

**DLALA BROKERAGE AND INVESTMENT  
HOLDING COMPANY Q.S.C**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**AS AT AND FOR THE SIX MONTH PERIOD  
ENDED 30 JUNE 2010**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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## **Independent auditors' report on review of condensed consolidated interim financial information**

**To**  
**The Board of Directors**  
**Dlala Brokerage and Investment Holding Company Q.S.C.**  
**Doha**  
**State of Qatar**

### **Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of Dlala Brokerage and Investment Holding Company Q.S.C (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2010, and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended (together referred to as "the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the 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 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 accompanying condensed consolidated interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

09 Aug 2010  
Doha  
State of Qatar

Gopal Balasubramaniam  
KPMG  
Qatar Auditor's Registry No.251

## Dlala Brokerage and Investment Holding Company (QSC)

### Condensed consolidated statement of financial position

As at 30 June 2010

In Qatari Riyals

	Note	30 June 2010 (Reviewed)	31 December 2009 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	223,058,111	190,425,190
Bank balances – customer funds	6	206,807,158	309,340,333
Due from customers		30,199,436	31,693,500
Due from Qatar Exchange		12,950,421	8,000,450
Other assets		4,688,694	5,269,021
<b>Total current assets</b>		<b>477,703,820</b>	<b>544,728,494</b>
<b>Non-current assets</b>			
Available-for-sale investments	7	31,223,565	22,709,212
Property and equipment	8	58,403,254	59,600,069
<b>Total non-current assets</b>		<b>89,626,819</b>	<b>82,309,281</b>
<b>Total assets</b>		<b>567,330,639</b>	<b>627,037,775</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Due to customers		313,998,319	378,791,126
Other liabilities		24,756,953	31,013,003
<b>Total current liabilities</b>		<b>338,755,272</b>	<b>409,804,129</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		1,086,848	1,009,127
<b>Total non-current liabilities</b>		<b>1,086,848</b>	<b>1,009,127</b>
<b>Total liabilities</b>		<b>339,842,120</b>	<b>410,813,256</b>
<b>Equity</b>			
Share capital		200,000,000	200,000,000
Legal reserve	9	9,398,577	9,398,577
Fair value reserve		1,776,708	820,206
Retained earnings		16,269,902	5,964,658
<b>Total equity attributable to owners of the Company</b>		<b>227,445,187</b>	<b>216,183,441</b>
Non-controlling interest		43,332	41,078
<b>Total equity</b>		<b>227,488,519</b>	<b>216,224,519</b>
<b>Total equity and liabilities</b>		<b>567,330,639</b>	<b>627,037,775</b>

The condensed consolidated interim financial information was approved by the Board of Directors and signed on its behalf by the following on 09 Aug 2010.

.....  
Vice Chairman

.....  
CEO

The accompanying notes 1 to 14 form an integral part of this condensed consolidated interim financial information.

**Dlala Brokerage and Investment Holding Company (QSC)****Condensed consolidated statement of income****For the six month period ended 30 June 2010**

In Qatari Riyals

	<b>Note</b>	<b>For the six month period ended 30 June 2010 (Reviewed)</b>	<b>For the six month period ended 30 June 2009 (Reviewed)</b>
Brokerage and commission income		32,017,219	37,310,888
Brokerage and commission expense		<u>(10,005,627)</u>	<u>(11,525,357)</u>
<b>Brokerage and commission income, net</b>		22,011,592	25,785,531
Finance income		4,988,844	6,095,471
Net investment income		1,463,701	2,726,661
Reversal of provisions	10	<u>4,228,504</u>	<u>-</u>
<b>Total revenue</b>		<u>32,692,641</u>	<u>34,607,663</u>
General and administrative expenses		(11,461,163)	(10,975,019)
Staff costs		(10,178,448)	(10,142,660)
Impairment of available-for-sale investments	7	(745,532)	(13,233,061)
Impairment of property and equipment		-	(9,444,699)
Finance costs		<u>-</u>	<u>(680,257)</u>
<b>Total expenses</b>		<u>(22,385,143)</u>	<u>(44,475,696)</u>
<b>Profit / (loss) for the period</b>		<u><b>10,307,498</b></u>	<u><b>(9,868,033)</b></u>
<b>Attributable to</b>			
Owners of the Company		10,305,244	(9,866,160)
Non-controlling interest		<u>2,254</u>	<u>(1,873)</u>
<b>Total</b>		<u><b>10,307,498</b></u>	<u><b>(9,868,033)</b></u>
<b>Earnings / (loss) per share</b>		0.52	(0.49)

The accompanying notes 1 to 14 form an integral part of this condensed consolidated interim financial information.

**Dlala Brokerage and Investment Holding Company (QSC)****Condensed consolidated statement of comprehensive income****For the six month period ended 30 June 2010**

	<b>For the six month period ended 30 June 2010 (Reviewed)</b>	In Qatari Riyals For the six month period ended 30 June 2009 (Reviewed)
<b>Profit / (loss) for the period</b>	10,307,498	(9,868,033)
<b>Other comprehensive income</b>		
Net change in fair value of available-for-sale investments	210,970	1,537,423
Net change in fair value of available-for-sale investments transferred to profit or loss	745,532	13,233,061
<b>Total comprehensive income for the period</b>	<b>11,264,000</b>	4,902,451
<b>Attributable to</b>		
Owners of the company	11,261,746	4,904,324
Non-controlling interest	2,254	(1,873)
<b>Total comprehensive income for the period</b>	<b>11,264,000</b>	4,902,451

The accompanying notes 1 to 14 form an integral part of this condensed consolidated interim financial information.

## Dlala Brokerage and Investment Holding Company (QSC)

### Condensed consolidated statement of changes in equity For the six month period ended 30 June 2010

In Qatari Riyals

	Share Capital	Legal reserve	Fair value reserve	Retained (loss) / earnings	Total equity attributable to owners of the company	Non- controlling interest	Total equity
Balance at 1 January 2009	200,000,000	9,398,577	(15,904,729)	46,924,515	240,418,363	37,562	240,455,925
<b>Total comprehensive income for the period</b>							
Loss for the period	-	-	-	(9,866,160)	(9,866,160)	(1,873)	(9,868,033)
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale investments	-	-	1,537,423	-	1,537,423	-	1,537,423
Net change in fair value of available-for-sale investments transferred to profit or loss	-	-	13,233,061	-	13,233,061	-	13,233,061
<b>Total comprehensive income for the period</b>	-	-	14,770,484	(9,866,160)	4,904,324	(1,873)	4,902,451
Dividend paid	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
<b>Balance at 30 June 2009</b>	<b>200,000,000</b>	<b>9,398,577</b>	<b>(1,134,245)</b>	<b>(2,941,645)</b>	<b>205,322,687</b>	<b>35,689</b>	<b>205,358,376</b>
Balance at 1 January 2010	200,000,000	9,398,577	820,206	5,964,658	216,183,441	41,078	216,224,519
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	10,305,244	10,305,244	2,254	10,307,498
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale investments	-	-	210,970	-	210,970	-	210,970
Net change in fair value of available-for-sale investments transferred to profit or loss	-	-	745,532	-	745,532	-	745,532
<b>Total comprehensive income for the period</b>	-	-	956,502	10,305,244	11,261,746	2,254	11,264,000
<b>Balance at 30 June 2010</b>	<b>200,000,000</b>	<b>9,398,577</b>	<b>1,776,708</b>	<b>16,269,902</b>	<b>227,445,187</b>	<b>43,332</b>	<b>227,488,519</b>

The accompanying notes 1 to 14 form an integral part of this condensed consolidated interim financial information.

## Diala Brokerage and Investment Holding Company (QSC)

### Condensed consolidated statement of cash flows For the six month period ended 30 June 2010

In Qatari Riyals

	Note	For the six month period ended 30 June 2010 (Reviewed)	For the six month period ended 30 June 2009 (Reviewed)
<b>Cash flows from operating activities</b>			
Profit / (Loss) for the period		10,307,498	(9,868,033)
Adjustments for:			
Depreciation	8	2,960,523	2,861,552
Finance income		(4,988,844)	(6,095,471)
Impairment loss on available-for-sale investments	7	745,532	13,233,061
Impairment on property and equipment		-	9,444,699
Provision for employees' end of service benefit		229,954	483,260
Profit on sale of available-for-sale investments		-	271,000
Profit on sale of associate		-	(1,558,535)
Transfer from revaluation reserve on sale of associate		-	722,784
Loss on sale of property and equipment		802,620	-
Reversal of provisions		(4,228,504)	-
Finance costs		-	680,257
		<u>5,828,779</u>	<u>10,174,574</u>
Change in due from customers		1,494,064	(43,412,306)
Change in due from Qatar Exchange		(4,949,971)	39,657,151
Change in other assets		1,879,026	(1,987,476)
Change in customer funds		102,533,175	169,269,925
Change in due to customers		(64,792,807)	(208,449,674)
Change in other liabilities		(2,027,546)	4,273,028
Employees' end of service benefits paid		(152,233)	(180,842)
<b>Net cash from / (used in) operating activities</b>		<b><u>39,812,487</u></b>	<b><u>(30,655,620)</u></b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of available-for-sale investments		-	750,000
Purchase of available-for-sale investments		(8,303,383)	-
Proceeds from sale of associate		-	11,910,563
Acquisition of property and equipment		(2,792,895)	(7,096,688)
Proceeds from sale of property and equipment		226,567	-
Finance income received		3,690,145	6,095,471
<b>Net cash (used in) / from investing activities</b>		<b><u>(7,179,566)</u></b>	<b><u>11,659,346</u></b>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(40,000,000)
Finance costs paid		-	(680,257)
Increase in fixed deposits		(41,000,000)	-
Proceeds from loan, net		-	(28,382,865)
<b>Net cash (used in) financing activities</b>		<b><u>(41,000,000)</u></b>	<b><u>(69,063,122)</u></b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(8,367,079)</b>	<b>(88,059,396)</b>
Cash and cash equivalents at 1 January		<u>190,425,190</u>	<u>248,249,388</u>
<b>Cash and cash equivalents at 30 June</b>	<b>5</b>	<b><u>182,058,111</u></b>	<b><u>160,189,992</u></b>

The accompanying notes 1 to 14 form an integral part of this condensed consolidated interim financial information.



# Dlala Brokerage and Investment Holding Company (QSC)

## Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2010

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### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.S.C (the "Company") is a Qatari Shareholding Company (Q.S.C.) incorporated in the State of Qatar on May 24, 2005 under Commercial Registration No.30670. The Company is governed by the provisions of the Qatar Commercial Companies Law No. 5 of 2002 and the regulations of the Qatar Exchange.

The Company is engaged in brokerage activities at the Qatar Exchange through its subsidiaries, and in investment activities for itself.

The consolidated financial statements of the Company as at and for the period ended 30 June 2009 comprise the Company and its subsidiaries as noted in note 2c to this condensed consolidated interim financial information (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the Board of Directors of the Group on 18 July 2010.

### 2 BASIS OF PREPARATION

#### a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. It does not include all of the information required for full annual financial statements prepared in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009. In addition, results for the 6 month period ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

#### b) Basis of measurement

This condensed consolidated interim financial information has been prepared under the historical cost convention except for available-for-sale investments that have been measured at fair value.

#### c) Basis of consolidation

The condensed consolidated interim financial information of the Group comprises the financial statements of Dlala Brokerage and Investments Holding Company Q.S.C and its subsidiaries as and for the six month period at 30 June 2010. The condensed interim financial information of the subsidiaries is prepared for the same period as the parent Company, using consistent accounting policies.

The condensed consolidated interim financial information includes the financial statements of Dlala Brokerage and Investment Holding Company Q.S.C and the following active subsidiaries.

	Country of Incorporation	Percentage interest 2010	2009
▪ Dlala Brokerage W.L.L.	Qatar	99.98%	99.98%
▪ Dlala Islamic Brokerage W.L.L.	Qatar	99.98%	99.98%
▪ Dlala Real Estate L.L.C.	Qatar	100.00%	100.00%
▪ Dlala Investment Company L.L.C (Dormant).	Qatar	99.50%	99.50%
▪ Dlala International L.L.C (Dormant).	Qatar	99.50%	99.50%
▪ Dlala Information Technology S.P.C (Dormant)	Qatar	100.00%	100.00%

## **Dlala Brokerage and Investment Holding Company (QSC)**

### **Notes to the condensed consolidated interim financial information**

**For the six month period ended 30 June 2010**

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#### **3 SIGNIFICANT ACCOUNTING POLICIES – continued**

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2009.

##### **Standards, amendments and interpretations issued but not yet effective**

The new standard, amendments to standards and interpretations which have been issued but are not yet effective for the period ended 30 June 2010 have not been applied in preparing these condensed consolidated interim financial statements:

IFRS 9 Financial Instruments, published on 12 November 2009 as part of phase I of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment.

Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

The standard is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted. The Group is currently in the process of evaluating the potential effect of this standard.

#### **4. FINANCIAL RISK MANAGEMENT**

The Group's risk management objectives and policies are consistent with those disclosed in the Group's annual consolidated financial statements as at and for the year ended 31 December 2009.

**5. CASH AND BANK BALANCES**

	<b>30 June 2010</b> <b>(Reviewed)</b>	31 December 2009 <b>(Audited)</b>
Cash on hand	47,345	23,114
Fixed deposits	97,500,000	137,500,000
Call accounts	76,706,196	26,055,898
Current accounts	7,804,570	26,846,178
Cash and cash equivalents	<u>182,058,111</u>	<u>190,425,190</u>
<b>Having maturity after 3 months</b>		
Fixed deposits	41,000,000	-
	<u><b>223,058,111</b></u>	<u>190,425,190</u>

Fixed deposits and call accounts represent short term placements with various banks, with effective interest rate ranging from 1.5% to 4.25% (2009: 6.25%), and maturity up to 6 months (2009: 3 months).

**6. BANK BALANCES – CUSTOMER FUNDS**

Customer funds represent bank balances for the customers, which the Group holds in trust until the customers commit those funds to the purchase of shares following which the Group transfers the committed funds to the Group's bank accounts and settles with the settlement authority.

**7. AVAILABLE-FOR-SALE INVESTMENTS**

	<b>30 June 2010</b> <b>(Reviewed)</b>	31 December 2009 <b>(Audited)</b>
Investments – Quoted	27,166,255	32,095,933
Investments – Unquoted	3,026,134	4,954,494
Total cost of investments	<u>30,192,389</u>	<u>37,050,427</u>
Fair value reserve	1,776,708	820,206
Impairment loss	(745,532)	(15,161,421)
	<u><b>31,223,565</b></u>	<u>22,709,212</u>

Impairment of QR. 745,532 (2009: 15,161,421) has been recorded during the period on the local equity portfolio where a significant or prolonged decline in the market value below cost has been observed.

## Diala Brokerage and Investment Holding Company (QSC)

### Notes to the condensed consolidated interim financial information For the six month period ended 30 June 2010

In Qatari Riyals

#### 8. PROPERTY AND EQUIPMENT

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
<b>Cost:</b>		
As at the beginning of the period/year	82,717,279	82,222,778
Additions	2,792,895	9,941,740
Disposals	(2,227,033)	(2,540)
Impairment loss	-	(9,444,699)
As at the end of the period/year	<u>83,283,141</u>	<u>82,717,279</u>
<b>Depreciation:</b>		
As at the beginning of the period/year	23,117,210	17,484,548
Charge for the period/year	2,960,523	5,632,662
Accumulated depreciation on disposed assets	(1,197,846)	
As at the end of the period/year	<u>24,879,889</u>	<u>23,117,210</u>
<b>Net book value as at the end of the period/year</b>	<b><u>58,403,254</u></b>	<b><u>59,600,069</u></b>

#### 9. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the year is to be transferred to legal reserve. This annual transfer may cease when the reserve equals 50% of the paid up capital. For the purposes of this condensed consolidated interim financial information, no transfer of legal reserve has been made as the same will be transferred at the year end.

#### 10. REVERSAL OF PROVISIONS

	<b>30 June 2010 (Reviewed)</b>	30 June 2009 (Reviewed)
Reversal of provision for bonus	2,503,087	-
Reversal of provision for litigation and claims	1,725,417	-
	<u><b>4,228,504</b></u>	<u>-</u>

#### 11. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, shareholders and key management personnel of the Group.

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

The remuneration of directors and other members of key management during the period/year were as follows:

	<b>30 June 2010 (Reviewed)</b>	30 June 2009 (Reviewed)
Short-term benefits – salary packages to senior managers	<u><b>1,065,300</b></u>	<u>1,419,840</u>

## Diala Brokerage and Investment Holding Company (QSC)

### Notes to the condensed consolidated interim financial information For the six month period ended 30 June 2010

In Qatari Riyals

#### 12. CONTINGENT LIABILITIES

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
Letters of guarantee	<b>212,500,000</b>	252,500,000

#### 13. OPERATING SEGMENTS

The Group is organised into three main operating segments which comprise stock broking, real estate, IT & International and other activities. The results of each of the operating segments which are being reviewed regularly by the Chief Operating Decision Maker are stated below:

	Stock broking	Real estate	IT and international	Others	30 June 2010 (reviewed)
External Revenue	28,104,466	808,945	554,325	3,224,905	32,692,641
Inter-segment revenue	-	-	-	-	-
Reportable segment profit/(loss)	11,375,259	128,871	553,825	(1,750,457)	10,307,498

	Stock broking	Real estate	IT and international	Others	30 June 2009 (reviewed)
External Revenue	30,949,594	466,250	1,840	3,189,979	34,607,663
Inter-segment revenue	-	-	-	-	-
Reportable segment profit/(loss)	2,875,046	(466,250)	1,560	(12,278,389)	(9,868,033)

	Stock broking	Real estate	IT and international	Others	30 June 2010 (reviewed)
Reportable segment assets	230,787,318	55,471,506	21,287,257	259,784,558	567,330,639

	Stock broking	Real estate	IT and international	Others	31 December 2009 (audited)
Reportable segment assets	519,189,143	27,139,248	20,533,232	59,976,152	627,037,775

#### 14. COMPARATIVE INFORMATION

Certain previous period figures have been reclassified to conform to the current period's presentation. These reclassifications did not have any impact on the results or equity for the prior period.