

**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 2009**

**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 2009, and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended ("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.

The accompanying consolidated financial information/statements of the Group as at and for the period/year ended 30 June 2008 and 31 December 2008 were reviewed/audited by another auditor, whose review/audit report dated 16 July 2008/4 February 2009 expressed an unqualified opinion on the financial information/statements respectively.

### **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 2009 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

20 July 2009  
Doha  
State of Qatar

Ahmed Hussain  
KPMG  
Qatar Auditor's Registry No.197

## Dlala Brokerage and Investment Holding Company (QSC)

### Condensed consolidated statement of financial position

As at 30 June 2009

In Qatari Riyals

	Note	30 June 2009 (Reviewed)	31 December 2008 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	160,189,992	248,249,388
Bank balances – customer funds	6	272,053,766	441,323,691
Due from customers		49,599,776	6,187,470
Due from Qatar Exchange		35,480,385	75,137,536
Other assets		5,582,805	3,595,329
<b>Total current assets</b>		<b>522,906,724</b>	<b>774,493,414</b>
<b>Non-current assets</b>			
Available-for-sale investments	7	28,433,019	28,535,520
Investment in associates	8	-	10,455,888
Property and equipment	9	59,528,667	64,738,230
<b>Total non-current assets</b>		<b>87,961,686</b>	<b>103,729,638</b>
<b>Total Assets</b>		<b>610,868,410</b>	<b>878,223,052</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Term loan – short term	10	-	3,931,800
Due to customers		370,254,373	578,704,047
Other liabilities		34,085,420	29,812,392
<b>Total current liabilities</b>		<b>404,339,793</b>	<b>612,448,239</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		1,170,241	867,823
Term loan – long term	10	-	24,451,065
<b>Total non-current liabilities</b>		<b>1,170,241</b>	<b>25,318,888</b>
<b>Total liabilities</b>		<b>405,510,034</b>	<b>637,767,127</b>
<b>Equity</b>			
Share capital		200,000,000	200,000,000
Legal reserve	11	9,398,577	9,398,577
Fair value reserve		(1,134,245)	(15,904,729)
Retained (loss)/earnings		(2,941,645)	46,924,515
<b>Total equity attributable to owners of the Company</b>		<b>205,322,687</b>	<b>240,418,363</b>
Non-controlling interest		35,689	37,562
<b>Total equity</b>		<b>205,358,376</b>	<b>240,455,925</b>
<b>Total equity and liabilities</b>		<b>610,868,410</b>	<b>878,223,052</b>

The condensed consolidated interim financial information was approved by the Board of Directors and signed on their behalf by the following on 20 July 2009.

.....  
Chairman

.....  
CEO

The accompanying notes 1 to 15 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 2009**

In Qatari Riyals

	<b>Note</b>	<b>For the six month period ended 30 June 2009 (Reviewed)</b>	<b>For the six month period ended 30 June 2008 (Reviewed)</b>
Brokerage and commission income		37,310,888	81,246,502
Brokerage and commission expense		<u>(11,525,357)</u>	<u>(22,606,487)</u>
<b>Brokerage and commission income, net</b>		25,785,531	58,640,015
Finance income		6,095,471	3,860,590
Net investment income		2,726,661	6,192,100
Share of loss in associate company		-	(240,297)
Other income		<u>-</u>	<u>38,326</u>
<b>Total revenue</b>		<u>34,607,663</u>	<u>68,490,734</u>
General and administrative expenses		(10,975,019)	(13,123,002)
Staff costs		(10,142,660)	(14,687,129)
Impairment of available-for-sale investments	7	(13,233,061)	-
Impairment of property and equipment	9	(9,444,699)	-
Finance costs		<u>(680,257)</u>	<u>(562,229)</u>
<b>Total expenses</b>		<u>(44,475,696)</u>	<u>(28,372,360)</u>
<b>(Loss)/profit for the period</b>		<u><b>(9,868,033)</b></u>	<u>40,118,374</u>
<b>Attributable to</b>			
Owners of the company		(9,866,160)	40,110,331
Non-controlling interest		<u>(1,873)</u>	<u>8,043</u>
<b>Total</b>		<u><b>(9,868,033)</b></u>	<u>40,118,374</u>
<b>(Loss)/earnings per share</b>		<b>(0.49)</b>	2.01

The accompanying notes 1 to 15 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 2009**

		In Qatari Riyals
	<b>For the six month period ended 30 June 2009 (Reviewed)</b>	For the six month period ended 30 June 2008 (Reviewed)
<b>(Loss)/profit for the period</b>	<b>(9,868,033)</b>	40,118,374
<b>Other comprehensive income</b>		
Net change in fair value of available-for-sale investments	14,770,484	9,057,861
<b>Total comprehensive income for the period</b>	<b>4,902,451</b>	<b>49,176,235</b>
<b>Attributable to</b>		
Owners of the company	4,904,324	49,168,192
Non-controlling interest	(1,873)	8,043
<b>Total comprehensive income for the period</b>	<b>4,902,451</b>	<b>49,176,235</b>

The accompanying notes 1 to 15 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 2009

In Qatari Riyals

	Share Capital	Legal reserve	Fair value reserve	Retained earnings/(loss)	Total equity attributable to owners of the company	Non- controlling interest	Total equity
Balance at 1 January 2008	200,000,000	4,348,093	(6,894,565)	25,479,622	222,933,150	28,107	222,961,257
<b>Total comprehensive income for the period</b>							
Profit	-	-	-	40,110,331	40,110,331	8,043	40,118,374
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale investments	-	-	9,057,861	-	9,057,861	-	9,057,861
<b>Total comprehensive income for the period</b>	-	-	9,057,861	40,110,331	49,168,192	8,043	49,176,235
Dividend paid	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)
Balance at 30 June 2008	200,000,000	4,348,093	2,163,296	41,589,953	248,101,342	36,150	248,137,492
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	-	-	-	(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	-	-	14,770,484	-	14,770,484	-	14,770,484
<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>

The accompanying notes 1 to 15 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 2009

In Qatari Riyals

	<b>Note</b>	<b>For the six month period ended 30 June 2009 (Reviewed)</b>	<b>For the six month period ended 30 June 2008 (Reviewed)</b>
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period		(9,868,033)	40,118,374
Adjustments for:			
Depreciation		2,861,552	3,117,174
Finance income		(6,095,471)	(3,860,590)
Impairment loss on available-for-sale investments		13,233,061	-
Impairment on property and equipment		9,444,699	-
Provision for employees' end of service benefit		483,260	(8,459)
Profit on sale of available-for-sale investments		271,000	(5,328,528)
Profit on sale of associate		(1,558,535)	-
Transfer from revaluation reserve on sale of associate		722,784	-
Share of loss of associate		-	240,297
Finance costs		680,257	562,229
		<u>10,174,574</u>	<u>34,840,497</u>
Change in due from customers		(43,412,306)	210,586,264
Change in due from Qatar Exchange		39,657,151	(140,630,601)
Change in other assets		(1,987,476)	(716,014)
Change in customer funds		169,269,925	(17,304,704)
Change in due to customers		(208,449,674)	238,001,929
Change in due to Qatar Exchange		-	(112,487,827)
Change in other liabilities		4,273,028	6,154,090
Employees' end of service benefits paid		(180,842)	-
<b>Net cash (used in)/from operating activities</b>		<u>(30,655,620)</u>	<u>218,443,634</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of available-for-sale investments		750,000	11,085,483
Proceeds from sale of associate		11,910,563	-
Acquisition of property and equipment		(7,096,688)	(48,724,176)
Finance income received		6,095,471	3,860,590
<b>Net cash from/(used in) investing activities</b>		<u>11,659,346</u>	<u>(33,778,103)</u>
<b>Cash flows from financing activities</b>			
Dividend paid		(40,000,000)	(24,000,000)
Finance costs paid		(680,257)	(562,229)
Proceeds from loan, net		(28,382,865)	29,177,131
<b>Net cash (used in)/ from financing activities</b>		<u>(69,063,122)</u>	<u>4,614,902</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(88,059,396)	189,280,433
Cash and cash equivalents at 1 January		248,249,388	73,594,649
<b>Cash and cash equivalents at 30 June</b>	<b>5</b>	<u>160,189,992</u>	<u>262,875,082</u>

The accompanying notes 1 to 15 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 2009

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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 3c 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 20 July 2009.

### 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 and disclosures 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 2008. In addition, results for the 6 month period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

#### 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 2009. 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 subsidiaries.

	Country of Incorporation	Percentage interest 2009	2008
▪ 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%

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

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

**For the six month period ended 30 June 2009**

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

Except as described below, the accounting policies applied by the Group in this condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

##### **i) Determination and presentation of operating segments**

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

##### **ii) Presentation of financial statements**

The Group applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the condensed consolidated statement of comprehensive income.

Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income information and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Group has decided to adopt a dual statement approach for presenting total comprehensive income.

This presentation has been applied in this condensed consolidated interim financial information as at and for the six month period ended 30 June 2009. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

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

The Group's risk management objectives and policies are consistent with those disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2008.

## Diala Brokerage and Investment Holding Company (QSC)

### Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2009

In Qatari Riyals

#### 5. CASH AND BANK BALANCES

	<b>30 June 2009 (Reviewed)</b>	31 December 2008 (Audited)
Cash on hand	7,980	2,193
Fixed deposits	131,500,135	152,500,000
Call accounts	14,759,244	63,538,798
Current accounts	13,922,633	32,208,397
	<b>160,189,992</b>	<b>248,249,388</b>

Fixed deposits and call accounts represent short term placements with various banks, with effective interest rate 6.25%, and maturity up to 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 2009 (Reviewed)</b>	31 December 2008 (Audited)
Investments – Quoted	36,825,831	40,887,987
Investments – Unquoted	5,974,494	2,828,779
Total cost of investments	42,800,325	43,716,766
Fair value reserve	(1,134,245)	(15,181,246)
Impairment loss	(13,233,061)	-
	<b>28,433,019</b>	<b>28,535,520</b>

Impairment of QR. 13,233,061 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.

#### 8. INVESTMENT IN ASSOCIATES

During the period the Group has disposed a portion of its investment in the shares of Tuhama Investments which diluted the shareholding of the Group from 22% to 1%. Subsequently, the investment in associate is classified as available-for-sale as the Group does not have significant influence on Tuhama Investments. The movement on the investment in associates balance during the year is as follows:

	<b>30 June 2009 (Reviewed)</b>	31 December 2008 (Audited)
Balance as at the beginning of the period/year	10,455,888	11,993,832
Disposal of associate	10,352,028	-
Share of profit for the period/year	-	240,835
Reclassification as available for sale (note 8)	(103,860)	(1,778,779)
<b>Balance as at the end of the period/year</b>	<b>--</b>	<b>10,455,888</b>

## Diala Brokerage and Investment Holding Company (QSC)

### Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2009

In Qatari Riyals

#### 9. PROPERTY AND EQUIPMENT

	<b>30 June 2009</b> <b>(Reviewed)</b>	31 December 2008 (Audited)
<b>Cost:</b>		
As at the beginning of the period/year	82,222,778	29,759,589
Additions	7,096,688	52,463,189
As at the end of the period/year	<u>89,319,466</u>	<u>82,222,778</u>
<b>Depreciation:</b>		
As at the beginning of the period/year	17,484,548	11,178,646
Charge for the period/year	2,861,552	6,305,902
As at the end of the period/year	<u>20,346,100</u>	<u>17,484,548</u>
Impairment loss	9,444,699	-
<b>Net book value as at the end of the period/year</b>	<b><u>59,528,667</u></b>	<b><u>64,738,230</u></b>

Property and equipment includes capital work-in-progress for an amount of QR. 18.2 million which represents buildings currently under repairs and maintenance, implementation of "Oracle Financials" and "Oracle HR".

Impairment of QR. 9,444,699 has been recorded on the Group's Salwa Road property under refurbishment due to the impact that the current market conditions have had on rental yields. The Group obtained an independent valuation to determine the amount of impairment to record.

#### 10. TERM LOAN

	<b>30 June 2009</b> <b>(Reviewed)</b>	31 December 2008 (Audited)
Total amount of loan due to bank	-	28,382,865
Less: current portion	-	(3,931,800)
Long term portion	<u>-</u>	<u>24,451,065</u>

#### 11. 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. For the purposes of this condensed consolidated interim financial information, no transfer of legal reserve has been made.

#### 12. 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.

## Diala Brokerage and Investment Holding Company (QSC)

### Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2009

In Qatari Riyals

#### 12. RELATED PARTY TRANSACTIONS (continued)

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

	<b>30 June 2009 (Reviewed)</b>	30 June 2008 (Reviewed)
Short-term benefits – salary packages to senior managers	<u>1,419,840</u>	<u>1,326,777</u>

#### 13. CONTINGENT LIABILITIES

	<b>30 June 2009 (Reviewed)</b>	31 December 2008 (Audited)
Letters of guarantee	<u>252,500,000</u>	<u>462,500,000</u>

#### 14. 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:

	<b>Stock broking</b>	<b>Real estate</b>	<b>IT and international</b>	<b>Others</b>	<b>30 June 2009 (reviewed)</b>
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)
Reportable segment assets	458,552,781	26,049,021	202,496	126,064,112	610,868,410

	<b>Stock broking</b>	<b>Real estate</b>	<b>IT and international</b>	<b>Others</b>	<b>31 December 2008 (audited)</b>
External Revenue	63,356,962	-	2,223	5,131,549	68,490,734
Inter-segment revenue	-	-	-	-	-
Reportable segment profit	37,690,105	-	1,983	2,426,286	40,118,374
Reportable segment assets	689,475,796	-	207,782	188,539,474	878,223,052

#### 15. COMPARATIVE INFORMATION

Certain of the previous period figures have been reclassified to conform to the current period's presentation. Such classifications did not have any impact on the results for the period.