



Interim Condensed Consolidated Financial Statements
30 September 2012

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Alijarah Holding Company (Q.S.C) (the "Company") and its subsidiaries (the "Group") as at 30 September 2012, comprising of the interim condensed consolidated statement of financial position as at 30 September 2012 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine month periods ended 30 September 2012, the related interim condensed consolidated statement of changes in equity and cash flows for the nine-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 IAS 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.



Firas Qoussous

Of Ernst & Young

Auditor's Registration No: 236



Date: 2 October 2012

Doha

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	<u>Notes</u>	30 Sep 2012 (Reviewed)	31 Dec 2011 (Audited)
		QR	QR
ASSETS			
Cash and cash equivalents		745,718,331	392,395,071
Installments and dues from customers	3	839,630,460	1,015,098,549
Available for sale financial investments	4	99,876,265	97,070,078
Inventory properties		44,528,552	45,653,792
Prepayments and other receivables		74,245,106	64,870,601
Property and equipment		109,725,705	84,461,655
Total Assets		1,913,724,419	1,699,549,746
LIABILITIES			
Accounts payables, accruals and other credit balances		340,550,587	261,543,981
Islamic financing under Wakalah arrangements		145,570,754	148,864,391
Amounts due on construction contracts	5	139,847,197	527,087,055
Total Liabilities		625,968,538	937,495,427
EQUITY			
Share capital	6	494,802,000	329,868,000
Legal reserve	7	486,228,609	164,607,309
Proposed dividend		-	115,453,800
Fair value reserve		(1,380,488)	(57,646)
Retained earnings		308,105,760	152,182,856
Total Equity		1,287,755,881	762,054,319
Total Liabilities and Equity		1,913,724,419	1,699,549,746

These interim condensed consolidated financial statements were approved by the Board of Directors on 2nd October 2012 and signed on its behalf by:



Falah Bin Jassim Bin Jabr Al-Thani
Chairman



Hamad Shareef Al-Emadi
A/Chief Executive Officer

THE ACCOMPANYING NOTES 1 TO 11 ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

<u>Note</u>	For the Three months ended 30 September 2012 (Reviewed) QR	For the Three months ended 30 September 2011 (Reviewed) QR	For the Nine months ended 30 September 2012 (Reviewed) QR	For the Nine months ended 30 September 2011 (Reviewed) QR	
Income					
Income from Core Business	156,285,525	180,099,448	498,281,099	461,089,190	
Profit from Investments and Deposits	5,696,463	2,279,829	15,563,636	14,496,766	
Other income	6,920	3,796	85,653	40,144	
TOTAL INCOME	161,988,908	182,383,073	513,930,388	475,626,100	
Expenses					
Operating Expenses	(89,815,057)	(98,607,960)	(273,359,017)	(232,787,289)	
General and Administration Expenses	(18,965,680)	(13,571,283)	(50,650,444)	(46,034,197)	
TOTAL EXPENSES	(108,780,737)	(112,179,243)	(324,009,461)	(278,821,486)	
NET OPERATING INCOME	53,208,171	70,203,830	189,920,927	196,804,614	
Allowance for impairment on installments and due from customers	-	(10,000,000)	(30,000,000)	(40,000,000)	
PROFIT FOR THE PERIOD	53,208,171	60,203,830	159,920,927	156,804,614	
Basic and diluted Earnings per share	11	1.22	1.65	3.66	4.30

THE ACCOMPANYING NOTES 1 TO 11 ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	For the Three months ended 30 September 2012 (Reviewed)	For the Three months ended 30 September 2011 (Reviewed)	For the Nine months ended 30 September 2012 (Reviewed)	For the Nine months ended 30 September 2011 (Reviewed)
	QR	QR	QR	QR
Profit for the period	53,208,171	60,203,830	159,920,927	156,804,614
Other comprehensive income:				
Changes in fair value reserve of available for sale investments	5,573,680	(2,367,258)	(1,322,842)	(3,833,222)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	58,781,851	57,836,572	158,598,085	152,971,392

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Figures in Qatari Riyals

	Share Capital	Legal Reserve	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
Balance at 1 January 2011 (Audited)	329,868,000	143,062,409	98,960,400	(2,048,075)	79,118,778	648,961,512
Dividends Paid (Note 8)	--	--	(98,960,400)	--	--	(98,960,400)
Profit for the Period	--	--	--	--	156,804,614	156,804,614
Other Comprehensive Income for the Period	--	--	--	(3,833,222)	--	(3,833,222)
Total Comprehensive Income for the Period	--	--	--	(3,833,222)	156,804,614	152,971,392
Social and Sports Fund appropriation	--	--	--	--	(3,920,115)	(3,920,115)
Balance at 30 September 2011 (Reviewed)	329,868,000	143,062,409	--	(5,881,297)	232,003,277	699,052,389
Balance at 1 January 2012 (Audited)	329,868,000	164,607,309	115,453,800	(57,646)	152,182,856	762,054,319
Dividends Paid (Note 8)	--	--	(115,453,800)	--	--	(115,453,800)
Rights Issue (Note 6)	164,934,000	--	--	--	--	164,934,000
Premium on Rights Issue (Note 7)	--	321,621,300	--	--	--	321,621,300
Profit for the Period	--	--	--	--	159,920,927	159,920,927
Other Comprehensive Income for the Period	--	--	--	(1,322,842)	--	(1,322,842)
Total Comprehensive Income for the period	--	--	--	(1,322,842)	159,920,927	158,598,085
Social and Sports Fund appropriation	--	--	--	--	(3,998,023)	(3,998,023)
Balance at 30 September 2012 (Reviewed)	494,802,000	486,228,609	--	(1,380,488)	308,105,760	1,287,755,881

THE ACCOMPANYING NOTES 1 TO 11 ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	For the Nine months ended 30 September 2012 (Reviewed) QR	For the Nine months ended 30 September 2011 (Reviewed) QR
Cash flows from Operating Activities		
Profit for the period	159,920,927	156,804,614
<u>Adjustments for:</u>		
Depreciation	13,694,346	12,262,330
Allowance for impairment on installments and due from customers	30,000,000	40,000,000
Dividend income	(5,085,425)	--
Loss on sale of property and equipment	183,461	103,583
Gain on sale of available for sale investments	--	(1,105,326)
Finance income	(7,962,630)	--
Finance expenses	6,899,498	7,394,963
Operating Profit before changes in Working Capital	197,650,177	215,460,164
Changes in operating assets and liabilities		
Installments and dues from customers	145,468,089	(141,123,707)
Prepayments and other receivables	(9,374,505)	19,552,494
Inventory properties	1,125,240	315,174,426
Accounts payables, accruals and other payables	75,008,583	(19,949,103)
Amount due on construction contracts	(387,239,858)	(340,184,990)
Net cash from operating activities	22,637,726	48,929,284
Cash flows from Investing Activities		
Finance income received	7,962,630	--
Dividend income received	5,085,425	--
Purchase of property and equipment	(39,876,857)	(5,993,235)
Purchase of available-for-sale investments	(4,129,029)	(55,967,871)
Proceeds from sale of property and equipment	735,000	25,000
Proceeds from sale of available for sale investments	--	10,352,110
Investments made in bank term deposits	(700,000,000)	--
Net cash used in investing activities	(730,222,831)	(51,583,996)

Continued....

THE ACCOMPANYING NOTES 1 TO 11 ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	For the Nine months ended 30 September 2012 (Reviewed)	For the Nine months ended 30 September 2011 (Reviewed)
	QR	QR
Cash flow from financing activities		
Proceeds from rights issue (Note 6 and 7)	486,555,300	--
Dividends paid	(115,453,800)	(98,960,400)
Proceeds from financing under Wakalah arrangements	54,990,186	83,602,336
Repayment of financing under Wakalah arrangements	(58,283,823)	(58,659,056)
Finance charges paid	(6,899,498)	(7,253,232)
Net cash from (used in) financing activities	360,908,365	(81,270,352)
Net decrease in cash and cash equivalents	(346,676,740)	(83,925,064)
Cash and cash equivalents at the beginning of the period	392,395,071	529,591,925
Cash and cash equivalents at the end of the period**	45,718,331	445,666,861

Notes:

**Cash and Cash Equivalents as at 30th September 2012, shown above is exclusive of the Bank Term Deposits having maturity period of more than 90 days amounting to QR 700 Million (2011: Nil)



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2012**

1. INCORPORATION AND ACTIVITIES

Alijarah Holding Company Q.S.C. (the “Company”) is a public shareholding company incorporated in the State of Qatar in accordance with resolution No.35 issued on 21 April 2003 by the Ministry of Business and Trade. The Company is registered under commercial registration No. 26487 and is governed by the provisions of the Qatar Commercial Companies’ Law No. 5 of 2002. The registered office of the Company is located at ‘D’ Ring Road, Doha, State of Qatar. The Company’s shares are publicly traded at the Qatar Exchange.

The Company and its subsidiaries (together the “Group”) are engaged in Leasing, Real Estate, Property Development, Transportation and Limousine Services and operate through its fully owned subsidiaries established in the State of Qatar. The Group is committed to conduct all its activities in accordance with Islamic Sharia’a.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the nine months ended 30 September 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

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 nine months ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

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:

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2012.

IFRS 7 Financial Instruments (Disclosures)

The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, when:

- Financial assets are derecognized in their entirety, but the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets)
- Financial assets are not derecognized in their entirety

The amended disclosures are more extensive and onerous than previous disclosures. This amendment did not have any impact on the Group.

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

Standard Content

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, amendments and interpretations issued but not adopted

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

Standard/ Interpretation	Content	Effective date
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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2012**

3. INSTALLMENTS AND DUES FROM CUSTOMERS

		30 Sep 2012	31 Dec 2011
		QR	QR
		(Reviewed)	(Audited)
Gross Installments due from financing		151,406,982	150,060,090
	Sep 2012		
Morabaha	QR 144,196,437		QR 141,923,319
Ijarah	QR 7,210,545		QR 8,136,771
Less: Deferred Profits of future Installments		(13,333,853)	(15,817,323)
	Sep 2012		
Morabaha	QR 12,255,508		QR 14,263,370
Ijarah	QR 1,078,345		QR 1,553,953
Allowance for Impairment		(84,434,024)	(54,434,024)
Net Installments due from financing		53,639,106	79,808,743
Gross Installments due from Property Sales		854,649,374	1,046,527,761
Less: Deferred profits of future installments		(76,240,127)	(117,212,361)
Net Installments due from Property Sales		778,409,247	929,315,400
Other trade related receivables		7,582,107	5,974,406
Total Installments and Dues from Customers		839,630,460	1,015,098,549

4. AVAILABLE FOR SALE FINANCIAL INVESTMENTS

	30 Sep 2012	31 Dec 2011
	QR	QR
	(Reviewed)	(Audited)
Quoted Equity Investments	99,876,265	97,070,078

Note: Quoted equity investments have been valued using Level 1 measurement techniques as per IFRS 7 and there have been no transfers between Level 1 and Level 2 fair value measurements. There are no Level 3 fair value measurements.

5. AMOUNTS DUE ON CONSTRUCTION CONTRACTS

The Group entered into an arrangement with Qatari Diar Real Estate Co., for undertaking the infrastructure development of the plot areas in the Northern and West Water Front of Lusail area. In accordance with the terms and conditions of the agreement, the Group will utilize the proceeds payable to Qatari Diar against the infrastructure development of the said areas.

	30 Sep 2012	31 Dec 2011
	QR	QR
	(Reviewed)	(Audited)
Opening Balance	527,087,055	973,313,595
Release during the year	(387,239,858)	(446,226,540)
Closing balance	139,847,197	527,087,055

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2012**

6. SHARE CAPITAL

	<u>30 Sep 2012</u>	<u>31 Dec 2011</u>
	QR (Reviewed)	QR (Audited)
<i>Authorised, Issued and Fully paid--up</i>		
Balance at the beginning of the period: 32,986,800 Ordinary Shares of QR 10 each	329,868,000	329,868,000
Add: Shares issued during the period: 16,493,400 Ordinary shares of QR 10 each	164,934,000	---
Balance at the end of the period : 49,480,200 Ordinary shares of QR 10 each	494,802,000	329,868,000

At the Extra Ordinary General Assembly meeting held on 29th February 2012, the Shareholders have approved an increase in authorized capital from 32,986,800 shares to 49,480,200 shares and the increase in share capital represents proceeds from the rights issue which was completed during April 2012.

7. LEGAL RESERVE

As per article 154 of Qatar Commercial Companies' Law no. 5 of 2002, QR 321,621,300 received in excess of the nominal amount of the share issued during the period has been credited to the Legal reserve.

8. DIVIDENDS PAID

At the Annual General Assembly held on 20th February 2012, the shareholders approved a cash dividend payment of QR 115,453,800 (QR 3.5 per share) (31 Dec 2010: cash dividend amounting to QR 98,960,400 -- QR 3 per share).

9. SEGMENT REPORTING

Based on the nature of core activities of the business, the Group is segmented into major four operating segments. The major operating segments are given below with their respective revenue and analysis of assets and liabilities:

- Financial Leasing
- Real Estate Property Development
- Transportation
- Limousine Services

The Group operates geographically in only one segment, being Doha--Qatar.

9. SEGMENT REPORTING (Continued)

Segment revenue and segment result:

Details	Revenue		Result	
	9 months ended 30 Sep 2012 (Reviewed) QR	9 months ended 30 Sep 2011 (Reviewed) QR	9 months ended 30 Sep 2012 (Reviewed) QR	9 months ended 30 Sep 2011 (Reviewed) QR
Financial Leasing	72,670,351	63,308,487	32,594,818	16,411,688
Transportation	54,767,484	45,491,563	4,165,707	4,543,634
Property Development	429,746,141	393,794,224	132,406,054	168,372,828
Limousine and Un--allocated	415,474	2,027,727	(9,245,652)	(32,523,536)
Intercompany	(43,669,062)	(28,995,901)	--	--
Total	513,930,388	475,626,100	159,920,927	156,804,614

Segment assets and liabilities:

Details	Assets		Liabilities	
	30 Sep 2012 (Reviewed) QR	31 Dec 2011 (Audited) QR	30 Sep 2012 (Reviewed) QR	31 Dec 2011 (Audited) QR
Financial leasing	652,540,820	693,768,768	147,030,505	150,778,531
Transportation	26,134,078	73,865,680	5,661,965	3,633,809
Property Development	1,035,360,860	1,088,721,119	728,510,573	1,000,021,834
Limousine and Un--allocated	483,960,114	88,361,929	29,036,951	28,229,003
Inter Company	(284,271,453)	(245,167,750)	(284,271,456)	(245,167,750)
Total	1,913,724,419	1,699,549,746	625,968,538	937,495,427

10. CONTINGENT LIABILITY

	30 Sep 2012 QR (Reviewed)	31 Dec 2011 QR (Audited)
Letter of guarantees from Islamic banks	94,730,000	9,200,000
Capital Commitments	130,472,125	440,000,000

11. EARNINGS PER SHARE

	Three months ended		Nine months ended	
	30 Sep 2012 (Reviewed)	30 Sep 2011 (Restated)	30 Sep 2012 (Reviewed)	30 Sep 2011 (Restated)
	QR	QR	QR	QR
Net profit for the period	53,208,171	60,203,830	159,920,927	156,804,614
Weighted average number of shares	43,665,564	36,505,392	43,665,564	36,505,392
Earnings per share	1.22	1.65	3.66	4.30

Basic earnings per share for the prior year is stated after adjusting the weighted average number of shares for the effect of rights issue during the period.

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

	Three months ended		Nine months ended	
	30 Sep 2012 (Reviewed)	30 Sep 2011 (Restated)	30 Sep 2012 (Reviewed)	30 Sep 2011 (Restated)
	QR	QR	QR	QR
Qualifying shares at the beginning of the period	32,986,800	32,986,800	32,986,800	32,986,800
Effect of rights issue	10,678,764	3,518,592	10,678,764	3,518,592
Balance at end of the period	43,665,564	36,505,392	43,665,564	36,505,392