

**DLALA BROKERAGE AND INVESTMENT**  
**HOLDING COMPANY (OSC)**  
**DOHA - QATAR**

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

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

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QR. 30439

**Report on Review of Interim Condensed Consolidated Financial Statements**

**To The Board of Directors**

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

**Doha - Qatar**

***Introduction***

We have reviewed the accompanying interim condensed consolidated balance sheet of **Dlala Brokerage and Investment Holding Company (QSC)** as at June 30, 2008 and the related interim condensed consolidated statements of income, changes in shareholders' equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with **International Accounting Standard – 34 “Interim Financial Reporting”**. 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 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Accounting Standard - 34 “Interim Financial Reporting”**.

**For Deloitte & Touche**

**Doha – Qatar  
July 16, 2008**

**Muhammad Bahemia  
License No. 103.**

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS OF JUNE 30, 2008**

	Note	June 30, <b>2008</b> (Reviewed)	December 31, <b>2007</b> (Audited)
<b>ASSETS:</b>			
<b><u>Current Assets:</u></b>			
Cash and bank balances	3	262,875,082	114,498,062
Customers funds	4	375,043,593	357,738,889
Due from customers		63,320,311	273,906,575
Due from Doha Securities Market		135,960,292	--
Other assets		3,757,566	3,041,552
		-----	-----
<b>Total Current Assets</b>		<b>840,956,844</b>	<b>749,185,078</b>
		-----	-----
<b><u>Non-Current Assets:</u></b>			
Available-for-sale investments	5	51,159,575	47,858,669
Investment in associates	6	11,753,535	11,993,832
Properties and equipment	7	64,187,945	18,580,943
		-----	-----
<b>Total Non-Current Assets</b>		<b>127,101,055</b>	<b>78,433,444</b>
		-----	-----
<b>Total Assets</b>		<b>968,057,899</b>	<b>827,618,522</b>
		=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>			
<b>LIABILITIES:</b>			
<b><u>Current Liabilities:</u></b>			
Bank over draft		--	40,903,413
Due to customers		667,786,036	429,784,107
Due to Doha Security Market		--	117,158,136
Loan	8	1,758,495	--
Other liabilities		22,245,756	16,091,666
		-----	-----
<b>Total Current Liabilities</b>		<b>691,790,287</b>	<b>603,937,322</b>
		-----	-----
<b><u>Non-Current Liabilities:</u></b>			
Loan	8	27,418,636	--
End of service benefit		711,484	719,943
		-----	-----
<b>Total Non-Current Liability</b>		<b>28,130,120</b>	<b>719,943</b>
		-----	-----
<b>Total Liabilities</b>		<b>719,920,407</b>	<b>604,657,265</b>
		-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS OF JUNE 30, 2008**

	<b>June 30, <u>2008</u> (Reviewed)</b>	<b>December 31, <u>2007</u> (Audited)</b>
<b><u>Shareholders' Equity:</u></b>		
Issued capital	200,000,000	200,000,000
Legal reserve	4,348,093	4,348,093
Investment revaluation reserve	2,163,296	(6,894,565)
Proposed dividend	--	24,000,000
Retained earnings	41,589,953	1,479,622
	-----	-----
<b>Attributable to Equity Holders of Holding Company</b>	<b>248,101,342</b>	<b>222,933,150</b>
	-----	-----
<b>Minority Interest</b>	<b>36,150</b>	<b>28,107</b>
	-----	-----
<b>Total Equity</b>	<b>248,137,492</b>	<b>222,961,257</b>
	-----	-----
<b>Total Equity and Liabilities</b>	<b>968,057,899</b>	<b>827,618,522</b>
	=====	=====

These financial consolidated statements were approved by the Board of Directors on -----, 2008 and signed on its behalf by:

\_\_\_\_\_  
Hamad Bin Abdulla Al-Attiyah  
Chairman

\_\_\_\_\_  
Sheikh Hamad Bin Nasser Al-Thani  
Vice Chairman

\_\_\_\_\_  
Walid Jassim Al Musalam  
CEO

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

	<b>For the Six Month Period Ended June 30, 2008 (Reviewed)</b>	<b>For the Six Month Period Ended June 30, 2007 (Reviewed)</b>
<b><u>Revenue:</u></b>	<b>QR.</b>	<b>QR.</b>
Brokerage and commission income	81,246,502	43,788,574
Brokerage and commission expense	(22,606,487)	(12,315,109)
	-----	-----
<b>Brokerage and Commission Income, Net</b>	<b>58,640,015</b>	<b>31,473,465</b>
Bank deposit interest income	3,860,590	2,314,870
Net investment income	6,192,100	2,813,320
Share of loss in associate company	(240,297)	--
Other income	38,326	44,232
	-----	-----
<b>Total Revenue</b>	<b>68,490,734</b>	<b>36,645,887</b>
<b><u>Expenses:</u></b>		
General and administrative expenses	(13,123,002)	(12,517,488)
Staff costs	(14,687,129)	(10,508,935)
Impairment of available for sale investments	--	(2,100,000)
Finance costs	(562,229)	(1,069,523)
	-----	-----
<b>Net income for the Period</b>	<b>40,118,374</b>	<b>10,449,941</b>
	=====	=====
<b>Attributable to</b>		
Equity holders of holding company	40,110,331	10,447,535
Minority interest	8,043	2,406
	-----	-----
<b>Total</b>	<b>40,118,374</b>	<b>10,449,941</b>
	=====	=====
Earnings per share	<b>2.01</b>	<b>0.52</b>
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

	<u>Capital</u>	<u>Legal Reserve</u>	<u>Fair Value Reserve</u>	<u>Proposed Dividend</u>	<u>Retained Earnings</u>	<u>Attributable to Equity Holders of Holding Company</u>	<u>Minority Interest</u>	<u>Total</u>
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance – January 1, 2007 (Audited)	200,000,000	1,842,228	(22,298,259)	10,000,000	2,931,778	<b>192,475,747</b>	23,151	<b>192,498,898</b>
Dividends paid	--	--	--	(10,000,000)	--	<b>(10,000,000)</b>	--	<b>(10,000,000)</b>
Net income for the period	--	--	--	--	10,447,535	<b>10,447,535</b>	2,406	<b>10,449,941</b>
Net movement in revaluation reserve	--	--	1,650,339	--	--	<b>1,650,339</b>	--	<b>1,650,339</b>
<b>Balance - June 30, 2007 (Reviewed)</b>	<b>200,000,000</b>	<b>1,842,228</b>	<b>(20,647,920)</b>	--	<b>13,379,313</b>	<b>194,573,621</b>	<b>25,557</b>	<b>194,599,178</b>
Balance – January 1, 2008 (Audited)	200,000,000	4,348,093	(6,894,565)	24,000,000	1,479,622	<b>222,933,150</b>	28,107	<b>222,961,257</b>
Dividends paid	--	--	--	(24,000,000)	--	<b>(24,000,000)</b>	--	<b>(24,000,000)</b>
Net income for the period	--	--	--	--	40,110,331	<b>40,110,331</b>	8,043	<b>40,118,374</b>
Net movement in revaluation reserve	--	--	9,057,861	--	--	<b>9,057,861</b>	--	<b>9,057,861</b>
<b>Balance - June 30, 2008 (Reviewed)</b>	<b>200,000,000</b>	<b>4,348,093</b>	<b>2,163,296</b>	--	<b>41,589,953</b>	<b>248,101,342</b>	<b>36,150</b>	<b>248,137,492</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

	Note	<b>For the Six Month Period Ended June 30,</b>	
		<b>2008</b>	<b>2007</b>
		<b><u>(Reviewed)</u></b>	<b><u>(Reviewed)</u></b>
		<b>QR.</b>	<b>QR.</b>
<b><u>Cash Flows from Operating Activities:</u></b>			
Net income for the period		40,118,374	10,449,941
Adjustments for:			
Depreciation of properties and equipments		3,117,174	3,882,746
Interest income		(3,860,590)	(2,314,870)
Interest paid		562,229	1,069,523
Provision for end of service benefit		(8,459)	(242,577)
Profit on available –for-sale investments		(5,328,528)	(2,813,320)
Share of loss of associate		240,297	--
Impairment loss on investments		--	2,100,000
		-----	-----
		<b>34,840,497</b>	<b>12,131,443</b>
Due from customers		210,586,264	30,370,252
Due from Doha Securities Market		(140,630,601)	(19,289,496)
Prepaid and other debit balances		(716,014)	1,969,596
Customers funds		(17,304,704)	22,194,393
Due to customers		238,001,929	61,333,389
Due to Doha Securities Market		(112,487,827)	(40,835,654)
Accruals and other credit balances		6,154,090	(295,978)
		-----	-----
<b>Net Cash Flow From Operating Activities</b>		<b>218,443,634</b>	<b>67,577,945</b>
		-----	-----
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase and sale of available-for-sale investments , net		11,085,483	15,269,085
Purchase of properties and equipments		(48,724,176)	(4,306,070)
Interest received		3,860,590	2,314,870
		-----	-----
<b>Net Cash (Used in) From Investing Activities</b>		<b>(33,778,103)</b>	<b>13,277,885</b>
		-----	-----
<b><u>Cash Flows from Finance Activities:</u></b>			
Dividends paid		(24,000,000)	(10,000,000)
Interest paid		(562,229)	(1,069,523)
Net proceeds from loan		29,177,131	--
		-----	-----
<b>Cash From (Used in) Finance Activities</b>		<b>4,614,902</b>	<b>(11,069,523)</b>
		-----	-----
Net increase in cash and cash equivalents		189,280,433	69,786,307
Cash and cash equivalents – beginning of the period		73,594,649	3,344,354
		-----	-----
<b>Cash and Cash Equivalents - End of the Period</b>	<b>10</b>	<b>262,875,082</b>	<b>73,130,661</b>
		=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

**1. General Information:**

Dlala Brokerage and Investment Holding Company (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 Doha Securities Market regulations. The Company is engaged in brokerage activities at the Doha Securities Market through its subsidiaries, and in investment activities for itself.

**2. Basis of Preparation and Significant Accounting Policies:**

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2007 and should be read in conjunction with the 2007 annual consolidated financial statements and the notes attached thereto, except for the adoption of certain revised/new interpretations which are effective as of January 1, 2008. Adoption of these interpretations did not have any effect on the financial position nor performance of the Company.

The interim condensed consolidated financial statements are prepared under the historical cost convention except for investments and derivative financial instruments which are carried at fair value.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month ended June 30, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

### 3. Cash and Bank Balances:

	<u>June 30,</u> <u>2008</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2007</u> <u>(Audited)</u> <u>QR.</u>
Cash on hand	21,676	21,317
Fixed deposits	39,851,540	55,690,967
Bank current accounts	223,001,866	58,785,778
	-----	-----
<b>Total</b>	<b>262,875,082</b>	<b>114,498,062</b>
	=====	=====

Fixed deposits and call accounts represent short term investments in various banks, with effective interest rates ranging from 2.5% to 6.5%, and maturity dates up to 90 days.

### 4. Customers' Funds:

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

### 5. Available-for-Sale Investments:

	<u>June 30,</u> <u>2008</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2007</u> <u>(Audited)</u> <u>QR.</u>
Investments - <b>Quoted</b>	47,222,796	52,979,752
Investments - <b>Unquoted</b>	1,050,000	1,050,000
	-----	-----
Total cost of investments	48,272,796	54,029,752
	-----	-----
Changes in fair value - <b>Quoted</b>	2,886,779	(6,171,083)
	-----	-----
Fair value reserve	2,886,779	(6,171,083)
	-----	-----
<b>Total</b>	<b>51,159,575</b>	<b>47,858,669</b>
	=====	=====

**6. Investment in Associates:**

(a) The outstanding balances of the investments in associates are represented as follows:

	<b>Ownership</b>	<b>June 30, 2008 (Reviewed)</b>	<b>December 31, 2007 (Audited)</b>
	-----	-----	-----
		<b>QR.</b>	<b>QR.</b>
Tuhama Investments	22%	10,194,756	10,215,053
Edata Tech and Consulting	25%	1,778,779	1,778,779
		-----	-----
		<b>11,973,535</b>	<b>11,993,832</b>
		=====	=====

(b) The movement on the investment in associates are represented as follows:

	<b>June 30, 2008 (Reviewed)</b>	<b>December 31, 2007 (Audited)</b>
	-----	-----
	<b>QR.</b>	<b>QR.</b>
<b>Balance as at beginning of period/year</b>	<b>11,993,832</b>	<b>10,386,000</b>
Acquisition of associate	--	1,778,779
Share of (loss)/ profit for the period/year	(240,297)	552,535
Share of associate investment revaluation reserve on Available for sale	--	(723,482)
	-----	-----
<b>Balance as at end of period/year</b>	<b>11,753,535</b>	<b>11,993,832</b>
	=====	=====

## **7. Properties and Equipment:**

	<b><u>Total</u></b> <b><u>QR.</u></b>
<b>Cost:</b>	
As of January 1, 2007	24,573,740
Additions	4,306,070
Transfer	--
As of June 30, 2007	<u>28,879,810</u>
<b>Depreciation:</b>	
As of January 1, 2007	4,301,941
Charge for the period	<u>3,882,746</u>
As of June 30, 2007	<u>8,184,687</u>
 <b>Net book value:</b>	
<b>As of June 30, 2007</b>	<b><u>20,695,123</u></b>
 <b>Cost:</b>	
As of January 1, 2008	29,759,589
Additions	<u>48,724,176</u>
As of June 30, 2008	<u>78,483,765</u>
<b>Depreciation:</b>	
As of January 1, 2008	11,178,646
Charge for the period	<u>3,117,174</u>
As of June 30, 2008	<u>14,295,820</u>
 <b>Net book value:</b>	
<b>As of June 30, 2008</b>	<b><u>64,187,945</u></b>

- Properties and equipment includes capital work-in-progress for an amount of QR. 11.3 million which represents buildings currently under repairs and maintenance, implementation of "Oracle Financials" and "Oracle HR".
- Land and building amounting to QR. 46.1 million acquired during the year have been used as security for the loan taken.

## 8. Loan:

	<u>June 30,</u> <u>2008</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2007</u> <u>(Audited)</u> <u>QR.</u>
Loan repayable within one year	1,758,495	--
Loan repayable between one and five years	6,640,223	--
Loan repayable after five years	20,778,413	--
	-----	-----
	27,418,636	--
	-----	-----
<b>Total</b>	<b>29,177,131</b>	<b>--</b>
	=====	=====

Loan payable carries interest of 7.5% per annum to be repaid in 147 equal monthly instalments. Loans were taken against mortgage of the underlying land and buildings.

## 9. Legal Reserve:

In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the period is to be transferred to legal reserve. However, for the purposes of these interim financial statements, no transfer of legal reserve has been effected.

## 10. Cash and Cash Equivalents:

For the purpose of the statement of cash flow, cash and cash equivalents include the cash and the bank balances, net of outstanding overdrafts. Cash and cash equivalents at the end of the period as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	<u>For the Six Month Period Ended</u> <u>June 30,</u>	
	<u>2008</u>	<u>2007</u>
	<u>(Reviewed)</u>	<u>(Reviewed)</u>
	<u>QR.</u>	<u>QR.</u>
Cash and bank balances	262,875,082	93,692,352
Bank overdraft	--	(20,561,691)
	-----	-----
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>262,875,082</b>	<b>73,130,661</b>
	=====	=====

**11. Contingent Liabilities:**

	<b><u>June 30,</u> <u>2008</u> <b>(Reviewed)</b> <b>QR.</b></b>	<b><u>December 31,</u> <u>2007</u> <b>(Audited)</b> <b>QR.</b></b>
Banks letters of guarantee	462,500,000 =====	235,000,000 =====

**12. Comparatives Figures:**

Certain of the previous period figures have been reclassified to conform to this year's presentation.