

Gulf Warehousing Company (Q.S.C.)

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2013

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 (together referred to as the “Group”) as at 30 June 2013, comprising of the interim consolidated statement of financial position as at 30 June 2013 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-months 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 Accounting 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: 21 July 2013

Doha

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2013

	Notes	Six months ended	
		30 June 2013 QR (Unaudited)	30 June 2012 QR (Unaudited)
Revenue	4	261,400,434	230,453,629
Direct costs	5	<u>(166,160,924)</u>	<u>(157,862,617)</u>
GROSS PROFIT		95,239,510	72,591,012
Other income		459,775	13,558
Staff costs		(18,055,250)	(15,327,649)
General and administration expenses		(10,293,070)	(8,923,330)
Amortization of intangible assets	10	(3,323,407)	(3,323,407)
Net impairment loss on trade receivables	11	<u>(750,000)</u>	<u>(841,401)</u>
OPERATING PROFIT		63,277,558	44,188,783
Finance income		235,898	244,991
Finance costs		(12,037,688)	(4,356,290)
Loss on disposal of available for sale investments	9	<u>-</u>	<u>(1,014,124)</u>
PROFIT FOR THE PERIOD		<u>51,475,768</u>	<u>39,063,360</u>
Attributable to:			
Owners of the parent		52,084,495	40,458,586
Non-controlling interests		<u>(608,727)</u>	<u>(1,395,226)</u>
		<u>51,475,768</u>	<u>39,063,360</u>
BASIC AND DILUTED EARNINGS PER SHARE	19	<u>1.10</u>	<u>0.85</u>
(Attributable to owners of the parent)			
(Expressed in QR per share)			

The attached notes 1 to 19 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 2013

	<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2013</i>	<i>2012</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	<u>51,475,768</u>	<u>39,063,360</u>
Transferred to income statement on disposal of available for sale investments	<u>-</u>	<u>958,798</u>
Other comprehensive income for the period	<u>-</u>	<u>958,798</u>
Total comprehensive income for the period (note)	<u><u>51,475,768</u></u>	<u><u>40,022,158</u></u>
Attributable to:		
Owners of the parent	<u>52,084,495</u>	<u>41,417,384</u>
Non controlling interests	<u>(608,727)</u>	<u>(1,395,226)</u>
	<u><u>51,475,768</u></u>	<u><u>40,022,158</u></u>

Note:

At 30 June 2013, there are no items that will be reclassified to statement of income in subsequent periods (30 June 2012: QR 958,798).

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Gulf Warehousing Company (Q.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

		<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	6	909,963,923	677,591,232
Projects in progress	7	179,432,424	299,141,226
Investment properties		99,427,795	99,427,795
Intangible assets	10	144,710,426	148,033,833
		<u>1,333,534,568</u>	<u>1,224,194,086</u>
Current assets			
Inventories		8,028,033	10,048,235
Trade and other receivables	11	210,873,329	228,421,911
Bank balances and cash	12	159,276,153	116,969,115
		<u>378,177,515</u>	<u>355,439,261</u>
TOTAL ASSETS		<u>1,711,712,083</u>	<u>1,579,633,347</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	475,609,750	396,341,460
Legal reserve		221,354,861	221,354,861
Retained earnings		62,926,021	90,109,816
		<u>759,890,632</u>	<u>707,806,137</u>
Equity attributable to the owners of the parent		<u>759,890,632</u>	<u>707,806,137</u>
Non-controlling interests		<u>(1,215,775)</u>	<u>(607,048)</u>
Total equity		<u>758,674,857</u>	<u>707,199,089</u>

Continued.....

The attached notes 1 to 19 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 2013

		<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
	<i>Notes</i>		
Non-current liabilities			
Loans and borrowings	15	709,975,622	667,252,034
Employees end of service benefits		12,052,643	11,379,504
		<u>722,028,265</u>	<u>678,631,538</u>
Current liabilities			
Trade payables and accruals	16	85,852,812	79,183,279
Loans and borrowings	15	121,016,456	89,452,819
Retention payable		24,139,693	25,166,622
		<u>231,008,961</u>	<u>193,802,720</u>
Total liabilities		<u>953,037,226</u>	<u>872,434,258</u>
TOTAL EQUITY AND LIABILITIES		<u>1,711,712,083</u>	<u>1,579,633,347</u>

.....
 Mohamed Ismail Al Emadi
 Chairman

.....
 Abdulaziz Zeid Al-Taleb
 Managing Director, Board Member,
 and Acting Group CEO

The attached notes 1 to 19 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 2013

	<i>Six months ended</i>	
	30 June 2013	30 June 2012
	<i>QR</i>	<i>QR</i>
<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
Profit for the period	51,475,768	39,063,360
Adjustments for:		
Depreciation	26,082,477	17,187,003
Amortisation of intangible assets	10 3,323,407	3,323,407
Impairment of trade receivables (net)	11 750,000	841,401
Loss on disposal of property, plant and equipment	1,027	-
Loss on disposal of available for sale investments	9 -	1,014,124
Provision for employees' end of service benefits	2,343,134	2,618,255
Finance income	(235,898)	(244,991)
Finance costs	12,037,688	4,356,290
Operating cash flows before working capital changes	95,777,603	68,158,849
Working capital changes:		
Inventories	2,020,202	(3,923,261)
Trade and other receivables	16,798,582	(14,811,958)
Trade payables and accruals	6,669,533	(32,956,774)
Retention payable	(1,026,929)	(177,277)
Cash from operations	120,238,991	16,289,579
Finance costs paid	(12,037,688)	(4,356,290)
Employees' end of service benefits paid	(1,669,995)	(481,224)
Net cash from operating activities	106,531,308	11,452,065
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	6 (13,870,110)	(17,221,360)
Additions to project in progress	(124,958,283)	(146,640,563)
Net proceeds from disposal of available for sale investments	-	1,807,826
Finance income received	235,898	244,991
Proceeds from disposal of property, plant and equipment	81,000	-
Net cash used in investing activities	(138,511,495)	(161,809,106)
FINANCING ACTIVITIES		
Net movement in interest bearing loans and borrowings	74,287,225	186,322,501
Dividends paid to shareholders' of the parent	14 -	(59,451,214)
Net cash from financing activities	74,287,225	126,871,287
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	42,307,038	(23,485,754)
Bank balances and cash at 1 January	116,969,115	80,653,809
CASH AND CASH EQUIVALENTS AT 30 JUNE	159,276,153	57,168,055

The attached notes 1 to 19 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 2013

	<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>Retained earnings</i>			<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>			<i>QR</i>
At 1 January 2013	396,341,460	221,354,861	90,109,816	707,806,137	(607,048)	707,199,089
Profit for the period	-	-	52,084,495	52,084,495	(608,727)	51,475,768
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	52,084,495	52,084,495	(608,727)	51,475,768
Issue of bonus shares (Note 14)	79,268,290	-	(79,268,290)	-	-	-
Balance at 30 June 2013 (Unaudited)	475,609,750	221,354,861	62,926,021	759,890,632	(1,215,775)	758,674,857

The attached notes 1 to 19 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 2013

	<i>Attributable to owners of the parent</i>				<i>Total</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>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 14)	-	-	-	(59,451,214)	(59,451,214)	-	(59,451,214)
Balance at 30 June 2012 (<i>Unaudited</i>)	<u>396,341,460</u>	<u>221,354,861</u>	<u>-</u>	<u>47,668,166</u>	<u>665,364,487</u>	<u>2,035,816</u>	<u>667,400,303</u>

The attached notes 1 to 19 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 2013

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 2013 were authorised for issue by the Board of Directors on 21 July 2013.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2013 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 2012. The results for the six months ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2013.

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 2013</i>	<i>30 June 2012</i>
Agility W.L.L	Qatar	Logistics and transportation	100%	100%
GWC Chemical W.L.L	Qatar	Chemical trading and transportation	100%	100%
GWC Project Co W.L.L	Qatar	Investing in special projects	100%	100%
GWC Global Transport LLC	UAE	Warehousing and transportation	100%	100%
Imdad Sourcing & Logistic Group W.L.L	Qatar	Trading in food stuff and other consumables	51%	51%
GWC Saudi Arabia – Branches in Riyadh, Dammam & Jeddah	Kingdom of Saudi Arabia	Preparation, Development and Management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	-

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

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 2012, 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 2013.

<i>Standards</i>	<i>Title</i>
IAS 1	Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 (Effective for annual periods beginning on or after 1 July 2012)
IAS 19	Employee Benefits (Revised) (Effective 1 January 2013)
IAS 28	Investments in Associates and Joint Ventures (Effective 1 January 2013)
IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7 (Effective 1 January 2013)
IFRS 10	Consolidated Financial Statements, IAS 27 Separate Financial Statements (Effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (Effective 1 January 2013)
IFRS 13	Fair Value Measurement (Effective 1 January 2013)

The following amendments to standards became effective in 2013, 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)
IFRS 7	Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

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 2013 and 2012, respectively.

Six months ended 30 June 2013 (Unaudited)	<i>Logistic operations QR</i>	<i>Freight forwarding QR</i>	<i>Others QR</i>	<i>Unallocated QR</i>	<i>Total QR</i>
Segment revenue	174,190,697	81,930,945	5,278,792	-	261,400,434
Segment profit/(loss)	49,619,406	2,862,765	(1,242,301)	235,898	51,475,768
Six months ended 30 June 2012 (Unaudited)	<i>Logistic operations QR</i>	<i>Freight forwarding QR</i>	<i>Others QR</i>	<i>Unallocated QR</i>	<i>Total QR</i>
Segment revenue	135,882,619	75,252,463	19,318,547	-	230,453,629
Segment profit/(loss)	36,895,896	5,783,998	(2,847,401)	(769,133)	39,063,360

The following table presents segment assets of the Group's operating segments as at 30 June 2013 and 31 December 2012:

	<i>Logistic operations QR</i>	<i>Freight forwarding QR</i>	<i>Others QR</i>	<i>Unallocated QR</i>	<i>Total QR</i>
Segment assets					
At 30 June 2013 (Unaudited)	1,391,516,466	126,725,420	14,042,402	179,427,795	1,711,712,083
At 31 December 2012 (Audited)	1,337,585,428	116,078,044	26,542,080	99,427,795	1,579,633,347

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

4 REVENUE

	<i>30 June 2013 QR (Unaudited)</i>	<i>30 June 2012 QR (Unaudited)</i>
Logistic operations	174,190,697	135,882,619
Freight forwarding	81,930,945	75,252,463
Others	5,278,792	19,318,547
	<u>261,400,434</u>	<u>230,453,629</u>

5 DIRECT COSTS

	<i>30 June 2013 QR (Unaudited)</i>	<i>30 June 2012 QR (Unaudited)</i>
Freight forwarding charges	65,141,038	59,901,019
Staff costs	39,951,405	33,794,091
Depreciation	24,363,679	16,264,588
Logistic costs	12,640,436	17,881,176
Repairs and maintenance	8,020,664	7,357,356
Fuel	3,932,925	4,215,843
Water and electricity	1,738,645	2,549,176
Insurance	875,923	1,005,458
Manpower subcontract charges	745,868	1,220,721
Others	8,750,341	13,673,189
	<u>166,160,924</u>	<u>157,862,617</u>

6 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2013, the Group acquired property, plant and equipment with a cost of QR 13.8 million (31 December 2012: QR 49.2 million; 30 June 2012: QR 17.2 million).

Assets with a net book value of QR 82 thousand were disposed by the Group during the six months ended 30 June 2013 (31 December 2012: QR 100 thousand; 30 June 2012: Nil) which resulted in a loss of QR 1 thousand (31 December 2012: QR (84.4) thousand; 30 June 2012: Nil).

7 PROJECTS IN PROGRESS

Projects in progress comprise the cost of assets acquired and currently under construction that are not available for use as at the end of the reporting period. These assets comprise mainly of infrastructure constructions in Logistic Village Qatar (LVQ), Kahraama substation work and construction of warehouse at Mesaieed. The carrying amount at 30 June 2013 was QR 179.4 million (31 December 2012: QR 299.1 million; 30 June 2012: QR 146 million). Upon completion, these will be used for providing logistics services and will be reclassified accordingly.

The amount of borrowing costs capitalized during the six months ended 30 June 2013 was QR 8.55 million (31 December 2012: QR 14.2 million; 30 June 2012: QR 6.5 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 2.4%, which is the effective interest rate of the specific borrowing.

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

8 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 2012.

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 2013, the market capitalisation of the Group was higher than the book value of its equity, indicating no impairment of goodwill.

9 AVAILABLE- FOR- SALE INVESTMENTS

The Group disposed its available for sale investments during 30 June 2012 which resulted in a loss of QR 1,014,124.

10 INTANGIBLE ASSETS

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
At the beginning of the period/year	148,033,833	154,680,648
Amortisation for the period/year	(3,323,407)	(6,646,815)
At the end of the period/year	<u>144,710,426</u>	<u>148,033,833</u>

Note: The charge for the six months ended 30 June 2012 amounted to QR 3.3 million.

11 TRADE AND OTHER RECEIVABLES

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
Trade receivables	143,116,580	138,768,890
Advances paid	28,630,309	40,288,880
Prepayments	23,049,216	24,055,905
Accrued revenue	10,507,234	21,114,188
Other receivables	5,569,990	4,194,048
	<u>210,873,329</u>	<u>228,421,911</u>

At 30 June 2013, financial assets amounting to QR 7,654,675 were impaired (31 December 2012: QR 6,904,675.)

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

11 TRADE AND OTHER RECEIVABLES (Continued)

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

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
At the beginning of the period/year	6,904,675	4,023,274
Charge for the period/year	750,000	2,881,401
At the end of the period/year	7,654,675	6,904,675

Note: Net allowance for impairment for the six months ended 30 June 2012 amounted to QR 841 thousand).

12 CASH AND CASH EQUIVALENTS

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
Bank balances and cash	79,276,153	116,969,115
Term deposits with an original maturity of less than 90 days	80,000,000	-
	159,276,153	116,969,115

13 SHARE CAPITAL

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 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	396,341,460
Bonus issue during the period/year (Note 14)	79,268,290	-
At the end of the period/year	475,609,750	396,341,460

Gulf Warehousing Company (Q.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013

13 SHARE CAPITAL (continued)

	<i>30 June 2013 No of shares (Unaudited)</i>	<i>31 December 2012 No of shares (Audited)</i>
At the beginning of the period/year	39,634,146	39,634,146
Bonus issue during the period/year (Note 14)	7,926,829	-
At the end of the period/year	<u>47,560,975</u>	<u>39,634,146</u>

14 DIVIDENDS

At the Annual General Assembly held on 5 March 2013, the shareholders approved the issuance of one share for every 5 shares held which amounted to 7,926,829 shares with a value of QR 79,268,290 (For the year ended 31 December 2011: QR 1.5 per share amounting to QR 59.4 million was declared and paid as cash dividend).

15 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
LVQ term loans	744,911,433	650,550,913
Other term loans	73,037,857	95,031,060
Other Project loans	9,695,374	11,122,880
Import loan	3,347,414	-
	<u>830,992,078</u>	<u>756,704,853</u>
	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>

Presented in the consolidated statement of financial position as follows:

Current portion	121,016,456	89,452,819
Non-current portion	709,975,622	667,252,034
	<u>830,992,078</u>	<u>756,704,853</u>

During the six months period ended 30 June 2013, the Group borrowed QR 131.7 million (31 December 2012: QR 404.3 million, 30 June 2012: QR 253.5 million).

LVQ loans and other project 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. Other term loans have been obtained from local financial institutions to finance other capital projects of the Group. These loans carry financing costs at commercial rates and are secured against Company's revenue. These facilities have been secured based on corporate guarantee of the Company and assignment of revenue proceeds to the account with the lender.

Gulf Warehousing Company (Q.S.C.)

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At 30 June 2013

16 TRADE PAYABLES AND ACCRUALS

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
Trade payables	19,603,616	11,950,224
Accrued expenses	40,316,699	39,044,780
Deferred income	2,879,777	-
Other payables	23,052,720	26,166,169
Provision for contribution to Social and Sports Development Fund	-	2,022,106
	<u>85,852,812</u>	<u>79,183,279</u>

17 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 2013 and 30 June 2012, as well as balances with related parties as of 30 June 2013 and 31 December 2012:

Related party transactions

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

	<i>30 June 2013 QR (Unaudited)</i>	<i>30 June 2012 QR (Unaudited)</i>
Revenue	<u>2,299,323</u>	<u>8,867,215</u>
Purchase of services	<u>21,190,267</u>	<u>31,797,270</u>

Related party balances

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

	<i>30 June 2013 QR (Unaudited)</i>	<i>31 December 2012 QR (Audited)</i>
Trade receivables	<u>401,810</u>	<u>855,686</u>
Trade payables	<u>4,846,950</u>	<u>5,643,694</u>

Compensation of key management personnel

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

	<i>30 June 2013 QR (Unaudited)</i>	<i>30 June 2012 QR (Unaudited)</i>
Short-term benefits	855,344	2,200,873
Employees' end of service benefits	<u>12,888</u>	<u>138,794</u>
	<u>868,232</u>	<u>2,339,667</u>

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18 COMMITMENTS

At 30 June 2013, the Group had capital commitments of QR 217 million (31 December 2012: 181 million) primarily relating to the completion of projects and other commitments relating to operating leases.

19 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 2013 (Unaudited)</i>	<i>30 June 2012 (Unaudited)</i>
Net profit for the period attributable to owners of the parent (QR)	<u>52,084,495</u>	<u>40,458,586</u>
Weighted average number of shares	<u>47,560,975</u>	<u>47,560,975</u>
Basic and diluted earnings per share (QR)	<u>1.10</u>	<u>0.85</u>

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

	<i>30 June 2013 (Unaudited)</i>	<i>30 June 2012 (Unaudited) (Restated)</i>
Qualifying shares at the beginning of the period	<u>39,634,146</u>	39,634,146
Bonus shares issued during the period (Note 14)	<u>7,926,829</u>	<u>7,926,829</u>
Balance at end of the period	<u>47,560,975</u>	<u>47,560,975</u>

Note:

During the year, the Company issued bonus shares (refer Note 14). Therefore, the earnings per share that was previously reported as at 30 June 2012 have been restated for the effects of this transaction.