and has not early adopted any of the new or amended Standards as listed below:

<i>Standards</i>	<i>Content</i>	<i>Effective date</i>
IFRS 9	Financial Instruments: Classification & Measurement (Part 1)	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)	1 January 2013
IAS 19	Employee Benefits (Revised)	1 January 2013

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

3 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 2012 and 2011, respectively.

Six months ended 30 June 2012 <i>(Unaudited)</i>	<i>Logistic operations</i> <u>QR</u>	<i>Freight forwarding</i> <u>QR</u>	<i>Others</i> <u>QR</u>	<i>Unallocated</i> <u>QR</u>	<i>Total</i> <u>QR</u>
Segment revenue	135,882,619	75,252,463	19,318,547	-	230,453,629
Segment profit	36,895,896	5,783,998	(2,847,401)	(769,133)	39,063,360
Six months ended 30 June 2011 <i>(Unaudited)</i>	<i>Logistic operations</i> <u>QR</u>	<i>Freight forwarding</i> <u>QR</u>	<i>Others</i> <u>QR</u>	<i>Unallocated</i> <u>QR</u>	<i>Total</i> <u>QR</u>
Segment revenue	116,664,204	68,424,417	6,366,654	-	191,455,275
Segment profit	22,857,612	6,808,005	(575,738)	1,165,761	30,255,640

The following table presents segment assets of the Group's operating segments as at 30 June 2012 and 31 December 2011:

	<i>Logistic operations</i> <u>QR</u>	<i>Freight forwarding</i> <u>QR</u>	<i>Others</i> <u>QR</u>	<i>Unallocated</i> <u>QR</u>	<i>Total</i> <u>QR</u>
Segment assets					
At 30 June 2012 <i>(Unaudited)</i>	1,097,567,823	125,602,199	51,043,195	110,605,354	1,384,818,571
At 31 December 2011 <i>(Audited)</i>	926,934,548	112,450,573	44,549,579	164,987,446	1,248,922,146

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

4 REVENUE

	<i>30 June 2012 QR (Unaudited)</i>	<i>30 June 2011 QR (Unaudited)</i>
Logistic operations	135,882,619	116,664,204
Freight forwarding	75,252,463	68,424,417
Others	19,318,547	6,366,654
	<u>230,453,629</u>	<u>191,455,275</u>

5 DIRECT COSTS

	<i>30 June 2012 QR (Unaudited)</i>	<i>30 June 2011 QR (Unaudited)</i>
Freight forwarding charges	59,901,019	52,402,793
Staff costs	33,794,091	28,499,252
Logistic costs	17,881,176	12,463,966
Depreciation	16,264,588	15,878,955
Repairs and maintenance	7,357,356	6,611,464
Fuel	4,215,843	3,021,641
Water and electricity	2,549,176	1,468,424
Manpower subcontract charges	1,220,721	692,493
Insurance	1,005,458	1,464,039
Others	13,673,189	14,423,610
	<u>157,862,617</u>	<u>136,926,637</u>

6 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2012, the Group acquired property, plant and equipment with a cost of QR 163.8 million (31 December 2011: QR 208 million; 30 June 2011: QR 102.9 million).

The Group also started construction in phase three and four of LVQ project in April 2012. This project (phase two to four) is expected to be completed in March 2013 and the carrying amount at 30 June 2012 was QR 420.4 million (31 December 2011: QR 330.3 million; 30 June 2011: QR 258.8 million). The amount of borrowing costs capitalized during the six months ended 30 June 2012 was approximately QR 6.5 million (31 December 2011: QR 6.6 million; 30 June 2011: QR 3.7 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 4.3%, which is the effective interest rate of the specific borrowing.

No assets were disposed by the Group during the six months ended 30 June 2012 (31 December 2011: QR 184 thousand; 30 June 2011: QR 160 thousand) resulting no gains or losses on disposals (31 December 2011: QR 21 thousand; 30 June 2011: QR 70 thousand).

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

7 IMPAIRMENTS

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended 31 December 2011.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2012, the market capitalisation of the Group was higher than the book value of its equity, indicating no impairment of goodwill.

8 INTANGIBLE ASSETS

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
At the beginning of the period	154,680,648	-
Acquisition of subsidiary	-	161,327,463
Amortisation for the period/year	(3,323,407)	(6,646,815)
At the end of the period/year	<u>151,357,241</u>	<u>154,680,648</u>

Note: Amortisation charge for the six months ended 30 June 2011 amounted to QR 1.67 million.

9 AVAILABLE- FOR- SALE INVESTMENTS

During the six months ended 30 June 2012, the Group disposed all of its available for sale investments resulting in a loss of QR 1 million.

10 TRADE AND OTHER RECEIVABLES

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
Trade receivables	154,469,223	113,198,495
Advances paid	57,856,686	51,939,351
Prepayments	22,689,200	38,640,591
Accrued revenue	7,524,468	27,176,772
Other receivables	11,013,589	8,627,400
	<u>253,553,166</u>	<u>239,582,609</u>

At 30 June 2012, financial assets amounting to QR 4,864,675 were impaired (31 December 2011: QR 4,023,274).

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

10 TRADE AND OTHER RECEIVABLES (Continued)

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

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
At the beginning of the period/year	4,023,274	1,190,667
Acquisition of a subsidiary	-	2,501,748
Charge for the period/year	2,532,331	600,000
Recoveries during the period/year	(1,690,930)	-
Written off	-	(269,141)
	<u>4,864,675</u>	<u>4,023,274</u>

Note: Net allowance for impairment for the six months ended 30 June 2011 amounted to QR 1.2 million)

11 CASH AND CASH EQUIVALENTS

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
Bank balances and cash	57,168,055	24,653,809
Term deposits with an original maturity of less than 90 days	-	56,000,000
	<u>57,168,055</u>	<u>80,653,809</u>

12 SHARE CAPITAL

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
<i>Issued and paid up capital</i> (in Qatar Riyals) (Nominal value of ordinary shares QR 10 each)		
At the beginning of the period/year	396,341,460	250,000,000
Issue of share capital	-	146,341,460
	<u>396,341,460</u>	<u>396,341,460</u>

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

12 SHARE CAPITAL (continued)

	<i>30 June 2012</i>	<i>31 December 2011</i>
	<i>No of shares (Unaudited)</i>	<i>No of shares (Audited)</i>
At the beginning of the period/year	39,634,146	25,000,000
Issue of share capital	<u>-</u>	<u>14,634,146</u>
At the end of the period/year	<u>39,634,146</u>	<u>39,634,146</u>

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 with 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.

13 DIVIDENDS PAID

A cash dividend of QR 1.50 per share amounting to QR 59.4 million for the year ended 31 December 2011 was declared and approved at the Annual General Assembly held on 1 February 2012. (For the year ended 31 December 2010: QR 1 per share amounting to QR 25 million was declared and paid).

14 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2012</i>	<i>31 December 2011</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
LVQ term loans	507,353,811	329,577,279
Project loans	12,129,705	55,017,923
Vehicle loans	-	13,457,712
Other term loans	<u>88,332,176</u>	<u>23,440,277</u>
	<u>607,815,692</u>	<u>421,493,191</u>
	<i>30 June 2012</i>	<i>31 December 2011</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>

Presented in the consolidated statement of financial position as follows:

Current portion	72,258,659	75,298,520
Non-current portion	<u>535,557,033</u>	<u>346,194,671</u>
	<u>607,815,692</u>	<u>421,493,191</u>

During the period ended 30 June 2012, the Group borrowed QR 253.5 million (30 June 2011: QR 86.7 million). These loans have been obtained to finance the Logistics Village Qatar and other projects in the Group. These loans carry financing costs at commercial rates. These loans are secured against warehouse buildings located in these projects.

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

15 TRADE PAYABLES AND ACCRUALS

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
Trade payables	16,831,135	31,608,335
Accrued expenses	23,227,758	38,101,393
Deferred income	3,652,732	1,543,352
Other payables	<u>31,284,677</u>	<u>36,699,996</u>
	<u>74,996,302</u>	<u>107,953,076</u>

16 RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties during the six month periods ending 30 June 2012 and 30 June 2011, as well as balances with related parties as of 30 June 2012 and 31 December 2011:

Related party transactions

Transactions with related parties included in the statement of comprehensive income are as follows:

	<i>30 June 2012 QR (Unaudited)</i>	<i>30 June 2011 QR (Unaudited)</i>
Revenue	<u>8,867,215</u>	<u>7,085,343</u>
Purchase of services	<u>31,797,270</u>	<u>23,641,058</u>

Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>30 June 2012 QR (Unaudited)</i>	<i>31 December 2011 QR (Audited)</i>
Trade receivables	<u>9,051,548</u>	<u>2,861,753</u>
Trade payables	<u>6,270,704</u>	<u>11,476,359</u>

Compensation of key management personnel

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

	<i>30 June 2012 QR (Unaudited)</i>	<i>30 June 2011 QR (Unaudited)</i>
Short-term benefits	2,200,873	1,815,798
Employees' end of service benefits	<u>138,794</u>	<u>85,698</u>
	<u>2,339,667</u>	<u>1,901,496</u>

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

17 COMMITMENTS

At 30 June 2012, the Group had capital commitments of QR 275 million (31 December 2011: 250 million) primarily relating to the completion of projects and other commitments relating to operating leases.

18 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are 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 any time during the period and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	<i>30 June 2012 (Unaudited)</i>	<i>30 June 2011 (Unaudited)</i>
Net profit for the period attributable to owners of the parent (QR)	<u>40,458,586</u>	<u>30,537,751</u>
Weighted average number of shares	<u>39,634,146</u>	<u>39,634,146</u>
Basic and diluted earnings per share (QR)	<u>1.02</u>	<u>0.77</u>

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

	<i>30 June 2012 (Unaudited)</i>	<i>30 June 2011 (Unaudited)</i>
Qualifying shares at the beginning of the period	<u>39,634,146</u>	25,000,000
Issue of new ordinary shares	<u>-</u>	<u>14,634,146</u>
Balance at end of the period	<u>39,634,146</u>	<u>39,634,146</u>