IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the "**Prospectus**") accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Prospectus. In accessing, reading or making any use of the attached Prospectus, you agree to be bound by the following terms and conditions (and each of the restrictions set out in the attached Prospectus), including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your Representation: You have accessed the attached Prospectus on the basis that you have confirmed to Gulf International Bank B.S.C. (the "**Sole Bookrunner**"), Barwa Bank Q.S.C., the International Bank of Qatar Q.S.C. and Qatar Islamic Bank S.A.Q. (together with the Sole Bookrunner the "**Joint Lead Managers**"), being the senders of the attached, that (i) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States and the District of Columbia (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (ii) you consent to delivery by electronic transmission.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Almana Sukuk 2011 Limited (the "**Issuer**"), Almana Group W.L.L. ("**Almana**"), the Joint Lead Managers or any of the Group Guarantors (as defined in the Prospectus) and any person who controls them or any director, officer, employee or agent of the Issuer, Almana, the Joint Lead Managers or any person who controls them or any affiliate of any of the foregoing accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from any of the Joint Lead Managers.

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this prospectus to any other person.

Restrictions: Nothing in this electronic transmission constitutes an offer to sell or a solicitation of an offer to buy Certificates in the United States of America or any other jurisdiction where it is unlawful to do so. Any Certificates to be issued will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of other jurisdiction of the United States of America and may not be offered, sold or delivered directly or indirectly in the United States of America or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

The attached Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever and, in particular, may not be forwarded to any U.S. person or to any U.S. address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The attached Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer or Almana.

Recipients of the attached document who intend to subscribe for or purchase Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus.

Almana Sukuk 2011 Limited
(incorporated in the Cayman Islands with limited liability)
U.S.$215,000,000 Trust Certificates due 2016

The issue price of the U.S.$215,000,000 Trust Certificates due 2016 (the "**Certificates**" or the "**Sukuk**"), each of which represents an undivided ownership interest in the Trust Assets (as defined herein) of Almana Sukuk 2011 Limited (the "**Issuer**") is 100 per cent. of their principal amount.

The Certificates will be constituted by a declaration of trust (the "**Declaration of Trust**") dated on or about 28 July 2011 (the "**Closing Date**") made by the Issuer, the Issuer in its capacity as trustee (the "**Trustee**"), Almana Group W.L.L. ("**Almana**") and Deutsche Trustee Company Limited (the "**Delegate**"). On the Closing Date, the Trustee shall transfer the proceeds of the Certificates to Middle East Real Estate Investment Company (the "**Investment Manager**") for the purpose of purchasing Sharia compliant real estate assets located in Doha, Qatar (the "**Original Portfolio**") and in each case identified in the purchase agreement to be entered into between Almana and the Investment Manager which shall be appended as a schedule to the Investment Management Agreement (as defined herein) from Almana (the "**Seller**") which will be managed by the Investment Manager on behalf of the Trustee. Pursuant to the Declaration of Trust, the Issuer will declare that it will hold Trust Assets (as defined herein), primarily consisting of (i) the Original Portfolio, (ii) any assets in direct or subsequent replacement of the assets comprised in the Original Portfolio in accordance with any of the Transaction Documents including the transferable right, title or interest to any plot of land, Sharia compliant equity instruments, sukuk certificates or other investments (whether traded on an exchange or not); and (iii) any assets in which Portfolio Revenues are invested by the Investment Manager in accordance with the Investment Management Agreement (together, the "**Portfolio**"), the Trustee's rights, title and interest in, to and under the investment management agreement (the "**Investment Management Agreement**") dated on or about the Closing Date and entered into between the Trustee and the Investment Manager, the purchase undertaking dated on or about the Closing Date (the "**Purchase Undertaking**") granted by Almana in favour of the Trustee, the guarantee deed dated on or about the Closing Date (the "**Guarantee**") granted by Almana (in its capacity as guarantor, the "**Guarantor**"), the guarantee deed (the "**Group Guarantee**") dated on or about the Closing Date granted by Almana Motors Company W.L.L., Almana Trading Company W.L.L., United Cars Almana, and Almana Maples W.L.L. (the "**Group Guarantors**"), the other Transaction Documents (other than in relation to any representations given to the Trustee by Almana, the Investment Manager, the Guarantor or the Group Guarantors pursuant to any of the Transaction Documents), the Transaction Account (each as defined herein) and all proceeds of the foregoing, upon trust absolutely for the holders of the Certificates (the "**Certificateholders**" and each, a "**Certificateholder**")) pro rata according to the principal amount of Certificates held by each Certificateholder.

On 28 October, 28 January, 28 April and 28 July in each year commencing on 28 October 2011 up to and including 28 July 2016 (or if any such day is not a Business Day (as defined herein), the following Business Day, unless it would thereby fall into the next calendar month, in which event such day should be the immediately preceding Business Day (each, a "**Periodic Distribution Date**")), Certificateholders will receive from distributable profit from and in respect of the Portfolio, a periodic distribution amount equal to 4.5 per cent. per annum plus LIBOR (as defined herein) calculated on the outstanding aggregate principal amount of the Certificates as at the end of the relevant Periodic Distribution Period (as defined herein) on an actual/360 basis (the "**Periodic Distribution Amount**"). If such proceeds together with amounts standing to the credit of the Profit Reserve Amount (as defined below) are less than the Periodic Distribution Amount, the Investment Manager may provide Sharia compliant liquidity funding (the "**Liquidity Funding**") to cover any such shortfall.

Investing in the Certificates involves certain risks as more fully described in the section Risk Factors beginning on page 14.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**UKLA**") for the Certificates to be listed on the official list of the UKLA (the "**Official List**") and for such Certificates to be admitted to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"). References in this Prospectus to Certificates being "**listed**" (and all related references) shall mean that such Certificates have been listed on the Official List and have been admitted to trading on the Regulated Market of the London Stock Exchange. The Regulated Market of the London Stock Exchange is a regulated market for the purpose of Directive 2004/39/EC on markets in financial instruments ("**MiFID**").

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Certificates are being offered, sold or delivered solely to non-U.S. Persons (as defined in Regulation S) outside the United States in reliance on Regulation S. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Delivery of the Certificates in book-entry form will be made on the Closing Date. The Certificates may only be offered, sold or transferred in registered form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Certificates will be represented at all times by interests in a registered form global certificate without coupons attached (the "**Global Certificate**"), deposited on or about the Closing Date with a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Individual Certificates evidencing holdings of interests in the Certificates will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

Sole Bookrunner and Joint Lead Manager
Gulf International Bank B.S.C.

Joint Lead Managers
Barwa Bank Q.S.C. *International Bank of Qatar Q.S.C.* *Qatar Islamic Bank S.A.Q.*

The date of this Prospectus is 17 July 2011

This Prospectus (the "**Prospectus**") comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purposes of giving information with regard to the Issuer, Almana, and the Certificates which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, Almana and of the Certificates.

Each of Almana, the Group Guarantors and the Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. Accordingly, each of Almana the Group Guarantors and the Issuer accepts responsibility for the information contained in this Prospectus.

No person has been authorised to give any information or to make any representation regarding the Issuer, Almana and the Group Guarantors or the Certificates other than as contained in this Prospectus. Any such representation or information should not be relied upon as having been authorised by the Issuer, Almana, the Group Guarantors or Gulf International Bank B.S.C., Barwa Bank Q.S.C., the International Bank of Qatar Q.S.C. and Qatar Islamic Bank S.A.Q. (the "**Joint Lead Managers**"). Neither the delivery of this document nor the offering, sale or delivery of any Certificate shall in any circumstances constitute a representation or create any implication that the information contained herein is correct at any time subsequent to the date hereof or that there has been no adverse change, nor any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, Almana or the Group Guarantors since the date of this Prospectus.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Delegate or any Agent (as defined herein) nor any of their respective affiliates accept any responsibility for the contents of this Prospectus or for any other statement made, or purported to be made, by the Joint Lead Managers, the Trustee, the Delegate or any Agent, or any of their respective affiliates, or on its behalf in connection with the Issuer, Almana or the Group Guarantors or the issue and offering of the Certificates. The Joint Lead Managers, the Trustee, the Delegate and each Agent accordingly disclaim all and any liability whether arising in tort or in contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Certificates in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. This Prospectus is intended only to provide information to assist potential investors in deciding whether or not to subscribe for or purchase Certificates in accordance with the terms and conditions specified by the Joint Lead Managers. None of the Joint Lead Managers, the Trustee, the Delegate or any Agent nor any of their respective affiliates has verified the information contained in this Prospectus nor does any of them undertake to review the financial condition or affairs of the Issuer, Almana and the Group Guarantors during the life of the arrangements contemplated by this Prospectus, nor to advise any investor or potential investor in the Certificates of any information coming to the attention of the Joint Lead Managers, the Trustee, the Delegate or any Agent or any of their respective affiliates.

The distribution of this Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. The Issuer, the Group Guarantors, Almana, the Trustee, the Joint Lead Managers, the Delegate and the Agents do not represent that this Prospectus may be lawfully distributed or used for the purpose of an offer to, or a solicitation by anyone, in any jurisdiction or in any circumstances, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Almana, the Group Guarantors, the Trustee, the Joint Lead Managers, the Delegate or the Agents which is intended to permit a public offering of any Certificates or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Certificate may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Prospectus and the offer and sale of Certificates in the United States of America, the European Economic Area (including the UK), the Cayman Islands, the State of Qatar, the Qatar Financial Centre, the United Arab Emirates, the Dubai International Financial Centre, the Kingdom of Bahrain, Kuwait and Saudi Arabia (see *Subscription and Sale*).

Neither this Prospectus nor any other information supplied in connection with the Certificates is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer, Almana, the Group Guarantors the Joint Lead Managers, the Trustee, the Delegate or the Agents that any recipient of this Prospectus should purchase any of the Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, Almana and the Group Guarantors.

Each prospective investor is advised to consult its own tax advisor, legal advisor and business advisor as to tax, legal, business and related matters concerning the purchase of the Certificates.

Notice to Cayman Islands Residents

No invitation may be made to the public in the Cayman Islands to subscribe for the Certificates.

Notice to United Kingdom Residents

The Certificates represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Services Authority (the "**FSA**"). Accordingly, this Prospectus is not being distributed to, or promoted to and must not be passed on to persons in the United Kingdom by any person authorised under the FSMA except in circumstances which could not constitute a contravention of Section 21 of the FSMA.

The distribution in the United Kingdom of this Prospectus and any other marketing materials relating to the Certificates (A) if effected by a person who is not an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"), (ii) overseas recipients under Article 12(1)(a) of the Financial Promotion Order and (iii) persons falling within any of the categories of persons described in Article 49 (*High net worth companies, unincorporated associations, etc*.) of the Financial Promotion Order and (B) if effected by a person who is an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"), (ii) overseas recipients under Article 8(1)(a) of the Promotion of CISs Order, (iii) persons falling within any of the categories of person described in Article 22 (*High net worth companies, unincorporated associations, etc*.) of the Promotion of CISs Order and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials in relation to the Certificates.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The contents of this Prospectus have not been approved by an authorised person in accordance with the rules of the FSA.

Individuals intending to invest in any investment described in this Prospectus should consult their professional advisers and ensure that they fully understand all risks associated with making such an investment and have sufficient financial resources to sustain any loss that may arise from it.

Presentation of Financial Information

Unless indicated otherwise, the financial information herein has been derived from the audited consolidated financial statements of Almana as of and for the years ended 31 December 2009 and 2010 (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board and applicable laws of the State of Qatar.

The Group Guarantors' financial information herein has been derived from the respective audited financial statements of Almana Motors Company W.L.L, Almana Trading Company W.L.L, United Cars Almana and Almana Maples W.L.L. as of and for the years ended 31 December 2009 and 2010 prepared in accordance with IFRS issued by the International Accounting Standards Board and applicable laws of the State of Qatar.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any section of this Prospectus have the meaning attributed thereto in the Conditions. In addition, all references in this Prospectus to "**U.S. Dollars**", "**U.S. Dollar**", "**U.S.$**", "**USD**" and "**$**" refer to United States dollars being the legal currency for the time being of the United States of America. All references to "**QAR**" refer to "**Qatari Riyal**", being the legal currency for the time being of the State of Qatar.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References to a "**billion**" are to a thousand million.

Certain Publicly Available Information

Certain statistical data and other information appearing in this Prospectus have been extracted from independent public sources identified in this Prospectus. Each of the Issuer, Almana and the Group Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Some statements in this Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning Almana's (or each of its Subsidiaries, as defined herein) plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Prospectus, the words "**anticipates**", "**estimates**", "**expects**", "**believes**", "**intends**", "**plans**", "**aims**", "**seeks**", "**may**", "**will**", "**should**" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in *Risk Factors, Almana Group W.L.L. Business Description of Almana* and other sections of this Prospectus. In each case these forward looking statements have been based on the current view of Almana's management with respect to future events and financial performance. Although Almana believes that the expectations, estimates and projections reflected in Almana's forward looking statements are reasonable as of the date of this Prospectus, if one or more of the risks or uncertainties materialise, including (but not limited to) those which Almana has identified in this Prospectus, or if any of Almana's underlying assumptions prove to be incomplete or inaccurate, the actual results of operations may vary from those expected, estimated or predicted.

These forward looking statements speak only as at the date of this Prospectus. Without prejudice to any requirements under applicable laws and regulations, Almana expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

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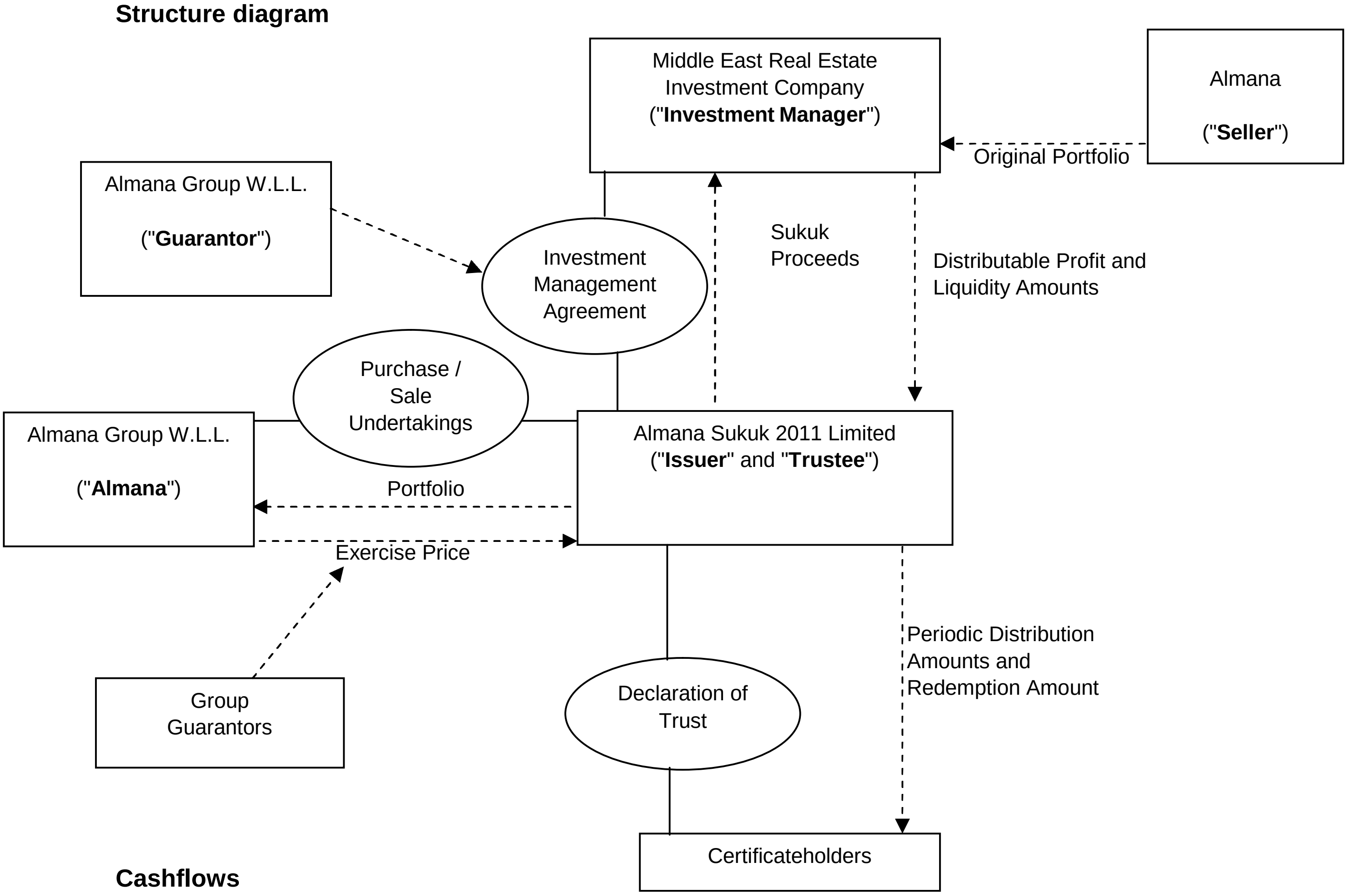
The following is an overview of the structure and cashflows relating to the Certificates. This overview and in particular the very simplified structure diagram does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus. Potential investors should read this entire Prospectus, especially the risks in relation to investing in the Certificates discussed under Risk Factors*.*

Structure diagram



Cashflows

Set out below is a simplified description of the principal cashflows underlying the transaction. Potential investors are referred to the Terms and Conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cashflows and for an explanation of the meaning of certain capitalised terms used herein.

Payments by the Certificateholders and the Issuer

On the Closing Date, the Trustee will receive the proceeds of the Certificates (the "**Sukuk Proceeds**") from the Certificateholders and pay the same to the Investment Manager in accordance with the terms of the Investment Management Agreement (as defined herein) for the purpose of purchasing a portfolio of Sharia compliant real estate assets located in Doha, Qatar (the "**Original Portfolio**") and in each case identified in the purchase agreement to be entered into between Almana and the Investment Manager which shall be appended as a schedule to the Investment Management Agreement from the Seller.

Investment Management Agreement

The Trustee will appoint the Investment Manager for the purpose of purchasing the Original Portfolio from the Seller and developing and managing the Portfolio and the proceeds thereof (the "**Services**") in accordance with the terms of the Investment Management Agreement and an agreed Sharia compliant investment plan prepared by the Investment Manager (the "**Investment Plan**"). The Investment Manager, on the Closing Date, upon receiving the Sukuk Proceeds from the Trustee, will purchase the Original Portfolio from the Seller and manage the same in accordance with the terms of the Investment Management Agreement. The Investment Manager is independent of Almana, including different shareholders.

Except on the Closing Date (where the entire Sukuk Proceeds will be used by the Investment Manager to purchase the Original Portfolio), the Investment Manager shall ensure that, at all times, at least 33 per cent. of the Portfolio consist of Tangible Assets. In respect of each Return Period, the Distributable Profit shall be at least equal to the Periodic Distribution Amount.

The Investment Manager shall collect the revenues generated by the Portfolio and pay the Distributable Profit to the Trustee for the purpose of periodic payments as described below and invest (to the extent available) any Portfolio Revenues that are not Distributable Profit in Sharia compliant assets in accordance with the terms of the Investment Plan under the Investment Management Agreement.

The Investment Manager shall ensure that the Portfolio is, at all times, insured with a reputable insurer against all risks against loss, destruction and damage, including total and partial loss.

Pursuant to the Investment Management Agreement, the Investment Manager shall be entitled to a fixed fee for rendering the Services and in addition shall also be entitled to an incentive fee in accordance with the Investment Management Agreement (the "**Incentive Fee**").

See also *Summary of the Transaction Documents - Investment Management Agreement*.

Periodic Payments by the Issuer

Prior to each Periodic Distribution Date, the Investment Manager will pay the Distributable Profit to the Trustee in accordance with the terms of the Investment Management Agreement. Upon receiving the Distributable Profit from the Investment Manager, the Trustee will apply the Distributable Profit on each Periodic Distribution Date to pay the Periodic Distribution Amount due on such date under the Certificates.

If the Distributable Profit payable to the Trustee is greater than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date, any surplus Distributable Profit over the Periodic Distribution Amount payable to the Trustee will be recorded by the Investment Manager in the management accounts as a credit to the line item entitled ''**Profit Reserve Amount**''. Any amount standing to the credit of the Profit Reserve Amount column in the accounts on the date the Trustee ceases to have any rights, interest, benefits in, to and of the Portfolio (the "**End Date**") will be due and payable to the Investment Manager as an incentive fee (the "**Incentive Fee**"). The Investment Manager may, however, prior to the End Date, use the amounts standing to the credit of the Profit Reserve Amount (the ''**Advance Incentive Fee**'') as long as any amounts deducted from the Profit Reserve Amount prior to the End Date are re-credited in the event that on a Periodic Distribution Date the aggregate of (i) the funds available for distribution to the Trustee on that date, plus (ii) the amounts then standing to the credit of the Profit Reserve Amount, is less than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date. The Trustee may, at any time, demand payment of all or any part of such Profit Reserve Amount.

If the Distributable Profit is less than the relevant Periodic Distribution Amount or if for any other reason the funds available in the Transaction Account on the relevant Periodic Distribution Date are not sufficient to enable the Trustee to pay the relevant Periodic Distribution Amount due on the relevant Periodic Distribution Date in full, the Investment Manager will deduct such shortfall from the Profit Reserve Amount. If the amounts standing to the credit of the Profit Reserve Amount are insufficient (after the Investment Manager has re-credited any Advance Incentive Fee), the Investment Manager may meet the shortfall through the provision of a Sharia compliant liquidity facility (the "**Liquidity Facility**").

Almana will guarantee to the Trustee (for the benefit of the Trustee and the Certificateholders from time to time) all Liquidity Facility payments to be paid by the Investment Manager under and in accordance with the Investment Management Agreement.

Redemption Payments

During the 15 day period prior to the Scheduled Redemption Date, the Investment Manager shall liquidate the Portfolio and transfer the proceeds of the Portfolio to the Trustee. The Trustee will also have the right (in the event that the Investment Manager has not liquidated the Portfolio and paid the proceeds to the Trustee) to require Almana to purchase the Trustee's rights, interests and benefits in, to and of the Portfolio, and the exercise price payable by Almana will be used to fund the Redemption Amount (as defined below) payable by the Issuer to the Certificateholders under the Certificates.

The Trust may be dissolved prior to the Scheduled Redemption Date in full following a Dissolution Event (as defined in Condition 13). In such circumstances, the amounts payable by the Issuer on the relevant Redemption Date will be funded by requiring Almana under the Purchase Undertaking to purchase the Trustee's rights, interests and benefits in, to and of the Portfolio, and pay the corresponding Exercise Price to the Trustee.

The Group Guarantors will, jointly and severally, guarantee to the Trustee (for the benefit of the Trustee and the Certificateholders from time to time) by way of continuing guarantee all payments to be paid by Almana under and in accordance with the Purchase Undertaking.

In addition the Trust may be dissolved prior to the Scheduled Redemption Date for Cayman Islands or the State of Qatar tax reasons. In such circumstances, the amounts payable by the Issuer on the relevant Redemption Date will be funded by Almana's purchase of all of the Trustee's rights, interests and benefits in, to and of the Portfolio as contemplated by the sale undertaking dated on or about the Closing Date granted by the Trustee to Almana (the "**Sale Undertaking**") and payment of the corresponding Exercise Price to the Trustee.

The following overview does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus. Certificateholders should note that through a combination of the Investment Management Agreement, the Purchase Undertaking, the Sale Undertaking, the Group Guarantee, the Guarantee, the ability of the Issuer to pay amounts due under the Certificates will depend on Almana, the Investment Manager and the Group Guarantors complying with their respective obligations under the Transaction Documents to which they are a party, and the Certificateholders' recourse to the Issuer is limited to the Trust Assets. See "Limited Recourse" below.

PARTIES

Issuer	Almana Sukuk 2011 Limited (an exempted company with limited liability incorporated in the Cayman Islands). The authorised share capital of the Issuer is U.S.$50,000 consisting of 50,000 shares with a nominal value of U.S.$1.00 each. 250 of the Issuer's shares have been issued and are held by MaplesFS Limited under the terms of a trust for charitable purposes.
Almana	Almana Group W.L.L.
Guarantor	Almana Group W.L.L.
Group Guarantors	Almana Motors Company W.L.L., Almana Trading Company W.L.L., United Cars Almana and Almana Maples W.L.L.
Investment Manager	Middle East Real Estate Investment Company.
Sole Bookrunner and Joint Lead Manager	Gulf International Bank B.S.C.
Joint Lead Managers	Barwa Bank Q.S.C., the International Bank of Qatar Q.S.C. and Qatar Islamic Bank S.A.Q.
Trustee	Almana Sukuk 2011 Limited will act as trustee in respect of the Trust Assets (as defined below) for the benefit of Certificateholders in accordance with the Declaration of Trust and the Conditions. Under the Declaration of Trust, the Trustee will unconditionally and irrevocably delegate certain of its present and future duties, powers, trusts, authorities and discretions under the Declaration of Trust to the Delegate (with effect from the Closing Date).
Delegate	Deutsche Trustee Company Limited will act as delegate of the Trustee in respect of certain of the Trustee's functions under the Declaration of Trust.
Principal Paying Agent, Transfer Agent, Calculation Agent and Replacement Agent	The Issuer will appoint Deutsche Bank AG, London Branch as the principal paying agent, transfer agent, calculation agent and replacement agent (each an "**Agent**" and together the "**Agents**"). In acting under the Agency Agreement and in connection with the Certificates the Principal Paying Agent and any paying agent subsequently appointed (together with the Principal Paying Agent, the "**Paying Agents**") shall act solely as agents of the Issuer and Trustee and do not assume any obligations towards or relationship of agency or trust for or with any Certificateholders.
Registrar	Deutsche Bank Luxembourg S.A.

SUMMARY OF THE TRANSACTION DOCUMENTS

Investment Management Agreement

Pursuant to the Investment Management Agreement, the Trustee shall appoint the Investment Manager to purchase a portfolio of Sharia compliant real estate assets located in Doha, Qatar (the "**Original Portfolio**") and in each case identified in the purchase agreement to be entered into between Almana and the Investment Manager which shall be appended as a schedule to the Investment Management Agreement from the Seller and to develop and manage the Portfolio and the proceeds thereof (the "**Services**") in accordance with the terms of the Investment Management Agreement and an agreed Sharia compliant investment plan prepared by the Investment Manager (the "**Investment Plan**").

The "**Portfolio**" comprises: (i) the Original Portfolio, (ii) any assets in direct or subsequent replacement of the assets comprised in the Original Portfolio in accordance with any of the Transaction Documents including the transferable right, title or interest to any plot of land, Sharia compliant equity instruments, sukuk certificates or other investments (whether traded on an exchange or not); and (iii) any assets in which Portfolio Revenues are invested by the Investment Manager in accordance with the Investment Management Agreement.

In addition, the Investment Manager shall agree to pay the Trustee an amount equal to any tax liability imposed by the State of Qatar arising in respect of, or by reference to, any income, profits or gains arising in respect of the investments made by the Investment Manager on behalf of the Trustee.

The Investment Manager shall ensure that at all times (except on the Closing Date) not less than 33 per cent. of the Portfolio consists of Tangible Assets (as defined below).

"**Assets**" means the assets comprised in the Portfolio.

"**Cash**" means, at any time, cash in hand or cash at bank.

"**Non-Tangible Assets**" means any Assets that are not Tangible Assets or Cash.

"**Other Tangible Assets**" means any tangible assets that are Assets other than Property.

"**Property**" means any transferable right, title or interest in any plot of land (and, for the avoidance of doubt, "**land**" as used in this definition, includes any building on such land).

"**Tangible Assets**" means Property and Other Tangible Assets but, for the avoidance of doubt, not including any Non-Tangible Assets or Cash.

None of the Issuer, the Trustee, the Delegate or the Joint Lead Managers is responsible for the performance or profitability of the Portfolio. Further, neither the Delegate nor the Joint Lead Managers makes any representation or accept any responsibility as to the feasibility of the Investment Plan or whether its objectives can or will be achieved.

Purchase of Assets by

Under the terms of the Investment Management Agreement, the

Investment Manager from the Trustee

Investment Manager shall be entitled to purchase the Trustee's rights, interests and benefits in, to and of assets comprised in the Portfolio in the Assets at any time prior to the Redemption Date at its Initial Value provided that:

(a) no Event of Default or Dissolution Event (as defined below) has occurred and is continuing and no exercise notice has been served under either the Purchase Undertaking or the Sale Undertaking; and

(b) the Investment Manager certifies in writing to the Delegate (on behalf of the Trustee) that (i) no Event of Default or Dissolution Event has occurred and is continuing and (ii) no exercise notice has been served under the Purchase Undertaking or Sale Undertaking and (iii) immediately following the proposed purchase, the aggregate of the Initial Value of the remaining Tangible Assets shall constitute not less than USD70,950,000 (being 33 per cent. of USD215,000,000), and (iv) the aggregate of the Value of the remaining Tangible Assets shall constitute not less than USD215,000,000.

In the event that the aggregate of the Initial Value of the remaining Tangible Assets is less than USD70,950,000, the Investment Manager will be required to confirm that the Value (as defined below) of all remaining Tangible Assets is at least USD70,950,000 (being 33 per cent. of the Capital). Any valuation of the remaining Tangible Assets shall be undertaken on a basis that is consistent with the valuation methodology used in determining Initial Values. In addition, the certification of the Investment Manager shall, except in the case of manifest or proven error, be deemed conclusive and binding.

The Investment Manager and the Trustee shall enter into a sale and purchase agreement, evidencing the sale of the relevant Asset to the Investment Manager, and the purchase price payable by the Investment Manager shall be deferred until the Certificates have been redeemed in full and accordingly, no cash payment will be made on the date the Investment Manager acquires such Asset. Such purchase price payable to the Trustee may further be set off against the incentive fees due to the Investment Manager on such date.

"**Accounts**" means, in respect of each Return Period, the accounts prepared in respect of the investments contemplated under the Investment Management Agreement prepared by the Investment Manager in accordance with the Investment Management Agreement.

"**Initial Value**" means the value of any right, interest and benefit into an of an asset as the date it becomes and asset.

"**Return Period**" means the period from and including the date of the Investment Management Agreement to, but excluding, the date falling five Business Days prior to the first Periodic Distribution Date to occur, and thereafter each successive period from and including the date falling five Business Days prior to a Periodic Distribution Date to, but excluding, the date falling five Business Days prior to the next Periodic Distribution Date.

"**Value**" means:

(a) in respect of Property and Cash the book value ascribed thereto in the Accounts;

(b) in respect of Other Tangible Assets, the book value ascribed thereto in the Accounts; and

(c) in respect of Non-Tangible Assets other than Cash, such other valuation methodology as may be selected by the Investment Manager (acting reasonably).

Profit Distribution

The terms of the Investment Management Agreement contemplate that the Investment Manager will collect the Portfolio Revenues generated by the Portfolio and pay the Distributable Profit to the Trustee and invest Portfolio Revenues that are not Distributable Profit in Sharia compliant assets in accordance with the terms of the Investment Plan under the Investment Management Agreement.

"**Distributable Profit**" means, in respect of a Return Period, the amount by which Portfolio Revenues (which are not required to be re-invested pursuant to the Investment Management Agreement) exceed Portfolio Liabilities.

"**Portfolio Liabilities**" means the amount of any claims, actual losses, costs and expenses properly incurred by, or reimbursed to, the Investment Manager acting in such capacity.

"**Portfolio Revenues**" means all rental, sale proceeds or other income or consideration, damages, insurance proceeds, compensation, or other sums received by the Investment Manager in whatever currency in connection with the Portfolio.

If the Distributable Profit is greater than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date, any surplus Distributable Profit will be recorded by the Investment Manager in the Accounts as a credit to the Profit Reserve Amount. Any amount standing to the credit of the Profit Reserve Amount column in the Accounts on the End Date will be due and payable to the Investment Manager as Incentive Fee. The Investment Manager may, however, prior to the End Date, use the amounts standing to the credit of the Profit Reserve Amount as long as any amounts deducted from the Profit Reserve Amount prior to the End Date are re-credited in the event that on a Periodic Distribution Date the aggregate of (i) the funds available for distribution to the Trustee on that date, plus (ii) the amounts then standing to the credit of the Profit Reserve Amount, is less than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date. The Trustee may, at any time, demand payment of all or any part of the Profit Reserve Amount.

If the Distributable Profit is less than the relevant Periodic Distribution Amount, or if for any other reason the funds available in the Transaction Account on the relevant Periodic Distribution Date are not sufficient to enable the Trustee to pay the relevant Periodic Distribution Amount due on the relevant Periodic Distribution Date in full, the Investment Manager will deduct such shortfall from the Profit Reserve Amount. If the amounts standing to the credit of the Profit Reserve Amount are insufficient (after the Investment Manager has re-credited any Advance Incentive Fee), the Investment Manager may meet the shortfall through the provision of the Liquidity Facility.

Guarantee

By a guarantee deed executed by Almana Group W.L.L. in its capacity as Guarantor in favour of the Trustee, the Guarantor has agreed to guarantee the due and punctual payment of all Liquidity Facility payments required under and in accordance with the Investment Management Agreement in the circumstances specified and subject to the terms set out in the Guarantee. In addition, the Guarantor shall irrevocably guarantee to the Investment Manager the repayment

	obligations of the Trustee arising from any Liquidity Facility payments extended by the Investment Manager.
Purchase Undertaking	Almana shall execute the Purchase Undertaking in favour of the Trustee. Under the Purchase Undertaking, Almana undertakes that, upon the Trustee (or the Delegate on its behalf) exercising its option to oblige Almana to purchase all of the Trustee's rights, interests and benefits in, to and of the Portfolio, Almana shall purchase the same (at a cash exercise price equal to the Exercise Price) in accordance with the notice issued by the Trustee under the Purchase Undertaking. The Exercise Notice shall be in the form prescribed by the terms of the Purchase Undertaking.
Covenants and Events of Default	The Purchase Undertaking also contains certain covenants of Almana including, but not limited to, a cross-default clause and restrictions on the grant of Security (as defined below). These are set out in full in the section *Summary of the Transaction Documents - Purchase Undertaking* below. In addition, the Purchase Undertaking contains certain events of default. These are set out in full in the definition of Event of Default contained in the Conditions. See *Condition 22 (Definitions and Interpretation*).
Group Guarantee	Almana Motors Company W.L.L., Almana Trading Company W.L.L., United Cars Almana and Almana Maples W.L.L. will guarantee, jointly and severally, to the Trustee (for the benefit of the Issuer and the Certificateholders from time to time) by way of continuing guarantee the due and punctual payment of all payments to be paid by Almana under or in connection with the Purchase Undertaking.
Sale Undertaking	Pursuant to the Sale Undertaking executed by the Trustee in favour of Almana, Almana has the right to oblige the Trustee to sell all the Trustee's rights, interests and benefits in, to and of the Portfolio to Almana at a cash exercise price equal to the Exercise Price (as defined below) by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 45 days and not earlier than 60 days prior to the Tax Redemption Date.
Exercise Price	For the purposes of the Sale Undertaking and the Purchase Undertaking, the Exercise Price payable by Almana shall be an amount (in US Dollars) equal to the aggregate of (i) the principal amount of Certificates then outstanding plus (ii) any unpaid Periodic Distribution Amounts (iii) plus any additional amounts that may be due pursuant to Condition 11 (*Taxation*).
Costs Undertaking	Pursuant to the costs undertaking (the "**Costs Undertaking**") to be executed by Almana, Almana will agree to pay certain fees and expenses arising in connection with the issue of the Certificates.

SUMMARY OF THE CERTIFICATES

Certificates	USD215,000,000 Trust Certificates due 2016.
Closing Date	28 July 2011.
Scheduled Redemption Date	28 July 2016.
Issue Price	100 per cent. of the aggregate principal amount of the Certificates.

Status	Each Certificate represents an undivided ownership interest in the Trust Assets held on trust for the holders of such Certificates pursuant to the Declaration of Trust and will rank pari passu, without any preference, with the other Certificates. The Certificates are limited recourse obligations of the Issuer (see Condition 3 (*Status and Limited Recourse*) and Condition 14 (*Enforcement and Exercise of Rights*)).
Periodic Distribution Dates	28 October, 28 January, 28 April and 28 July of each year up to and including the Periodic Distribution Date falling in 28 July 2016, commencing 28 October 2011 (or if any such day is not a Business Day, the following Business Day unless it would thereby fall into the next calendar month, in which event such day shall be the immediately preceding Business Day). "**Business Day**" means a day (other than a Friday, Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business in London and Doha.
Periodic Distributions	On each Periodic Distribution Date, Certificateholders will receive a distribution in relation to the Certificates from moneys received in respect of the Trust Assets equal to the product of (a) the Margin plus LIBOR; (b) the Aggregate Face Amount; and (c) the actual number of days in the relevant Periodic Distribution Period divided by 360, and in each case plus any additional amounts as may be payable pursuant to Condition 11 (the "**Periodic Distribution Amount**"). See Condition 5 (*Periodic Distributions*). "**Aggregate Face Amount**" means, at any time, the aggregate principal amount of the outstanding Certificates which, on the Closing Date, shall be USD215,000,000. "**LIBOR**" means for each Periodic Distribution Period, the London inter-bank offered rate for three-month US Dollar deposits determined in accordance with Condition 5.2 (*LIBOR Determinations*). "**Margin**" means 4.5 per cent. per annum. "**Periodic Distribution Period**" means the period from and including the Closing Date to but excluding the first Periodic Distribution Date and thereafter each successive period from and including a Periodic Distribution Date to but excluding the immediately following Periodic Distribution Date (or Redemption Date, if such date is not a Distribution Date).
Redemption	Unless previously redeemed, the Certificates shall be redeemed in full by the Trustee on the Scheduled Redemption Date in cash for an amount equal to the Redemption Amount, being the aggregate principal amount of the Certificates then outstanding plus all unpaid accrued Periodic Distribution Amounts as of such date (plus any additional amount that may be due pursuant to Condition 11 (*Taxation*)) and the Trust shall be dissolved following such payment in full. See Condition 6.1 (*Scheduled Redemption*).
Dissolution Event – Early Redemption	Following the occurrence of a Dissolution Event, the Certificates may, subject to Condition 13 (*Dissolution Events*), be redeemed in full on the Early Redemption Date in cash at the Redemption Amount as of such Early Redemption Date, and the Trust shall be dissolved following such payment in full. See Condition 6.2 (*Dissolution Event – Early*

Redemption).

Redemption for Taxation Reasons	Where: (a) the Issuer has or will become obliged to pay any additional amounts pursuant to Condition 11 (*Taxation*) as a result of the change to any tax law: or (b) either Almana or the Investment Manager has or will become obliged to pay any additional amounts pursuant to the terms of either the Purchase Undertaking or, as the case may be, the Investment Management Agreement, the Trustee will, provided that Almana has exercised its option under the Sale Undertaking, be entitled to redeem all the Certificates at the Redemption Amount as of such date and the Trust shall be dissolved following such payment in full. See Condition 6.3 (*Redemption for Taxation Reasons*).
Role of the Delegate	The Delegate shall be appointed pursuant to the Declaration of Trust to act as delegate of the Trustee in respect of certain of the Trustee's functions under the Declaration of Trust including, without limitation, the power to take all necessary action on the Trustee's behalf under any of Condition 13 (*Dissolution Events*), Condition 14 (*Enforcement and Exercise of Rights*), Condition 17 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*) and the power to make certain confirmations in respect of a sale of an Asset to the Investment Manager (at its Initial Value) in accordance with the terms of the Investment Management Agreement. The Trustee's delegation of such functions shall be irrevocable and unconditional, and shall take effect as from the Closing Date.
Form and Delivery of the Certificates	The Certificates will be represented by interests in the Global Certificate in fully registered form and deposited with, and registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg. Individual Certificates evidencing holdings of Certificates will only be issued in exchange for interests in the Global Certificate in certain limited circumstances. See also *Global Certificate* and *Clearance and Settlement*.
Clearance and Settlement	Certificateholders may elect to hold their interest in the Global Certificate in book-entry form through each of Euroclear or Clearstream, Luxembourg. Transfers within Clearstream, Luxembourg or Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearance system. See also *Clearance and Settlement*.
Denominations	The Certificates will be issued in minimum denominations of US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.
Trust Assets	Pursuant to the Declaration of Trust, the Issuer will declare a trust (the "**Trust**") for the benefit of the Certificateholders over all trust assets (the "**Trust Assets**"), being the Portfolio and all of the Trustee's rights, interests and benefits, present and future, in, to and of each of the Transaction Documents (other than the Declaration of Trust and other than in relation to any representations given to the Trustee by Almana or the Investment Manager pursuant to any of the Transaction Documents) all moneys, which may now be, or hereafter from time to time are, standing to the credit of the Transaction Account and all

proceeds of the foregoing.

Transaction Account	All payments by either the Investment Manager or Almana to the Trustee for the Certificateholders under each Transaction Document to which it is party will be deposited into a Sharia compliant account of the Trustee maintained for such purpose (the "**Transaction Account**"). The Principal Paying Agent will maintain the Transaction Account on behalf of the Trust. Distributions of moneys deriving from the Trust Assets will be made to the Certificateholders from funds standing to the credit of the Transaction Account.
Priority of Distributions	On each Periodic Distribution Date or on the Scheduled Redemption Date, Early Redemption Date, Tax Redemption Date or other date specified in accordance with the Certificates for the redemption of the Certificates (each a "**Redemption Date**"), the Principal Paying Agent shall apply the moneys standing to the credit of the Transaction Account in the following order of priority: (a) first, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate; (b) second, only if payment is due on a Periodic Distribution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid; (c) third, if payment is made on a Redemption Date to the Principal Paying Agent for application in or towards payment pari passu and rateably of the Redemption Amount; (d) fourth, if payment is made on a Redemption Date, to the Investment Manager in repayment of any Liquidity Facility payments made by the Investment Manager in accordance with the Investment Management Agreement; and (e) fifth, only if such payment is made on a Redemption Date, all remaining amounts to the Issuer.
Limited Recourse	Proceeds of the Trust Assets are the sole source of payments on the Certificates. Each Certificate represents solely an undivided ownership interest in the Trust Assets. No payment and/or delivery of any amount whatsoever shall be made in respect of the Certificates by the Trustee or the Trust or any agents thereof except to the extent that funds are available therefore from the Trust Assets. See Condition 3.2 (*Limited Recourse*).
Withholding Tax	All payments in respect of either the Purchase Undertaking or the Investment Management Agreement shall be made without withholding of, or deduction for, or on account of, any present or future taxes, levies, duties, fees, assessments or other charges of whatever nature, and all charges, penalties or similar liabilities with respect thereto (the "**Taxes**") unless the withholding or deduction of such Taxes is required by law. In such event Almana will be required pursuant to the Purchase Undertaking, and the Investment Manager will be required pursuant to the Investment Management Agreement, to pay to the Trustee additional amounts (which amounts will be applied towards payment in respect of the Certificates) so that the Trustee will receive the full amount which would otherwise be due and payable.

	All payments in respect of the Certificates shall be made without withholding or deduction for, or on account of, Taxes imposed or levied by or on behalf of a Relevant Jurisdiction unless the withholding or deduction of such Taxes is required by law. In such event, Almana will be required pursuant to the terms of the Purchase Undertaking, and the Investment Manager will be required pursuant to the Investment Management Agreement, to pay to the Issuer additional amounts as may be necessary, so that the full amount which otherwise would have been due and payable under the Certificates is received by the Certificateholders. "**Relevant Jurisdiction**" means the State of Qatar and the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax. See also Condition 11 (*Taxation*).
Use of Proceeds	The proceeds of the issue of the Certificates will be transferred by the Trustee to the Investment Manager for the purpose of purchasing the Original Portfolio from Almana. Almana will use the proceeds for general corporate purposes.
Listing	Application has been made for the Certificates to be listed on the Official List of the UKLA and to be admitted to trading on the Regulated Market of the London Stock Exchange. There can be no assurance that the listing of the Certificates on the London Stock Exchange will take effect on the Closing Date or at all. See also *General Information*.
Certificateholder Meetings	A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such are set forth under Condition 17 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).
Tax Considerations	See *Taxation* for a description of certain State of Qatar, Cayman Islands and European Union tax considerations applicable to the Certificates.
Selling Restrictions	There are certain restrictions on the offer, sale and transfer of the Certificates (including in the United States, the United Kingdom and the Cayman Islands) which are set forth under *Subscription and Sale*.
Transaction Documents	The **Transaction Documents** are the Investment Management Agreement, the Purchase Undertaking, the Sale Undertaking, the Declaration of Trust, the Costs Undertaking, the Guarantee, the Group Guarantee, the Agency Agreement, the Certificates and any other agreements and documents delivered or executed in connection therewith (each as defined in the Conditions).
Governing Law and jurisdiction	The Transaction Documents will be governed by English law. The courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Transaction Documents provided always that, in respect of certain Transaction Documents, the relevant parties agree that if the Trustee (or Delegate acting on its behalf) so requires, any claim or dispute shall be referred to (and resolved by) an arbitration pursuant to the Rules of Arbitration of the International Chamber of Commerce.

The purchase of Certificates may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Prospectus.

Each of the Issuer, Almana and the Group Guarantors believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Issuer to pay any amounts on or in connection with any Certificates may occur for other reasons and none of the Issuer or Almana represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Issuer or Almana or which the Issuer or Almana currently deems immaterial, that may impact any investment in the Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in section Terms and Conditions of the Certificates *shall have the same meanings in this section*.

RISKS RELATING TO THE ISSUER

No operating history

The Issuer is a newly formed entity and has no operating history. The Issuer will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets, acting in its capacity as Trustee and other activities incidental or related to the foregoing or as required under the Transaction Documents. The Issuer will have no material assets other than the Trust Assets. The Issuer's principal source of funds are the Trustee's entitlement to its share of profit under the Investment Management Agreement and amounts payable by Almana under the terms of the Purchase Undertaking, the Sale Undertaking and the Guarantee. Therefore, the Issuer is subject to all the risks to which Almana is subject, to the extent that such risks could limit Almana’s ability to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party. See *Risk Factors - Risks relating to Almana's Business* for a further description of certain of these risks.

Limited Recourse

Recourse to the Issuer is limited to the Trust Assets and proceeds of the Trust Assets are the sole source of payments on the Certificates. Upon the occurrence of a Dissolution Event, the only remedy available to the Trustee or the Delegate, as the case may be, on behalf of the Certificateholders will be to exercise the right under the Purchase Undertaking to require Almana to purchase all of the Trustee's rights, interests and benefits in, to and of the Portfolio at the Exercise Price and to enforce the terms of the Group Guarantee. Certificateholders will otherwise have no recourse to any assets of Almana in any of its capacities (to the extent it fulfils all of its obligations under the Transaction Documents to which it is a party), the Investment Manager, the Issuer, the Group Guarantors, the Joint Lead Managers, the Agents, the Delegate or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts from the Trust Assets. Almana is obliged to make payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee or the Delegate, as the case may be, on behalf of the Certificateholders, will have direct recourse against Almana to recover payments due to the Trustee from Almana pursuant to the Transaction Documents to which Almana is a party. There can be no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Certificates. In the event that the proceeds of the Trust Assets are not sufficient to satisfy the payments under the Certificates, the Certificateholders shall have no recourse against any other assets of the Issuer or the Trustee or against any director, shareholder, officer or employee of the Issuer or Trustee. Furthermore, under no circumstances shall any Certificateholder or the Trustee or the Delegate, as the case may be, have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Purchase Undertaking and the sole right of the Trustee and the Certificateholders against Almana shall be to enforce the obligation of Almana to pay the Exercise Price under the Purchase Undertaking. The Delegate is not obliged to take any action following the occurrence of a Dissolution Event unless it has been directed to do so and has been indemnified and/or secured to its satisfaction.

RISKS RELATING TO ALMANA

Dependence on Key Personnel

Almana’s success in growing its business will depend, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel. Almana relies on its senior management for the implementation of its strategy and its day-to-day operations. Competition for skilled personnel, especially at the senior management level, is intense due to a disproportionately low number of available qualified and/or experienced individuals compared to demand. If Almana is unable to retain key members of its senior management and cannot hire new qualified personnel in a timely manner, this could have a material adverse effect on the business, results of operations, financial condition or prospects of Almana and could, in turn, adversely affect the market price and liquidity of the Certificates.

Real Estate Investments

The real estate business of Almana focuses on the development and operation of residential and commercial space projects. Real Estate property developments are subject to varying degrees of risk. Rental revenues, property values and the demands of tenants are affected by changes in the general economic climate and local conditions such as supply of space, demand for residential or commercial property in certain areas, competition from other available space or increased operating costs. The performance of Almana may be negatively impacted by reductions in rental revenues and property values as a result of such factors as changes in the political environment or the economic outlook in Qatar and the GCC, changes in government regulations and changes in planning laws or policies or tax laws, increases in interest rates, inflation, wage rates, levels of employment and the availability of credit.

Almana's business requires capital investment

Almana may require additional financing to fund capital expenditures, to support the future growth of its business and/or to refinance existing debt obligations. Almana’s ability to obtain external financing and the cost of such financing are dependent on numerous factors including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in Almana, the success of Almana’s business, provisions of tax and securities laws that may be applicable to Almana’s ability to raise capital and political and economic conditions in any relevant jurisdiction.

Liquidity

Almana's automobile, contracting, investment and real estate businesses are its main business segments, and Almana's liquidity may be affected by a reduced cash flow generated by these business units. Consequently, cost overruns, project delays, slow payments by customers and/or contractors and a potential slowdown in demand for either commercial or residential property may affect Almana's liquidity.

Counterparty credit risk

A significant proportion of Almana's current business is derived from customers involved in large oil and gas infrastructure projects. The results of such companies are affected by international oil and natural gas prices, which have fluctuated significantly in the past depending upon global supply and demand and the availability and price of alternative energy sources.

Any material reduction in the prices of natural gas, crude oil and other hydrocarbons may have a significant impact on Almana’s counterparties and may subsequently materially and adversely affect Almana’s business, financial condition, results of operations, cash flows and prospects.

Another significant proportion of Almana's business consists of the automobile business consisting of the sale and lease of new vehicles. Almana is exposed to the risk that its customers may fail to make payments under the relevant sale or lease agreements when due and payable, which may have an adverse impact on Almana's liquidity and profitability.

Almana's unsold inventory may become obsolete

Almana is subject to the risk of inventory obsolescence in its information technology and vehicle businesses. This risk is mitigated by internal procedures aimed at avoiding excessive build-up of stock levels. Discounting may be used to shift slow moving items. Inventory build-up is not an issue in Almana's contracting business, where purchasing is driven by the requirements of specific contracts. In the event that new products or new technologies are introduced that render existing inventories obsolete, Almana may have to implement strategies to dispose of such obsolete inventory and as a result may incur losses or write-offs as a result.

Almana may be unable to complete projects

Almana is involved in many real estate development projects and electro-mechanical projects in the oil and gas sector. Almana's activities with respect to these projects involve a number of risks and in particular, the risks of its inability to complete the projects on schedule, at costs as originally budgeted or in compliance with the contractual specifications.

There can be no assurance that Almana's current or future projects will be completed and Almana's inability to complete a project could have a material adverse effect on its business, financial condition and results of operation.

Legal and regulatory systems may create an uncertain environment for investment and business activities

The State of Qatar is in the process of developing institutions and legal and regulatory systems which are not yet as firmly established as they are in Western Europe and the United States. The State of Qatar is also in the process of transitioning to a market economy and, as a result, may experience changes in its economy and government policies (including, without limitation, policies relating to foreign ownership, repatriation of profits, property and contractual rights and planning and permit granting regimes) that may affect Almana's business.

The State of Qatar has enjoyed significant economic growth and political stability. There can be no assurance that such growth or stability will continue. Moreover, while the policies of the Government of the State of Qatar have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained.

No assurance can be given that the Government of the State of Qatar will not implement regulation or fiscal or monetary policies, including policies, regulations, or new legal interpretations of existing regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have a material adverse effect on Almana's business, financial condition, results of operations or prospects.

Foreign exchange and/or Interest rate movements may adversely affect profitability

Almana maintains its accounts, and reports its results, in Qatari Riyal, while the Certificates are denominated and payable in US Dollars. QAR is pegged at a fixed exchange rate to US Dollars. Almana is exposed to the potential impact of any alternation to, or abolition of, any of this foreign exchange ''peg''.

Adverse changes in either the interest or exchange rates increases the costs for Almana of purchasing foreign products or funding investments. Even though Almana mitigates the risks by various means, such as seeking advice from core relationship banks, the execution of long term loans with reputable suppliers or gradually increasing the proportion of indigenously produced raw materials, components and products, an increase of interests rates and/or an adverse change of exchange rates may affect the overall profitability of Almana.

Enforcement of Liabilities

It may not be possible to enforce against the Issuer or Almana and the Guarantor, judgments obtained in the courts of jurisdictions other than the State of Qatar that are predicated upon the laws of such other jurisdictions. Courts in the State of Qatar may not enforce any judgment obtained in a court established in a country other than the State of Qatar unless a treaty between such country and the State of Qatar providing for reciprocal enforcement of judgments is in effect and then only in accordance with the terms of such treaty and where such terms are compatible with the laws of the State of Qatar and public policy. There is no such treaty in effect between the State of Qatar and the United Kingdom. In addition, courts in the State of Qatar are unlikely to enforce an English law judgment without re-examining the merits of the claim and may not observe the parties' choice of English law as the governing law of the transaction. In addition, even if English law is applied as the governing law, this will only be applied to the extent that it is compatible with the law of and public policy in the State of Qatar. Moreover, judicial precedent in the State of Qatar has no binding effect on subsequent decisions and there is no formal system of reporting court decisions in the State of Qatar. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions.

See also *Overview of Bankruptcy Regulations and Enforceability of Judgments under the law of the State of Qatar*.

In addition, the laws of the State of Qatar do not recognise the concept of trust or beneficial interests and, accordingly, there is no certainty that the terms of the Declaration of Trust would be enforced by the courts of the State of Qatar.

Insurance

The Investment Manager, Almana and the Guarantor obtain and maintain certain insurances with respect to risks related to their businesses (the "Insurance Policies") (see also Description of Almana Group W.L.L, Additional Information). The Insurance Policies are due to expire on varying dates depending on the policy with tacit renewal for a certain period thereafter. No assurance can be given that the Insurance Policies will be renewed on the same terms or will be renewed at all. The amount of cover provided under the Insurance Policies varies and deductibles apply.

In addition, certain types of risks and losses (for example, losses resulting from terrorism) are not economically insurable or are not covered by the Insurance Policies. If an uninsured or uninsurable loss were to occur, the Investment Manager, Almana or the Guarantor might not have sufficient funds to pay in full all amounts owing by it under the Transaction Documents.

RISKS RELATING TO THE GROUP GUARANTORS

Risks relating to Almana Motors Company W.L.L.

Almana Motors operations are reliant upon the continued renewal of its distribution agreements with Peugeot and Ford. In the event that these agreements were not extended or terminated, Almana Motors operations would be materially adversely effected.

Risks relating to Almana Trading Company W.L.L.

Almana Trading Company W.L.L. represents a number of the major multinational petrochemicals companies operating in Qatar. Recent slowdowns in the announcement of new projects in the oil & gas sector, may adversely impact Almana Trading's revenue streams and profitability which are directly linked to the execution of such projects by such companies.

Almana Trading Company W.L.L. owns a number of residential and commercial properties in Doha and is planning to construct additional properties in the next two years including a 4 star hotel. Following the announcement of the Qatar World Cup in 2022 and forecasts of substantial investment by the Qatari government, there is a possibility that increased competition in the real estate sector could lead to a position of oversupply and consequently impact the rental revenues of the company.

Almana Trading W.L.L. has significant exposure to one contract with Consolidated Contractor International Company (S.A.L.) in relation to the Pearl G.T.L. Project worth QAR 177 million and in the event that this contract is delayed this would have a materially adverse impact on the performance of Almana Trading.

Risks Relating to United Cars Almana

United Cars Almana faces competition from General Motors dealerships in the market for high end vehicles and from Japanese and Korean dealerships in the mid and low end vehicles sector. Future offerings from competitors may be more attractively priced, include better features or be more popular with customers which may adversely impact United Cars Almana's market share, its revenues and profitability.

United Cars Almana's operations are reliant upon the continued renewal of the distribution agreements with Jeep, Chrysler and Dodge. In the event that this was not extended or terminated, United Cars Almana' operations would be materially adversely effected.

Risks Relating to Almana Maples W.L.L.

Almana Maples operates in the interior decoration and furnishing sector in Qatar which is exposed to significant and growing competition. Following the announcement of the Qatar World Cup in 2022, competition from international companies may increase due to expectations of significant opportunities in this sector over the coming years. Almana Maples' performance may be impacted by such increased competition and any adverse impact on pricing terms and contract profitability due to increased competition exceeding the forecast market growth for the sector.

Almana Maples enters into contracts payable on a milestone basis or with backended payment terms and as such is exposed to delays in executing its projects as a result of shortages in materials, insufficient staff or adverse weather conditions each of which could impact its cashflow and profitability and thereby its ability to meet its obligations in a timely manner.

RISKS RELATING TO THE STATE OF QATAR

General Risk; Emerging Market Risk

The Issuer and Almana have the majority of their respective operations and the majority of their respective assets in the State of Qatar and, accordingly, the Issuer’s and Almana’s business may be affected by the financial, political and general economic conditions prevailing from time to time in the State of Qatar and/or the Middle East generally. Moreover, investors should note that the Issuer’s and Almana’s business and financial performance could be adversely affected by political, economic and related developments both within and outside countries in which the Issuer and Almana operate because of the interrelationship with global markets.

Investors should also be aware that investments in emerging markets, such as the State of Qatar, are subject to greater risks than investments in more developed markets, including in some cases significant legal, economic and political risks. Moreover, although economic conditions are different in each country, investors’ reactions to developments in one country may affect securities of issuers in other countries, including the State of Qatar. Accordingly the market prices of Certificates may be subject to significant fluctuations, which may not necessarily be related to the financial performance of either the Issuer or Almana. Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, an investment in Certificates is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

Political, Economic and Related Considerations

While historically the State of Qatar has enjoyed significant economic growth and relative political stability, there can be no assurance that such growth or stability will continue, particularly in light of regional strife and instability. Almana may also be adversely affected generally by political and economic developments in or affecting the State of Qatar or the region.

Moreover, although the Government of the State of Qatar’s policies have generally resulted in improved economic performance, no assurance can be given that the Government of the State of Qatar will not implement regulations, fiscal or monetary policies or new legal interpretations of existing policies or regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions, which could have a material adverse effect on such performance and, in turn, on Almana’s business, financial condition, results of operations or prospects which could adversely affect the market price and liquidity of the Certificates.

In addition, much of the revenue of the State of Qatar is generated by the delivery of oil and gas products. The flow of revenue could be disrupted or affected by the occurrence of events or circumstances such as war, terrorist activity, attacks on oil installations and other similar events.

Almana’s business may be affected if there are political, economic or social events that prevent Almana from delivering its services. It is not possible to predict the occurrence of events or circumstances such as or similar to war, terrorist activity or other regional conflict or turmoil or the impact of such events or circumstances and no assurance can be given that Almana would be able to sustain its current profit levels if such events or circumstances were to occur.

RISKS RELATING TO THE TRUST ASSETS AND THE PORTFOLIO

Liability attaching to owners of assets

In order to comply with the requirements of Sharia, Almana will sell and transfer its rights, interests and benefits in, to and of the Original Portfolio to the Investment Manager. The Trustee will declare a trust in respect of its rights, interests and benefits in, to and of the Portfolio and the other Trust Assets in favour of the Certificateholders pursuant to the Declaration of Trust.

No investigation or enquiry will be made and no due diligence will be conducted in respect of any asset in the Portfolio. Only limited representations will be obtained from Almana in respect of the Portfolio and no steps will be taken to perfect any transfer of such interests or rights in respect of such Portfolio.

Transfer of the Portfolio Assets

No investigation will be made to determine if any right, interest or benefit in, to and of the Portfolio will be effectively transferred to the Investment Manager. No investigation has been or will be made as to whether any right, interest or benefit in, to and of any asset of the Portfolio may be transferred as a matter of the law governing the contracts, the law of the jurisdiction where such assets are located or any other relevant law. Accordingly, no assurance is given that any right, interest and benefit in, to and of the Portfolio has been or will be transferred to the Trustee.

Nevertheless, Certificateholders will not have any rights of enforcement as against the Portfolio and their rights are limited to enforcement against Almana of its obligation to purchase the Trustee's rights, interest and benefits in, to and of the Portfolio pursuant to the terms of the Purchase Undertaking. Accordingly, any such restriction on the ability of Almana to make a "true sale" of the rights, interest and benefits in, to and of the Portfolio to the Trustee is likely to be of limited consequence to the rights of the Certificateholders.

By way of further assurance, Almana shall expressly declare in the Purchase Undertaking that the Exercise Price represents a fair price for the Trustee's rights, interest and benefits in, to and of the Portfolio and that it irrevocably and unconditionally accepts all or any interest and rights the Trustee may have in and to the Portfolio. If it breaches any such declaration or undertaking, or any administrator, liquidator or receiver of Almana disputes or challenges the rights, interest and benefits the Trustee has in, to and of the Portfolio, Almana shall fully indemnify the Trustee in an amount equal to the Exercise Price.

Furthermore, Almana shall agree in the Purchase Undertaking that, in the event that the transfer of the Trustee's rights, interests and benefits in, to and of the Portfolio is for any reason found to have been, or alleged to have been, ineffective so that the Trustee is unable to deliver such interest and rights (or part thereof) to Almana in accordance with the terms of the Purchase Undertaking, Almana shall fully indemnify the Trustee in an amount equal to the Exercise Price.

RISKS RELATING TO THE CERTIFICATES

The Certificates may not be a suitable investment for all investors and the failure by an investor to understand their investment may result in losses

The Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Certificates unless it has determined the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

– have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Prospectus;

– have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;

– have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates including where the currency of payment is different from the potential investor's currency;

– understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant financial markets; and

– be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

There can be no assurance that a secondary market for the Certificates will develop

There can be no assurance that a secondary market for the Certificates will develop or, if a secondary market does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of the Certificates. The market value of Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Consequently, any sale of Certificates by Certificateholders in any secondary market which may develop may be at a discount from the original purchase price of such Certificates. Hence an investor in the Certificates must be prepared to hold the Certificates for an indefinite period of time or until their maturity. Application has been made for the Certificates to be listed on the Regulated Market of the London Stock Exchange but there can be no assurance that such listing will occur on or prior to the Closing Date or at all.

Certain investors may be affected by provisions under the EC Savings Directive

Under EC Council Directive 2003/48/EC on the tax of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other counties). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Certificate as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

The Certificates may be redeemed prior to their Maturity Date

In the event that (i) the amount payable on the Certificates is required to include amounts or (ii) in certain circumstances the Investment Manager or Almana are required pursuant to the Investment Management Agreement or the Purchase Undertaking to pay amounts to the Trustee, to ensure that the funds available to the Trustee are sufficient to pay the relevant Periodic Distribution Amount or the Redemption Amount, as the case may be, in each case as a result of certain changes affecting tax in the State of Qatar or the Cayman Islands, or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Certificates upon giving notice in accordance with Condition 6.3 (*Redemption for Taxation Reasons*).

CERTAIN ADDITIONAL RISKS

Bankruptcy Law of the State of Qatar

In the event of Almana's insolvency, bankruptcy law of the State of Qatar may adversely affect Almana's ability to perform under the Purchase Undertaking and therefore the Issuer's ability to make payments to Certificateholders. There is little precedent to predict how the claims on behalf of Certificateholders would be resolved in the case of Almana becoming insolvent see Overview of Bankruptcy Regulations and Enforcement of Judgments under the Law of the State of Qatar.

Taxation

In general, tax law of the State of Qatar imposes tax on the income of non-Qatari entities derived from their activities in the State of Qatar. Pursuant to the terms of the Transaction Documents the Issuer may obtain profits derived from the Trust Assets situated in the State of Qatar. Consequently there can be no assurances that such profits will not be subject to tax imposed by the Tax Authorities of the State of Qatar. Under the terms of the Investment Management Agreement, the Investment Manager will agree to indemnify the Issuer against any such taxes.

Legal investment risk

Investors should consult their own legal advisors in determining whether and to what extent Certificates constitute legal investments for such investors and whether and to what extent Certificates can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisors or regulators in determining the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

Investors whose investment activities are subject to investment laws and regulations or to review and regulations by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include the Certificates. Investors should review and consider such restrictions prior to investing in the Certificates.

There is no assurance that the Certificates will be Sharia compliant

The Sharia advisors of Gulf International Bank B.S.C. have confirmed that, in their view, the proposed issue of the Certificates and the related structure and mechanism described in the Transaction Documents are in compliance with Sharia principles. However, there can be no assurance as to the Sharia permissibility of the structure or the issue and the trading of the Certificates and none of the Issuer, Almana or the Joint Lead Managers make any representation as to the same. Investors are reminded that, as with any Sharia views, differences in opinion are possible. Investors should obtain their own independent Sharia advice as to the Sharia permissibility of the structure and the issue and the trading of the Certificates.

Consents to variation of Transaction Documents and other matters

The Conditions and the Declaration of Trust contain provisions permitting the Trustee (or Delegate as the case may be) without any consent or sanction of the Certificateholders to agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Declaration of Trust or of any other Transaction Document, or determine, without any such consent as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such, if, in the opinion of the Trustee (or the Delegate as the case may be) (a) such modification is of a formal, minor or technical nature, (b) such modification is made to correct a manifest error, (c) such modification, waiver, authorisation or determination is not materially prejudicial to the interests of Certificateholders or (d) such modification is made to be consistent with the mandatory provisions of the law or requirements imposed by the regulatory authorities. Unless the Trustee (or Delegate as the case may be) otherwise decides, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

There can be no assurance as to the impact of a change in the laws governing the Certificates

The Conditions and the Transaction Documents are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Certificates.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Certificates will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Certificate. While the Certificates are represented by the Global Certificate, investors will be able to trade their interests only through Euroclear and Clearstream, Luxembourg.

While the Certificates are represented by the Global Certificate, the Issuer will discharge its payment obligation under the Certificates by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg and, where applicable, such account holders to receive payments under the relevant Certificates. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Certificate.

Holders of interests in the Global Certificate will not have a direct right to vote in respect of the relevant Certificates. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The following is the text of the Terms and Conditions of the Certificates which (subject to completion and amendment and save for the text in italics) will be endorsed on each Certificate in definitive form (if issued) and will be attached and (subject to the provisions thereof) apply to the Global Certificate:

Unless given a defined meaning elsewhere in these Conditions or the context requires otherwise, capitalised terms used in these Conditions shall have the meanings given in Condition 22 (*Definitions and Interpretation*). In addition, (and unless the context requires otherwise) words and expressions defined and rules of construction and interpretation set out in the Declaration of Trust shall, unless defined herein or unless the context otherwise requires, have the same meanings herein.

Each of the US$215,000,000 Trust Certificates due 2016 (the "**Certificates**") represents an undivided ownership interest in the Trust Assets held on trust for the holders of such Certificates pursuant to a declaration of trust (the "**Declaration of Trust**") dated 28 July 2011 (the "**Closing Date**") made between Almana Sukuk 2011 Limited (the "**Issuer**" and, in its capacity as trustee, the "**Trustee**") and Deutsche Trustee Company Limited (as the delegate in respect of certain of the functions of the Trustee, the "**Delegate**") and Almana Group W.L.L. (the "**Almana**"). The Certificates are constituted by the Declaration of Trust.

Payments and any delivery relating to the Certificates will be made in accordance with a paying agency agreement dated the Closing Date (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, Deutsche Bank AG, London Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agents appointed from time to time in respect of the Certificates, the "**Paying Agents**"), as transfer agent (in such capacity, the "**Transfer Agent**", and together with any further or other transfer agents appointed from time to time in respect of the Certificates, the "**Transfer Agents**"), as replacement agent (in such capacity, the "**Replacement Agent**", and together with any further or other replacement agents appointed from time to time in respect of the Certificates, the "**Replacement Agents**"), and as calculation agent (in such capacity, the "**Calculation Agent**" and together with any further or other calculation agents appointed from time to time in respect of the Certificates, the "**Calculation Agents**"), Deutsche Bank Luxembourg S.A. as registrar (in such capacity, the "**Registrar**") and Deutsche Trustee Company Limited (the "**Delegate**"). References to the Principal Paying Agent, the Paying Agents, the Transfer Agents, the Replacement Agents, the Calculation Agent, the Registrar and the Delegate shall include any successor thereto in each case in such capacity.

The statements in these Terms and Conditions (the "**Conditions**") include summaries of the detailed provisions of the Declaration of Trust, the Agency Agreement, the Investment Management Agreement, the Purchase Undertaking, the Guarantee, the Group Guarantee, the Cost Undertaking and the Sale Undertaking. Copies of the Transaction Documents are available for inspection by Certificateholders during normal business hours at the specified offices of the Trustee and the Paying Agents. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Declaration of Trust and the Agency Agreement applicable to them.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee to transfer the sums paid by it in respect of its Certificates to the Investment Manager, and to enter into each Transaction Document to which the Trustee is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions.

Under the Declaration of Trust, the Trustee has delegated to the Delegate certain rights and obligations under these Conditions. To the extent of such delegation, any reference in these Conditions to the Trustee shall be interpreted as a reference to the Delegate.

1. FORM, DENOMINATION, TITLE AND DESCRIPTION

1.1 Form and denomination

The Certificates are issued in registered form in principal amounts of US$200,000 and integral multiples of US$1,000 in excess thereof. The Certificates are not issuable in bearer form.

Upon issue, the Certificates will be represented by interests in a Global Certificate (the "**Global Certificate**"), in fully registered form, without coupons attached, which will be deposited with, and registered in the name of a nominee of a depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme, ("**Clearstream Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereon will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg, and their respective participants.

Upon exchange of the Global Certificate, a certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each certificate will be numbered serially with an identifying number which will be recorded on the relevant certificate and in the register (the "**Register**") of Certificateholders which the Issuer will cause to be kept by the Registrar.

1.2 **Title**

The Issuer will cause the Registrar to maintain the Register in respect of the Certificates in accordance with the provisions of the Agency Agreement. Title to the Certificates passes only by registration in the Register. The registered holder of any Certificate will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder of any Certificate. In these Conditions, "**Certificateholder**" and (in relation to a Certificate) "**holder**" have the definitions given thereto in the Declaration of Trust.

2. TRANSFERS OF CERTIFICATES AND ISSUE OF CERTIFICATES

2.1 **Transfers**

Subject to Conditions 2.4 (*Transfers after Transfer Record Date*) and 2.5 (*Regulations*), and to the limitations as to transfer set out in Condition 1.2 (*Title*) and the terms of the Agency Agreement, a Certificate may be transferred by depositing the certificate issued in respect of that Certificate, with the form of transfer duly completed and signed, at the specified office of any of the Transfer Agents.

Transfers of interests in the Certificates represented by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

2.2 **Delivery of New Certificates**

Each new certificate to be issued upon transfer of Certificates will, within five business days of receipt by the relevant Transfer Agent of the duly completed form of transfer provided at the offices of the Transfer Agent, be mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer.

Where some but not all of the principal amount of the Certificates in respect of which a certificate is issued are to be transferred, a new certificate in respect of the principal amount of the Certificates not so transferred will, within five business days of receipt by the relevant Transfer Agent of the original certificate, be mailed by uninsured mail at the risk of the holder of the principal amount of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

Except in case of an Exchange Event (as defined in the Global Certificate), owners of interests in the Certificates will not be entitled to receive physical delivery of Certificates.

For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a certificate is deposited in connection with a transfer is located.

2.3 **Formalities Free of Charge**

Registration of transfers of Certificates will be effected without charge by or on behalf of the Issuer or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or any Transfer Agent may reasonably require) by the transferee in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 **Transfers after Transfer Record Date**

No Certificateholder may require the transfer of a Certificate to be registered during the period of fifteen days ending on the due date for any payment of the Redemption Amount or any Periodic Distribution Amount on that Certificate as the case may be.

2.5 **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfer of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer from time to time with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of the regulations.

3. STATUS AND LIMITED RECOURSE

3.1 **Status**

The owners of the Trust Assets are the Certificateholders. Each Certificate evidences an undivided ownership interest in the Trust Assets and ranks *pari passu*, without any preference, with the interests evidenced by each of the other Certificates.

3.2 **Limited Recourse**

Notwithstanding anything to the contrary contained herein or in any other Transaction Document, no payment of any amount whatsoever shall be made in respect of the Certificates by the Issuer, the Trustee, the Trust, the Delegate or any agents or delegates thereof except to the extent that funds are available therefor from the Trust Assets.

The Certificates do not represent an interest in any of the Issuer, Almana, the Investment Manager, the Guarantor, the Group Guarantors, the Trustee, the Delegate, the Agents or any of their respective affiliates. Certificateholders by subscribing for or acquiring the Certificates acknowledge that no recourse may be had for the payment of any amount owing in respect of the Certificates or any other obligations in respect thereof of Almana, the Guarantor, the Group Guarantors or the Investment Manager (to the extent that each fulfils all of its obligations under the relevant Transaction Documents to which it is a party), or to any assets of the Issuer, the Trustee, the Agents or the Trust to the extent the Trust Assets have been exhausted following which all obligations of the Issuer and the Trustee, in respect thereof, shall be extinguished.

No recourse under any obligation, covenant, or agreement contained in these Conditions shall be had against any shareholder, member, officer, agent or director of the Issuer or the Trustee, by any proceeding, by virtue of any statute or otherwise. The obligations of the Issuer or the Trustee (as the case may be) under these Conditions are corporate or limited liability obligations of the Issuer or the Trustee (as the case may be) and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Issuer or the Trustee save in the case of their wilful default or actual fraud.

The net proceeds of the realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Certificates, no Certificateholder will have any claim against Almana, the Investment Manager, the Group Guarantors or the Guarantor (to the extent that each fulfils all of its obligations under the relevant Transaction Documents to which it is a party), or against the Issuer, the Trustee, the Trust, the Delegate, the Agents or any of their affiliates or recourse to any of their assets in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In addition, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the bankruptcy, reorganisation, arrangement, liquidation, winding up or receivership of any of Almana, the Guarantor, the Group Guarantors and the Investment Manager (to the extent that each fulfils all of its obligations under the relevant Transaction Documents to which it is a party), or any of the Issuer, the Trustee, the Trust, the Agents or any of their affiliates as a consequence of such shortfall or otherwise.

4. TRUST

4.1 **Summary of the Trust**

The Issuer will act as trustee for and on behalf of Certificateholders pursuant to the Declaration of Trust.

On the Closing Date, the Trustee will enter into an investment management agreement (the "**Investment Management Agreement**") with Middle East Real Estate Investment Company (the "**Investment Manager**"). Pursuant to the Investment Management Agreement, the Trustee will transfer USD215,000,000 to the Investment Manager who will purchase a portfolio of Sharia compliant real estate assets located in Doha, Qatar (the "**Original Portfolio**") and in each case identified in the purchase agreement to be entered into between Almana and the Investment Manager which shall be appended as a schedule to the Investment Management Agreement (as defined herein). from Almana and develop and manage the "**Portfolio**" (which term means, from time to time, i) the Original Portfolio, (ii) any assets in direct or subsequent replacement of the assets comprised in the Original Portfolio in accordance with any of the Transaction Documents including the transferable right, title or interest to any plot of land, Sharia compliant equity instruments, sukuk certificates or other investments (whether traded on an exchange or not); and (iii) any assets in which Portfolio Revenues are invested by the Investment Manager in accordance with the Investment Management Agreement (any cash available prior to investment by the Investment Manager may be deposited by the Investment Manager in any Sharia compliant deposit account with any financial institution that the Investment Manager deems appropriate in its sole discretion) (the "**Investment Plan**"). Under the terms of the Investment Management Agreement, the Distributable Profits generated as a result of the investments made shall be distributed to the Trustee (the "**Profit Distributions**").

If the Profit Distribution payable to the Trustee is greater than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date, any amount equal to such surplus Profit Distribution will be recorded by the Investment Manager in the book-entry accounts relating to the Portfolio managed by the Investment Manager (the ‘‘**Accounts**") as "**Profit Reserve Amount**". Any amount standing to the credit of the Profit Reserve Amount on the End Date will be due and payable to the Investment Manager as an incentive fee. The Investment Manager is, however, prior to the End Date, entitled to any amount standing to the credit of the Profit Reserve Amount as an advance incentive fee (the ‘‘**Advance Incentive Fee**’’) provided that any Advance Incentive Fee deducted from the Profit Reserve Amount prior to the End Date are re-credited to the Profit Reserve Amount in the event, and to the extent that on a Periodic Distribution Date the aggregate of (i) the funds available for distribution to the Trustee on that date, plus (ii) the amounts then standing to the credit of the Profit Reserve Amount, is less than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date. The Trustee may, at any time, demand payment of all or any part of such Profit Reserve Amount.

If the Profit Distribution payable to the Trustee is less than the relevant Periodic Distribution Amount or if the funds available in the Transaction Account on the relevant Periodic Distribution Date are not sufficient to enable the Trustee to pay the relevant Periodic Distribution Amount due on the relevant Periodic Distribution Date, in full the Investment Manager will deduct such shortfall from the Profit Reserve Amount. If the amounts standing to the credit of the Profit Reserve Amount are insufficient (after the Investment Manager has re-credited any Advance Incentive Fee to the Profit Reserve Amount), the Investment Manager may meet the shortfall through the provision of Sharia compliant liquidity funding (the "**Liquidity Facility**") to the Trustee. The Liquidity Facility shall be repayable by the Trustee to the Investment Manager on the Redemption Date in accordance with Condition 4.2 (*Application of Proceeds from Trust Assets*).

Under a guarantee (the "**Guarantee**") Almana as guarantor (the "**Guarantor**") shall guarantee the payment of all Liquidity Facility payments required under and in accordance with the Investment Management Agreement. In addition, the Guarantor shall irrevocably guarantee to the Investment Manager the repayment obligations of the Trustee arising from any Liquidity Facility payments extended by the Investment Manager.

Pursuant to the purchase undertaking (the "**Purchase Undertaking**") dated the Closing Date granted by Almana in favour of the Trustee, Almana shall undertake to purchase all of the Trustee’s rights, interests and benefits in, to and of the Portfolio at the Exercise Price in accordance with the notice issued under the Purchase Undertaking from the Trustee, which the Trustee shall serve on Almana. On a Redemption Date, Almana shall, following service of the relevant exercise notice by the Trustee, purchase all of the Trustee's rights, interests and benefits in, to and of the Portfolio at the Exercise Price.

Almana Motors Company W.L.L., Almana Trading Company W.L.L., United Cars Almana and Almana Maples W.L.L. will guarantee, jointly and severally, to the Trustee (for the benefit of the Issuer and the Certificateholders from time to time) by way of continuing guarantee (the "**Group Guarantee**") the due and punctual payment of all payments to be paid by Almana under the Purchase Undertaking.

On the Closing Date, the Trustee shall execute a sale undertaking (the "**Sale Undertaking"**) in favour of Almana. Pursuant to the Sale Undertaking, subject to the Issuer being entitled to redeem the Certificates early pursuant to Condition 6.3 (*Redemption for Taxation Reasons*), Almana may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 45 days and no more than 60 days prior to relevant Tax Redemption Date oblige the Trustee to sell and assign all of the Trustee's rights, interests and benefits in, to and of the Portfolio at the Exercise Price to Almana.

Pursuant to the Declaration of Trust, the Issuer will declare a trust (the "**Trust**") for the benefit of the Certificateholders over all of the Trustee's rights, interests and benefits, present and future, in, to and of the Portfolio and each of the Transaction Documents (other than the Declaration of Trust and other than in relation to any representation given to the Trustee by Almana, the Investment Manager, the Group Guarantors or the Guarantor pursuant to any of the Transaction Documents) all moneys, which may now be, or hereafter from time to time are, standing to the credit of the Transaction Account and all proceeds of the foregoing (together, the "**Trust Assets**"). All payments by the Investment Manager, Almana, the Group Guarantors or the Guarantor to the Trustee for the Certificateholders under each Transaction Document to which it is party will be deposited into an account of the Trustee maintained for such purpose (the "**Transaction Account**").

The Investment Management Agreement, the Group Guarantee, the Purchase Undertaking, the Sale Undertaking, the Declaration of Trust, the Guarantee, the Agency Agreement, the Costs Undertaking, the Certificates and any other agreements and documents designated as such by the Issuer, the Trustee, the Investment Manager and Almana are collectively referred to as the "**Transaction Documents**".

4.2 **Application of Proceeds from Trust Assets**

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on the Scheduled Redemption Date, an Early Redemption Date, a Tax Redemption Date or any other date specified in accordance with those Certificates for the redemption of the Certificates (each a "**Redemption Date**"), the Principal Paying Agent shall, on behalf of the Trustee, apply the moneys standing to the credit of the Transaction Account in the following order of priority:

(a) first, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;

(b) second, only if payment is due on a Periodic Distribution Date, to the Principal Paying Agent for application in or towards payment pari passu and rateably of all Periodic Distribution Amounts due but unpaid;

(c) third, if payment is made on a Redemption Date, to the Principal Paying Agent for application in or towards payment pari passu and rateably of the Redemption Amount;

(d) fourth, if payment is made on a Redemption Date, to the Investment Manager in repayment of any Liquidity Facility payments made by the Investment Manager in accordance with the Investment Management Agreement; and

(e) fifth, only if such payment is made on a Redemption Date, all remaining amounts to the Issuer.

4.3 **Late Payment Amounts Received**

If the Trustee receives any Late Payment Amounts, then the Trustee will in each case notify each Certificateholder of the aggregate amount so received and shall donate such Late Payment Amounts on behalf of Almana to the Red Crescent Society.

5. PERIODIC DISTRIBUTIONS

5.1 **Periodic Distribution Amounts and Periodic Distribution Dates**

A distribution amount, representing a defined share of the profit income with respect to the Trust Assets derived from the payments made to the Trustee under the Investment Management Agreement will accrue and be payable on the outstanding Certificates and be distributed in accordance with these Conditions.

Subject to Condition 4.2 (*Application of Proceeds from Trust Assets*), Condition 10 (*Dissolution of Trust*) and Condition 11 *(Taxation)* below, the Trustee shall distribute to holders of the outstanding Certificates pro rata, out of amounts collected in the Transaction Account, a distribution in relation to the outstanding Certificates on each Periodic Distribution Date in respect of a Periodic Distribution Period in an amount equal to the product of (a) the Margin plus LIBOR; (b) the Aggregate Face Amount; and (c) the actual number of days in the relevant Periodic Distribution Period divided by 360 and any additional amounts due under Condition 11 (the "**Periodic Distribution Amount**").

Distributions on the outstanding Certificates will be made in arrears on 28 October, 28 January, 28 April and 28 July each year up to and including 28 July 2016 (or if any such day is not a Business Day, the following Business Day unless it would thereby fall into the next calendar month, in which event such day shall be the immediately preceding Business Day) (each a "**Periodic Distribution Date**"). The period from and including the Closing Date to but excluding the first Periodic Distribution Date and thereafter each successive period from and including a Periodic Distribution Date to but excluding the immediately following Periodic Distribution Date or Redemption Date (if such date is not a Periodic Distribution Date) is called a "**Periodic Distribution Period**".

5.2 **LIBOR Determinations**

LIBOR for each Periodic Distribution Period shall be determined by or on behalf of the Issuer in accordance with the following provisions:

(a) on each LIBOR Determination Date, the Calculation Agent, on behalf of the Issuer, will determine the Screen Rate at approximately 11.00 a.m. (London time) on such LIBOR Determination Date and such Screen Rate shall be the value of LIBOR for the forthcoming Periodic Distribution Period;

(b) if the Screen Rate is unavailable, the Calculation Agent shall request the principal London office of each Reference Bank to provide it with the rate at which deposits in US Dollars are offered by it to prime banks in the London inter-bank market for a period of three months at approximately 11.00 a.m. (London time) on such LIBOR Determination Date and, so long as at least two of the Reference Banks provide such rates, the arithmetic mean of such rates (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) as calculated by the Calculation Agent shall be the value of LIBOR for the forthcoming Periodic Distribution Period;

(c) if LIBOR cannot be determined in accordance with the above provisions, the value of LIBOR for the forthcoming Periodic Distribution Period shall be as determined on the preceding LIBOR Determination Date.

5.3 **Notification of LIBOR and Periodic Distribution Amount**

Following determination of each of LIBOR and the Periodic Distribution Amount for the forthcoming Periodic Distribution Period and the related Periodic Distribution Date by the Calculation Agent, the Calculation Agent shall, if required to do so by the rules of the relevant stock exchange, notify, or shall procure the notification to, the stock exchange on which the Certificates are listed and/or traded at the relevant time, as soon as practicable after the determination thereof but in no event later than the first day of the relevant Periodic Distribution Period, details of such LIBOR and Periodic Distribution Amount. The Principal Paying Agent shall arrange for such LIBOR and Periodic Distribution Amount to be published in accordance with Condition 16 (*Notices*) as soon as practicable after their determination but in no event later than the fourth Business Day thereafter. Each Periodic Distribution Amount and Periodic Distribution Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the related Periodic Distribution Period. In the event of any such amendment, the Calculation Agent shall, as soon as practicable thereafter, notify the stock exchange on which the Certificates are listed and/or traded at the relevant time of the amended Periodic Distribution Amount and Periodic Distribution Date. The Principal Paying Agent shall arrange for such amended Periodic Distribution Amount and Periodic Distribution Date to be published in accordance with Condition 16 (*Notices*) as soon as practicable after determination of such amendment but in no event later than the fourth Business Day thereafter.

5.4 **Cessation of Accrual**

No further amounts will be payable on any Certificate from and including its due date for redemption.

5.5 **Calculation of Distribution in respect of Broken Periodic Distribution Amounts**

When a distribution is required to be calculated in respect of a period of less than a full Periodic Distribution Period, it shall be calculated on the basis of the actual number of days elapsed in such period and an actual/360 basis.

6. REDEMPTION

6.1 **Scheduled Redemption**

Unless previously redeemed, the Certificates shall be redeemed in full by the Issuer on the Scheduled Redemption Date in cash for an amount equal to the Redemption Amount as of such date, and the Trust shall be dissolved following such payment in full.

The Redemption Amount shall be distributed on the Scheduled Redemption Date pro rata amongst the Certificates. The Calculation Agent will calculate the amount payable in respect of any Certificate by multiplying the Redemption Amount by a fraction of which the numerator is the principal amount of the relevant Certificate and the denominator is the Aggregate Face Amount on the Scheduled Redemption Date and rounding the resultant figure to the nearest USD0.01, USD0.005 being rounded upwards.

6.2 **Dissolution Event—Early Redemption**

Following the occurrence of a Dissolution Event, the Certificates may, subject to Condition 13 (*Dissolution Events*), be redeemed in full on the Early Redemption Date in cash at an amount equal to the Redemption Amount as of such date, and the Trust shall be dissolved following such payment in full.

The Redemption Amount shall be distributed on the Early Redemption Date pro rata amongst the Certificates. The Calculation Agent will calculate the amount payable in respect of any Certificate by multiplying the Redemption Amount by a fraction of which the numerator is the principal amount of the relevant Certificate and the denominator is the Aggregate Face Amount on the Early Redemption Date and rounding the resultant figure to the nearest USD0.01, USD0.005 being rounded upwards.

6.3 **Redemption for Taxation Reasons**

Upon exercise by Almana of its option under the Sale Undertaking and the Issuer giving Certificateholders not less than 30 days and not more than 65 days notice prior to the Periodic Distribution Date specified in the notice (the "**Tax Redemption Date**") given by the Issuer to the Certificateholders in accordance with Condition 16, the Certificates will be redeemed by the Issuer in whole, but not in part, at the Redemption Amount on the Tax Redemption Date if:

(a) (i) the Trustee has or will become obliged to pay additional amounts pursuant to Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 July 2011, and (ii) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) (i) Almana or, as the case may be, the Investment Manager has or will become obliged to pay any additional amount pursuant to the terms of the Purchase Undertaking or, as the case may be, the Investment Management Agreement as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 July 2011, and (ii) such obligation cannot be avoided by Almana or, as the case may be, the Investment Manager taking reasonable measures available to it,

(each a "**Tax Event**") provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which, in the case of Condition 6.3(a)(i), the Issuer would be obliged to pay such additional amounts were a payment in respect of the Certificates then due and in the case of 6.3(b)(i) Almana or Investment Manager (as the case may be) would be obliged to pay such additional amounts were a payment to the Trustee under the Investment Management Agreement or the Purchase Undertaking (as the case may be) then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Principal Paying Agent (a) a certificate signed by two directors of the Trustee (in the case of Condition 6.3(a)(i)), or Almana or, as the case may be, the Investment Manager (in the case of Condition 6.3(b)(i)) stating that the obligation referred to in (a) or (b) above cannot be avoided by the Issuer or, as the case may be, Almana or the Investment Manager (having taken reasonable measures available to it) and (b) an opinion of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Principal Paying Agent shall (without any investigation required of it) accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders.

Following satisfaction of the conditions set out above in Condition 6.3, the Certificates shall be redeemed in full by the Issuer on the Tax Redemption Date in cash for an amount equal to the Redemption Amount as of such date, and the Trust shall be dissolved following such payment in full.

The Redemption Amount shall be distributed on the Tax Redemption Date pro rata amongst the Certificates. The Calculation Agent will calculate the amount payable in respect of any Certificate by multiplying the Redemption Amount by a fraction of which the numerator is the principal amount of the relevant Certificate and the denominator is the Aggregate Face Amount on the Tax Redemption Date and rounding the resultant figure to the nearest USD0.01, USD0.005 being rounded upwards.

6.4 No other Dissolution

The Issuer shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 6 and Condition 13.

7. COVENANTS

Almana Sukuk 2011 Limited, in its capacity as Issuer and as Trustee, as the case may be, has covenanted in the Declaration of Trust that, among other things, for so long as any Certificate is outstanding, it shall not:

(a) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) other than pursuant to any Transaction Document;

(b) secure any of its present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law) except pursuant to any Transaction Document;

(c) sell, transfer, assign, participate, exchange, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its title to any of the Trust Assets or any interest therein except pursuant to any Transaction Document;

(d) use the proceeds of the issue of the Certificates for any purpose other than pursuant to the Investment Plan;

(e) amend or agree to any amendment of any of the Transaction Documents to which it is a party or to its constitutional documents, except in accordance with the Transaction Documents;

(f) exercise its option under the Purchase Undertaking or enforce its rights under the Guarantee or the Group Guarantee except in its capacity as Trustee;

(g) act as trustee in respect of any trust other than the Trust, or in respect of any parties other than the Certificateholders and/or act as agent for any trust arrangement (other than the Trust);

(h) have any subsidiaries or employees;

(i) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;

(j) put to its directors or shareholders any resolution for or appoint any liquidator for its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceedings with respect to it; or

(k) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents and any subscription agreement connected to the issue of the Certificates to which it is a party or engage in any business or activity other than:

   (i) as provided for or permitted in the Transaction Documents;

   (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

   (iii) such other matters which are incidental thereto.

The Trustee may, if so directed by the Certificateholders, enforce the rights of the Trustee and Certificateholders.

If the Trustee after having become bound to take any proceedings under the Declaration of Trust fails to do so within sixty days and such failure is continuing, each Certificateholder may enforce the rights of the Trustee and Certificateholders pursuant to the Declaration of Trust.

8. CALCULATION AGENT

8.1 **Appointment**

The Issuer shall procure that so long as any of the Certificates remains outstanding there shall at all times be a Calculation Agent to undertake all necessary calculations and/or determinations required pursuant to the Conditions and the Transaction Documents for the purposes of calculating the relevant amounts due to be paid and/or delivered on the Certificates provided that the Issuer may terminate the appointment of such Calculation Agent in accordance with the provisions of the Agency Agreement. Unless otherwise specified, all such calculations shall be undertaken in respect of each US$1,000 in principal amount of Certificates. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the amount due to be paid or delivered on any Periodic Distribution Date or Redemption Date, the Issuer shall appoint another major bank engaged in the London interbank market to act in its place. If the Issuer shall fail, within a reasonable time, to appoint any such replacement, the Trustee shall be entitled (but not obliged) to make such appointment. The Calculation Agent may not resign its duties or be removed without a successor having been appointed.

8.2 **Determinations binding**

Any determination or calculation made by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding on the Issuer, the Trustee, Almana, the Group Guarantors, the Guarantor, the Investment Manager, the Certificateholders and the other Agents. The Calculation Agent may consult on any matter with any legal or other adviser selected by it and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.

9. PAYMENT

9.1 **Payments in Respect of Certificates**

Subject to Condition 9.2, payment of any Redemption Amount will be made on the relevant due date for payment by the Principal Paying Agent by wire transfer in same day funds to the registered account of each Certificateholder in US Dollars. Payments of any Redemption Amount due will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Subject to Condition 9.2, payment of any Periodic Distribution Amount will be made on the relevant due date for payment by the Principal Paying Agent by wire transfer in same day funds to the Certificateholder shown on the Register at the close of business on the seventh day before the Periodic Distribution Date. Such payment will be made to the registered account of each Certificateholder in US Dollars.

For the purposes of this Condition, a Certificateholder's registered account means the USD account maintained by or on behalf of it with a bank that processes payments in US Dollars, details of which appear on the Register at the close of business on the second Business Day before the due date for payment.

9.2 **Payments subject to applicable laws**

Payments in respect of Certificates are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

9.3 **Payment only on a Payment Business Day**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the Principal Paying Agent on the date for payment or if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Certificateholders will not be entitled to any Periodic Distribution Amount and/or Redemption Amount or other payment for any delay in receiving the amount due if the due date is not a Payment Business Day or, if the relevant Certificateholder is late in surrendering its Certificate (if required to do so).

If the amount of the Periodic Distribution Amount and/or Redemption Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount actually paid.

In this Condition, "**Payment Business Day**" means a day (other than Friday, Saturday or Sunday) on which commercial banks in London and Doha are open for general business and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

9.4 **Agents**

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that (a) it will at all times maintain a Principal Paying Agent, (b) so long as any Certificates are listed or admitted to trading on a stock exchange, it will at all times maintain a Paying Agent and a Transfer Agent having its specified office in any place required by the applicable stock exchange or other listing authority (c) it will at all times maintain a Registrar, and (d) if European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, it will maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive. Notice of any termination or appointment and of any changes in specified offices will be given to Certificateholders promptly by the Issuer in accordance with Condition 16 (*Notices*).

10. DISSOLUTION OF TRUST

10.1 **Scheduled Dissolution**

Unless the Certificates are previously redeemed in full (and the Trust is dissolved after such redemption) following a Dissolution Event pursuant to Condition 6.2 or for taxation reasons pursuant to Condition 6.3, the Certificates will be redeemed in full by the Issuer on the Scheduled Redemption Date in accordance with Condition 6.1, and the Trust will only be dissolved following such payment in full.

10.2 **Dissolution following a Dissolution Event**

Subject to Condition 13 (*Dissolution Events*), the Certificates shall be redeemed in full by the Issuer on the Early Redemption Date in accordance with Condition 6.2, and the Trust will only be dissolved following such payment in full.

The Periodic Distribution Period shall be adjusted to represent the period from, and including, the immediately preceding Periodic Distribution Date (or the Closing Date, as the case may be) to, but excluding, the Early Redemption Date, and the corresponding Periodic Distribution Amount shall be adjusted accordingly. Upon payment in full of such amounts, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof.

10.3 **Cancellation**

All Certificates which are redeemed in full will forthwith be cancelled and accordingly may not be held, reissued or sold.

11. TAXATION

All payments in respect of the Certificates shall be made in full without withholding or deduction for, or on account of, any present or future taxes, levies, duties, fees, assessments or other charges of whatever nature, imposed or levied by or on behalf of a Relevant Jurisdiction and all charges, penalties or similar liabilities with respect thereto ("**Taxes**"), unless the withholding or deduction of such Taxes is required by law. In such event, the Issuer shall be required to pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates (if no such withholding or deduction had been made or required to be made) is received by parties entitled thereto, except that no such additional amount shall be payable by the Issuer in relation to any payment in respect of any Certificate:

(a) presented for payment (where presentation is required) by or on behalf of a holder who is liable for such Taxes in respect of such Certificate by reason of having some connection with any Relevant Jurisdiction other than the mere holding of such Certificate; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day; or

(c) presented for payment (where presentation is required) by or on behalf of a Certificateholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) presented for payment by or on behalf of a Certificateholder who would be able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a Member State of the European Union.

12. PRESCRIPTION

Claims in respect of amounts due in respect of the Certificates will become prescribed unless made within periods of 10 years (in the case of principal) and 5 years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect of the Certificates, subject to the provisions of Condition 9 (*Payment*).

13. DISSOLUTION EVENTS

The occurrence of any of the following events shall constitute a "**Dissolution Event**":

(a) a default is made by the Issuer in the payment of any Periodic Distribution Amount for more than fourteen (14) days or in the payment of any Redemption Amount for more than seven (7) days, as the case may be, in respect of any of the Certificates; or

(b) the Issuer defaults in the performance or observance of any of its other material obligations under or in respect of any of the Transaction Documents to which it is a party and (except in any case where the failure is incapable of remedy) such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by the Trustee, has been delivered to the Issuer; or

(c) an Event of Default; or

(d) the Issuer repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or

(e) at any time it is or will become unlawful for the Issuer (by way of insolvency or otherwise) to perform or comply with any of its obligations under the Transaction Documents to which it is a party or any of the obligations of the Issuer under the Transaction Documents to which it is a party are not, or cease to be, legal, valid, binding and enforceable; or

(f) either (i) the Issuer becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made); (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee or any indebtedness given by it; and (iv) the Issuer ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) any event occurs which under the laws of Cayman Islands has an analogous effect to any of the events referred to in paragraph (f).

Upon the occurrence of a Dissolution Event, the Trustee shall give notice of the occurrence of such Dissolution Event to the Certificateholders (in accordance with Condition 16 (*Notices*)) and the Delegate with a request to such Certificateholders to indicate if they wish the Trust to be dissolved.

If so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of such Certificates then outstanding, or if so directed by an Extraordinary Resolution of the holders of the Certificates, the Trustee shall (subject in each case to being indemnified and/or secured to its satisfaction) give notice to all the holders of such Certificates in accordance with Condition 16 (*Notices*) that the Certificates are to be redeemed at the Redemption Amount on the date specified in such notice (the "**Early Redemption Date**") and that the Trust is to be dissolved on the day after the last outstanding Certificate has been paid in full.

For the purpose of (a) above, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 5 (*Periodic Distributions*) and Condition 6 (*Redemption*)) notwithstanding that the Issuer or the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts.

The Trustee has delegated to the Delegate certain of its rights and obligations under this Condition (including, but not limited to the right to give notice to the Issuer under Condition 13(b) as well as the right to give notice to the Certificateholders of (i) the occurrence of a Dissolution Event and (ii) the fact that the Certificates are to be redeemed and the Trust dissolved).

14. ENFORCEMENT AND EXERCISE OF RIGHTS

14.1 Upon the occurrence of a Dissolution Event, to the extent that the amounts payable in respect of the Certificates have not been paid and/or delivered in full, the Trustee shall (acting on behalf of the Certificateholders) take one or more of the following steps:

(a) enforce the provisions of the Purchase Undertaking against Almana; or

(b) take such other steps as the Trustee may consider necessary to recover amounts due to the Certificateholders.

Notwithstanding the foregoing, the Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to the Issuer, Almana, the Investment Manager and/or the Guarantor to enforce their respective obligations under the Transaction Documents, the Conditions and the Certificates.

14.2 The Trustee shall not be bound to take any action in relation to the Trust Assets or any Dissolution Event or to take any proceedings or any other steps under these Conditions or the Transaction Documents unless required to do so (i) by an Extraordinary Resolution or (ii) in writing by Certificateholders holding at least 25 per cent. of the then Aggregate Face Amount, and in each case then only if it shall be indemnified and/or secured to its satisfaction against all Liability to which it may render itself liable or which it may incur by so doing.

14.3 No Certificateholder shall be entitled to proceed directly against the Issuer, Almana, the Guarantor or the Investment Manager unless:

(a) the Trustee, having become bound so to proceed, fails to do so within 30 days of becoming so bound and such failure is continuing; and

(b) the relevant Certificateholder (or such Certificateholders together with any other Certificateholders who propose to proceed directly against any of the Issuer, the Investment Manager or Almana) holds at least 25 per cent. of the Aggregate Face Amount.

Under no circumstances shall the Trustee or any Certificateholders have any right to cause the sale or other disposition of any of the Trust Assets, and the sole right of the Trustee and Certificateholders against the Issuer, Almana, the Group Guarantors, the Guarantor and the Investment Manager shall be to enforce their respective obligations under the Transaction Documents.

14.4 Conditions 14.1, 14.2, and 14.3 are subject to this Condition 14.4. After enforcing and distributing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 4.2 (*Application of Proceeds from Trust Assets*), the obligations of the Issuer and the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any steps against the Issuer and the Trustee to recover any sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer or the Trustee, nor shall any of them have any claim in respect of the Trust Assets of any other trust established by the Trustee.

15. REPLACEMENT OF CERTIFICATES

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified offices of the Replacement Agents upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered or an indemnity given before replacements will be issued.

16. NOTICES

16.1 All notices to the Certificateholders will be valid if:

(a) published in a daily newspaper (which will be in a leading English language newspaper having general circulation) in the Gulf region; or

(b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by air mail at their respective addresses in the Register.

In addition, the Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the seventh day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

16.2 Notices to be given by any Certificateholder shall be given in writing and given by lodging the same (if individual certificates have been issued, together with the relevant Certificates) with the Registrar and any relevant Agent.

17. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

17.1 The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of these Conditions or the provisions of the Declaration of Trust. The quorum at any meeting for passing an Extraordinary Resolution will be two or more Certificateholders, proxies or representatives holding or representing more than half of the Aggregate Face Amount, or at any adjourned such meeting two or more Certificateholders, proxies or representatives present whatever the principal amount of the Certificates held or represented by him or them. To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the persons voting on a show of hands or, if a poll is demanded, a majority of not less that three-quarters of the votes cast on such poll. An Extraordinary Resolution duly passed at any meeting of Certificateholders will be binding on all holders of the Certificates, whether or not they are present at the meeting and whether or not voting. In addition, a resolution in writing signed by or on behalf of representatives holding or representing more than ninety per cent. (90 per cent.) of the Aggregate Face Amount will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of the relevant Certificateholders.

17.2 The Trustee may agree, without the consent or sanction of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Trust or any other Transaction Document, or determine, without any such consent as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such, which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of Certificateholders or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

17.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of Certificateholders as a class but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders or groups of Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

17.4 Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on Certificateholders and any modification, abrogation, waiver, authorisation, determination or substitution shall be notified by the Trustee to Certificateholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

18. INDEMNIFICATION AND LIABILITY OF THE TRUSTEE

18.1 The Declaration of Trust contains provisions for the indemnification of the Trustee (and its agents and delegates, including the Delegate) in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the Trust Assets, the Trustee shall not be required to take any action unless directed to do so in accordance with Condition 14.2.

18.2 The Trustee makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of Almana, the Investment Manager or the Group Guarantors under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by Almana, the Investment Manager or the Group Guarantors but are not so paid and shall not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

18.3 The Trustee is excepted from (i) any liability in respect of any loss or theft of the Trust Assets or any cash, (ii) any obligation to insure the Trust Assets or any cash and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of default or misconduct of the Trustee.

19. CURRENCY INDEMNITY

The Issuer agrees to indemnify each Certificateholder against any loss incurred by such holder as a result of any judgment or order being given or made for any amount due under such Certificate and such judgment or order is expressed and paid in a currency (the "**Judgment Currency**") other than US Dollars and as a result of any variation as between (a) the rate of exchange at which the US Dollar is converted into the Judgment Currency for the purpose of such judgment or order and (b) the rate of exchange at which the holder on the date of payment of such judgment or order is able to purchase US Dollars with the amount of the Judgment Currency actually received by the holder. This indemnification will constitute a separate and independent obligation of the Issuer and will continue in full force and effect notwithstanding any such judgment or order as aforesaid.

The term **rate of exchange** includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, US Dollars.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 The Declaration of Trust, the Certificates and the Conditions and any non-contractual obligations arising out of or in connection with any of these documents are governed by, and shall be construed in accordance with, English law.

21.2 The Issuer has in the Declaration of Trust irrevocably and unconditionally agreed for the benefit of the Trustee, the Delegate and Certificateholders that the courts of England are to have exclusive jurisdiction to settle any dispute (a "**Dispute**") which may arise out of or in connection with the Declaration of Trust or the Certificates and that accordingly any suit, action or proceedings arising therefrom or in connection therewith (together referred to as "**Proceedings**") may be brought in the courts of England.

21.3 The Issuer has in the Declaration of Trust irrevocably and unconditionally waived and agreed not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

21.4 Notwithstanding the above terms of this Condition, the Certificateholders may, at any time, serve a notice upon the Issuer requiring that a particular Dispute be resolved by arbitration. Upon service of such a notice, that Dispute shall be referred to and finally resolved by arbitration in London, England pursuant to the Rules of Arbitration of the International Chamber of Commerce (the "**Rules**") from time to time in force, save that no requirements of the Rules as to nationality of arbitrators shall apply. Those Rules are deemed to be incorporated by reference into this Condition insofar as they do not conflict with its express provisions. The tribunal shall be composed of three arbitrators appointed in accordance with the Rules. In the case of a multiparty dispute, the arbitrators shall be appointed in accordance with Article 10 of the Rules. The language of the arbitration shall be English. The parties agree that any arbitral award shall be final and binding.

21.5 The Issuer has in the Declaration of Trust irrevocably and unconditionally appointed an agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose. In the event that no such replacement agent for service of process in England has been appointed by the Issuer within 14 days, the Trustee shall have the power to appoint, on behalf of and at the expense of the Issuer, a replacement agent for service of process in England.

22. DEFINITIONS AND INTERPRETATION

22.1 **Definitions**

In these Conditions:

"**Advance Incentive Fee**" shall have the meaning given to such term in Condition 4.1.

"**Agents**" means any of the Paying Agents, the Registrar, the Replacement Agent, the Calculation Agent or the Transfer Agent appointed by the Trustee pursuant to the Agency Agreement.

"**Aggregate Face Amount**" means, at any time, the aggregate principal amount of the outstanding Certificates which, for the avoidance of doubt, shall be USD215,000,000 on the Closing Date.

"**Almana**" means Almana Group W.L.L.

"**Business Day**" means a day (other than a Friday, Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business in London and Doha.

"**Closing Date**" means 28 July 2011.

"**Dissolution Event**" shall have the meaning given to such term in Condition 13.

"**Early Redemption Date**" has the meaning given to such term in Condition 13.

"**End Date**" means the day the Trustee ceases to have any rights, interests and benefits in, to and of the Portfolio.

"**Event of Default**" means any of the following events:

(a) **Non-Payment:** a default is made in the payment of any Periodic Distribution Amount for more than 14 days or in the payment of any Redemption Amount for more than seven days, as the case may be, in respect of any of the Certificates;

(b) **Breach of other obligations or undertakings:** Almana or the Investment Manager defaults in the performance or observance of or compliance with any of its other material obligations or undertakings in any Transaction Document to which it is a party and such default continues for a period of thirty (30) days after notice of such default shall have been given to Almana or the Investment Manager, as the case may be;

(c) any of the following events (each a "**Cross Default**"):

(i) any Financial Indebtedness of Almana is not paid when due and payable or, as the case may be, within any applicable grace period;

(ii) any Financial Indebtedness of Almana is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);

(iii) Almana fails to pay when due and payable any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness;

provided that no Cross Default will occur under this paragraph (c) if the aggregate amount of the relevant Financial Indebtedness and guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or is less than an amount of US$10,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the US Dollars as appointed by any leading bank on the day on which this paragraph operates);

(d) **Change of business:** the shareholders of Almana as of 28 July 2011 cease to hold (together or individually) a majority of the shares in Almana, or Almana ceases or threatens to cease to carry on the whole or a substantial part of its business, save in connection with a Permitted Reorganisation, or Almana is unable to, or admits inability to, pay its debts generally (or any class of its debts generally) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law; or

(e) **Liquidation and other events:**

(i) any order is made by any competent court or resolution passed for the winding up or dissolution of Almana, save in connection with a Permitted Reorganisation, or Almana is adjudicated or found bankrupt or insolvent; or

(ii) (A) court or other formal proceedings are initiated against Almana under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to Almana or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of Almana, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of Almana, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of Almana and (B) in such case one or more judgement(s) or order(s) from which no further appeal or judicial review is permissible under applicable law is rendered against Almana and continue(s) unsatisfied for a period of thirty (30) days after the date(s) thereof or, if later, the date therein specified for payment; or

(iii) Almana initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or proposes a rescheduling or other similar arrangement to its financial creditors generally (or any class of its financial creditors) as a result of its inability or potential inability to fulfil its obligations to them; or

(iv) any event occurs which under the laws of the State of Qatar or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (i) to (iii) above; or

(f) **Non-compliance with judgments:** Almana fails to comply with or pay any sum (being an amount of not less than US$10,000,000 (or its equivalent in any other currency or currencies)) due from it under any final non-appealable judgement or order given by a court of competent jurisdiction and such failure continues for the period of thirty (30) days next following the service by the Trustee on Almana of notice requiring the same to be paid; or

(g) **Unlawfulness or invalidity:** it is or will become unlawful for Almana to perform or comply with any of its obligations under or in respect of the Transaction Documents to which it is a party, or any such obligations becomes unenforceable or invalid; or

(h) **Failure to take action etc**: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable Almana lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents to which it is a party or (ii) to ensure that those obligations are legal, valid, binding and enforceable, is not taken, fulfilled or done.

"**Exercise Price**" means a US$ sum equal to the aggregate of:

(a) the aggregate principal amount of the Certificates then outstanding; plus

(b) any unpaid Periodic Distribution Amounts; plus

(c) any additional amounts that may be due pursuant to Condition 11 (*Taxation*).

"**Extraordinary Resolution**" shall have the meaning given to such term in the Declaration of Trust.

"**Financial Indebtedness**" means any indebtedness for or in respect of moneys borrowed or raised including (without limitation) and indebtedness for or in respect of:

(a) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with International Financial Reporting Standards (IFRS), be treated as a finance or capital lease;

(d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution excluding any performance bonds;

(h) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into this agreement is to raise finance and all conditional sale obligations under any title retention agreement (excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue 90 days or more or are being contested in good faith by appropriate proceedings properly initiated and diligently conducted);

(i) any obligations incurred in respect of any Islamic financing arrangements; and

(j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Investment Management Agreement**" shall have the meaning given to such term in Condition 4.1.

"**Investment Manager**" shall have the meaning given to such term in Condition 4.1.

"**Investment Plan**" shall have the meaning given to such term in Condition 4.1.

"**Late Payment Amount**" means any late payment amount paid by Almana pursuant to clause 3.5 of the Purchase Undertaking or clause 3.1 of the sale agreement as set out in the Schedule to the Sale Undertaking.

"**Liability**" means any actual loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and properly incurred legal fees and expenses on a full indemnity basis.

"**LIBOR**" means for each Periodic Distribution Period, the London inter-bank offered rate for three month US Dollars deposits determined in accordance with Condition 5.2 (*LIBOR Determinations*).

"**LIBOR Determination Date**" means the second Business Day preceding the first day of each Periodic Distribution Period.

"**Liquidity Facility**" shall have the meaning given to such term in Condition 4.1.

"**Margin**" means 4.5 per cent. per annum.

"**Original Portfolio**" shall have the meaning given in Condition 4.1.

"**Periodic Distribution Amount**" shall have the meaning given to such term in Condition 5.1.

"**Periodic Distribution Date**" shall have the meaning given to such term in Condition 5.1.

"**Periodic Distribution Period**" shall have the meaning given to such term in Condition 5.1.

"**Permitted Reorganisation**" means:

(a) any disposal by any of Almana's Subsidiaries of the whole or a substantial part of its business, undertaking or assets to Almana or any Subsidiary;

(b) any disposal by any of Almana's Subsidiaries of the whole or a substantial part of its business, undertaking or assets to a third party (not being a Subsidiary) in a transaction negotiated in good faith on an arms-length basis and for valuable consideration;

(c) any amalgamation, consolidation or merger of (i) Almana with any Subsidiary of Almana and of (ii) a Subsidiary of Almana with any other Subsidiary of Almana; or

(d) any amalgamation, consolidation, restructuring, merger or reorganisation whilst solvent.

"**person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity.

"**Portfolio**" has the meaning given to Condition 4.1

"**Potential Dissolution Event**" means any event which, with the giving of notice, lapse of time or fulfilment of any other applicable condition (or any combination of any of the foregoing) would constitute a Dissolution Event.

"**Proceedings**" shall have the meaning given to such term in Condition 21.2.

"**Purchase Undertaking**" shall have the meaning given to such term in Condition 4.1.

"**QAR**" means Qatari Riyal, being the legal currency for the time being of the State of Qatar.

"**Redemption Amount**" means, as of any date, the Aggregate Face Amount plus all unpaid accrued Periodic Distribution Amounts as of such date and any additional amounts that may be due pursuant to Condition 11 (*Taxation*).

"**Redemption Date**" shall have the meaning given to such term in Condition 4.2.

"**Reference Banks**" means the principal London office of each of four major banks engaged in the London inter-bank market selected by the Calculation Agent on behalf of the Issuer; provided that once a Reference Bank has first been selected by the Calculation Agent, such Reference Bank shall not be changed unless it ceases to be capable of acting as such.

"**Register**" shall have the meaning given to such term in Condition 1.1.

"**Relevant Date**" means, in respect of any payment in relation to a Certificate, the later of (a) the date on which the payment first becomes due, and (b) if the full amount payable has not been received by the Principal Paying Agent on or before the due date, the date on which (the full amount having been so received) notice to that effect has been given to the Certificateholders by the Issuer in accordance with Condition 16.

"**Relevant Jurisdiction**" means the State of Qatar and the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax.

"**Sale Undertaking**" shall have the meaning given to such term in Condition 4.1.

"**Scheduled Redemption Date**" means 28 July 2016.

"**Screen Rate**" means in relation to LIBOR, the rate for three-month deposits in US Dollars, which appears on Reuters Screen Page LIBOR01 (or such replacement page on that service which displays the same information).

"**Tax Redemption Date**" shall have the meaning given to such term in Condition 6.3.

"**Taxes**" shall have the meaning given to such term in Condition 11.

"**Transaction Account**" shall have the meaning given to such term in Condition 4.1.

"**Transaction Documents**" shall have the meaning given to such term in Condition 4.1.

"**Trust**" shall have the meaning given to such term in Condition 4.1.

"**Trust Assets**" shall have the meaning given to such term in Condition 4.1.

"**US$**", "**USD**" or "**US Dollars**" means US dollars, being the legal currency for the time being of the United States of America.

22.2 Interpretation

In these Conditions, unless otherwise specified or unless the context otherwise requires headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Certificates whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below.

Holders

For so long as all of the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg (or any other clearing system which has accepted the Certificates for clearance), each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular principal amount of the Certificates represented by this Global Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest or proven error) shall be deemed to be the holder of such principal amount of such Certificates for all purposes other than with respect to payments on the Certificates for which purpose the registered holder of the Global Certificate shall be deemed to be the holder of such principal amount of the Certificates in accordance with and subject to the terms of the Global Certificate and the Declaration of Trust.

Cancellation

Cancellation of any Certificates following its redemption by the Issuer will be effected by reduction in the aggregate principal amount of the Certificates in the register of Certificateholders and by the annotation of the appropriate schedule to the Global Certificate.

Payments

Payment of the Periodic Distribution Amounts and the Redemption Amount in respect of Certificates represented by the Global Certificate will be made upon presentation or, if no further payment is to be made in respect of the Certificates, against presentation and surrender of the Global Certificate at the specified office of the Principal Paying Agent or such other office as may be specified by the Issuer.

Distributions of amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Notices

So long as all the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, notices to Certificateholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Certificateholders in substitution for notification as required by the Conditions except that, so long as the Certificates are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the Certificateholders on the third day after the day on which such notice is delivered to the relevant clearing systems.

Registration of Title

Registration of title to the Global Certificate in a name other than that of the Depositary or its nominee will not be permitted unless Euroclear or Clearstream, Luxembourg, as appropriate, notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with the Global Certificate, and in each case a successor clearing system approved by the Trustee is not appointed by the Issuer within 90 days after receiving such notice from Euroclear or Clearstream, Luxembourg. In these circumstances title to the Global Certificate may be transferred into the names of holders notified by the Depositary in accordance with the Conditions, except that certificates in respect of Certificates so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Certificates in a name other than that of the Depositary or its nominee for a period of seven calendar days preceding the due date for any payment of any amount in respect of the Certificates.

Transfers

Transfers of Certificates represented by the Global Certificate will be effected through the records of Euroclear or Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg and their respective direct and indirect participants, as more fully described under *Clearance and Settlement*.

Individual Certificates

Interests in the Global Certificate will be exchangeable or transferable, as the case may be, for Certificates in definitive form (the "**Individual Certificates**") upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that (i) a Dissolution Event has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available.

In any such event, the Issuer will issue Individual Certificates (in exchange for the whole of the Global Certificate) within 45 days of the occurrence of the relevant Exchange Event upon presentation of the Global Certificate by the person in whose name the Global Certificate is registered in the register kept by the Registrar in respect of the Certificates on any day (other than a Saturday or Sunday) on which banks are open for business in the city in which the Registrar has its office.

USE OF PROCEEDS

The proceeds of the issue of the Certificates will be paid by the Trustee to the Investment Manager for the purpose of purchasing the Original Portfolio (see also *Summary of the Transaction Documents - Investment Management Agreement*) from Almana. Almana will use the proceeds for general corporate purposes.

General

Almana Sukuk 2011 Limited, a Cayman Islands exempted company with limited liability, was incorporated on 31 May 2011 under the Companies Law (2010 Revision) of the Cayman Islands with company registration number 257150. The Issuer has been established as a special purpose vehicle for the sole purpose of issuing the Certificates and entering into the transactions contemplated by the Transaction Documents.

The registered office of the Issuer is at MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.

The authorised share capital of the Issuer is U.S.$50,000 consisting of 50,000 ordinary shares of U.S.$1.00 each, of which 250 shares have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (the "**Share Trustee**") under the terms of a trust deed (the "**Trust Deed**") dated 13 July 2011 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Trust Deed). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit the Certificateholders or qualified charities (as further described in the Trust Deed). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity.

The Share Trustee has no other interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

Business of the Issuer

The Issuer has no prior operating history or prior business and will not have any substantial liabilities other than in connection with the issue of the Certificates. The Certificates are the obligations of the Issuer alone and not the Share Trustee.

The objects for which the Issuer is established are set out in clause 3 of its Memorandum of Association as registered on 31 May 2011. The objects are expressed to be unrestricted and therefore would include the issue of the Certificates, execution of Transaction Documents to which it is a party and any other agreement necessary for the performance of its obligations under the transactions contemplated thereby and undertaking activities pursuant to or that are not inconsistent with the terms and conditions of the Certificates.

Directors of the Issuer

The Directors of the Issuer are as follows:

Name:	Principal Occupation:
Carlos Farjallah	Senior Vice President, MaplesFS Limited
Cleveland Stewart	Vice President, MaplesFS Limited

The business address of each Director is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Their capacities as employees and officers of the Issuer Administrator as disclosed under *Description of the Issuer - The Administrator*, create a potential conflict of interest between the private interests or other duties of the Directors listed above and their duties to the Issuer as the Issuer Administrator will be paid to perform certain management functions on behalf of the Issuer as well as clerical, administrative and other services for the Issuer. There are no other potential conflicts.

Fiscal Year / Financial Statements

The fiscal years of the Issuer will end on 31 December of each year, beginning in 2011. Since the date of its incorporation, no financial statements of the Issuer have been prepared and the Issuer has not carried out any operations. The Issuer is a special purpose vehicle and will not prepare its own financial statements or accounts.

Other than as described herein, the Issuer does not have any loan, capital, borrowings or contingent liabilities and has not changed its equity capital.

The Administrator

MaplesFS Limited will act as administrator of the Issuer (in such capacity, the "**Issuer Administrator**"). The office of the Issuer Administrator will serve as the general business office of the Issuer.

Through the office, and pursuant to the terms of the corporate services agreement executed between the Issuer and the Issuer Administrator (the "**Corporate Services Agreement**"), the Issuer Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time certain management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Issuer and the Issuer Administrator will also enter into a registered office agreement (the "**Registered Office Agreement**") for the provision of registered office facilities to the Issuer. In consideration of the foregoing, the Issuer Administrator will receive various fees payable by the Issuer at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Issuer or the Issuer Administrator may terminate such agreements by giving at least 14 days notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months notice in writing to the other party.

The Issuer Administrator will be subject to the overview of the Issuer's Board of Directors.

The Issuer Administrator's principal office is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Directors of the Issuer are all employees or officers of the Issuer Administrator. The Issuer has no employees and is not expected to have any employees in the future.

The following information set forth below has been derived from Almana's Financial Statements (as defined in Presentation of Financial and other Information). The selected financial information set forth below should be read in conjunction with Almana's financial statements and related notes thereto, appearing elsewhere in the Prospectus.

The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

The following is the Consolidated Income Statement Data of Almana Group for the years ended 31 December 2008, 2009 & 2010:

	QAR in millions		
	2008	**2009**	**2010**
Revenue	836.16	908.24	863.05
Direct costs	(585.98)	(641.30)	(619.62)
Gross Profit	**250.17**	**266.95**	**243.43**
Other income	8.76	6.54	6.87
Investment income	54.18	40.32	83.67
Administrative expenses	(111.32)	(118.58)	(119.24)
Depreciation	(10.95)	(13.00)	(17.80)
Net fair value gain (loss) on investment properties	552.11	(62.90)	30.06
Amortisation of land lease rights	(2.53)	(2.53)	(3.91)
Impairment on available-for-sale investments	(344.57)	(0.54)	-
Reversal (provision) for anticipated future losses	-	(6.60)	5.09
Operating Profit	**395.85**	**109.67**	**228.19**
Finance costs	(74.95)	(110.16)	(160.25)
Share of result of joint venture entities	0.07	1.38	0.93
Profit for the year	**320.96**	**0.89**	**68.87**

The following discussion and analysis should be read in conjunction with the information set out in "Selected Financial Information" and the Financial Statements, included elsewhere in this Prospectus. Almana Group prepares its financial statements in accordance with IFRS. Reference in this section to 2008, 2009 and 2010 are to the 12-month periods ended on 31 December in each such year.

Analysis

Almana Group registered growth of 8.62 per cent. in revenue during 2009 and a decline of 4.98 per cent. in revenue during 2010 with revenues rising from QAR 836.16 million in 2008 to QAR 908.24 million in 2009 and falling to QAR 863.05 million in 2010. The fall of 4.98 per cent. in revenue in 2010 over 2009 was due to the prevailing recessionary tendency in the market and was primarily attributable to the automobiles and International Trading and Investment divisions of Almana Group.

Almana Motors Company W.L.L. ("**Almana Motors**"), Almana Maples W.L.L. ("**Almana Maples**"), Manco International for General Contracting W.L.L ("**Manco International**"), United Cars Almana ("**United Cars Almana**"), Almana Trading W.L.L. ("**Almana Trading**"), and Insulation Engineering Co. ("**IEC**") represented the major sources of revenue with 75.4 per cent. of Almana Group revenues in 2010.

Almana Group achieved a gross profit of QAR 243.43 million during 2010 which was 8.81 per cent. down against the 2009 gross profit of QAR 266.95 million. The fall in gross profit was due to lower sales and a marginal drop in gross profit margin from 29.39 per cent. in 2009 to 28.21 per cent. in 2010.

The net profit of QAR 0.89 million in 2009 and QAR 68.87 million in 2010 included fair value losses on investment properties of QAR 62.90 million and fair value gains on investment properties of QAR 30.06 million respectively and impairment on available for sale investments of QAR 0.54 million in 2009 with no impairment on available for sale investments in 2010.

Investment income doubled to QAR 83.67 million in 2010 from QAR 40.32 million in 2009 mainly due to profit of QAR 30.37 million on disposal of investment properties.

Finance costs rose in 2010 to QAR 160.25 million from QAR 110.16 million in 2009, due to higher levels of borrowings in addition to increased cost of funds from banks.

Analysis by Business Segments

Almana Group and its subsidiaries are involved in a wide range of industrial and commercial activities. A breakdown of revenue by business segments for 2010 reveals that 31.20 per cent. of total revenue was derived from the automobile business, 45.15 per cent. from contracting, and the remainder from Almana Group's other businesses.

Revenue by Business Segment
(**QAR in millions**)

Business Segment	**2008**	**2009**	**2010**
Automobiles	328.22	349.97	269.26
Contracting	279.23	363.80	389.66
Investments & Real Estate	125.91	110.52	105.65
Others	102.80	83.96	98.49
Total Revenue	**836.16**	**908.24**	**863.05**

Revenues from real estate are expected to contribute significantly to Almana Group's business from year 2013 as some projects in the pipeline are expected to complete by year end 2012.

Revenues by Business Segment

Percentage of overall revenues

Business Segment	2008	2009	2010
Automobiles	39.25%	38.53%	31.20%
Contracting	33.39%	40.06%	45.15%
Investments & Real Estate	15.06%	12.17%	12.24%
Others	12.30%	9.24%	11.41%

A brief summary on the performance of the main business activities is as follows:

Automobile Business

Almana Motors

Almana Motors had revenues of QAR 147.80 million in 2008 which increased to QAR 176.51 million in 2009 but reduced by 32.04 per cent. in 2010 to QAR 119.95 million. The net profit for 2008 stood at QAR 4.57 million. Revenues fell as a result of banks reducing financing of vehicles for retail customers due to the then prevailing trend in the market and reduced credit appetite from financial institutions. Net profit reduced from QAR 8.65 million in 2009 to QAR 2.10 million during 2010 primarily due to a fall in gross profit from QAR 41.40 million in 2009 to QAR 29.85 million in 2010.

United Cars Almana

The revenue of United Cars Almana decreased from QAR 102.69 million in 2008 to QAR 80.91 million in 2009 and further to QAR 75.86 million in 2010. United Cars Almana had net profit of QAR 13.96 million in 2008,loss of QAR 11.21 million in 2009 and net profit of QAR 19.86 million in 2010. The net profit included fair value gains on investment property of QAR 7.47 million in 2008 and QAR 21.32 million in 2010 and a fair value loss on investment property of QAR 7.47 million in 2009. United Cars Almana had lower revenue in 2009 and 2010 because of a weakening of bank appetite for car financing.

Almana Fleet W.L.L

Almana Fleet W.L.L.'s ("**Almana Fleet**") revenue increased from QAR 47.68 million in 2008 to QAR 54.97 million in 2009 but decreased to QAR 52.48 million during the year 2010. Almana Fleet had a marginal profit of QAR 0.34 million in 2009 however there was loss of QAR 11.64 million in 2010. Almana Fleet made a loss primarily as a result of a four year old large lease contract for a large number of vehicles at lower rates than current market rates based on currently higher vehicle prices. The increase in vehicle prices could not be passed to the customer under this contract, however the number of vehicles leased under this contract has reduced significantly towards the end of 2010 and the contract is due to terminate during the first half of 2011.

Almana Rent A Car - Hertz

Almana Rent A Car - Hertz ("**Almana Hertz**") reported revenues of QAR 11.54 million in 2008 which increased to QAR 16.53 million in 2009 and increased further to QAR 17.61 million in 2010. Almana Hertz posted a loss of QAR 0.67 million during 2008 but had profits of QAR 0.77 million and QAR 0.71 million in 2009 and 2010 respectively. The improved profitability was due to higher utilization of vehicles and higher control on costs. Almana Hertz entered into franchisee agreement ten years ago with Hertz International Ltd., USA. The current term of the agreement is valid until 31 December 2011 and is renewable for 5 years on expiry. Hertz International, under the agreement allows usage of Hertz Reservation System, provides inbound and outbound bookings, customer handling and training support.

Contracting Business

Manco International

Manco International reported revenues of QAR 46.85 million in 2008 which increased marginally to QAR 47.89 million in 2009 but dropped to QAR 41.95 million in 2010. Manco International had a loss of QAR 21.49 million in 2008 which increased to a QAR 29.27 million loss in 2009 which has reduced to a QAR 17.87 million loss in 2010. The losses were primarily attributable to a major project for a prominent client which was delayed by the client and resulted in cost overruns, which impacted overall profitability, however this project is expected to complete during 2011. Manco International is currently focusing upon electro-mechanical opportunities rather than civil engineering activities.

IEC (A division of Almana Trading Co. W.L.L)

IEC reported revenues of QAR 157.94 million in 2008 which increased to QAR 230.76 million in 2009 and further increased to QAR 245.65 million in 2010. Gross profit increased from QAR 36.86 million in 2008 to QAR 47.29 million in 2009 but decreased to QAR 43.73 million in 2010 due to higher project costs and delays in the release of a site by a client. There was an increase in general and administration and deprecation costs in 2010 which resulted in a decrease in the net profit from QAR 18.25 million in 2009 to QAR 8.33 million in 2010. The net profit in 2008 stood at QAR 14.08 million.

Almana Steel Structures W.L.L

Almana Steel Structures W.L.L.'s ("**Almana Steel**") revenues declined from QAR 11.91 million in 2008 to QAR 11.00 million in 2009 and further to QAR 4.91 million in 2010. Revenues decreased as a result of a slowdown in new projects which are expected to pickup again in the second half of 2011. As a result of the fall in revenues, net profit also reduced from QAR 5.46 million in 2009 to QAR 1.54 million in 2010.

Almana Maples

Almana Maples's performance has been improving over the last three years. Revenues were QAR 25.56 million in 2008 which increased to QAR 32.89 million in 2009 and further increased to QAR 58.31 million in 2010. Net profit increased substantially from QAR 0.57 million in 2008 to QAR 4.09 million in 2009 and further to QAR 10.25 million in 2010 as a result of higher revenue and better margins.

Qatar Galvanizing Company W.L.L.

Qatar Galvanizing Company W.L.L.("**Qatar Galvanizing**") is a subsidiary of Almana Group, engaged in hot dip galvanizing. Almana Group holds a 51 per cent. share in the company with the balance being held by All Metals Galvanising Company of UAE. Qatar Galvanizing had turnover of QAR 38.83 million in 2010 which was marginally down from QAR 41.27 million in 2009. The revenue during 2008 stood at QAR 36.98 million. The net profit increased from QAR 16.66 million in 2008 to QAR 21.25 million in 2009 but reduced to QAR 17.98 million in 2010. The profit reduced as a result of higher zinc prices in 2010 as zinc is a key raw material in the galvanizing process.

Investments & Real Estate

Almana Trading

The sales and commission revenues of Almana Trading experienced a reduction of 27.42 per cent. during 2010 with these revenues decreasing from QAR 81.33 million in 2009 to QAR 59.03 million in 2010. The sales and commission revenues during 2008 stood at QAR 100.89 million. The sales and commission revenues decreased due to lower commission income as a result of a slowdown in the execution and commencement of major projects.

The rental revenue of Almana Trading increased to QAR 38.76 million in 2010 from QAR 22.38 million in 2009 and QAR 19.11 million in 2008. The increase in 2010 is on account of rental income from a newly built 124 villa compound. Another fully furnished residential building comprising of 58 flats is ready and will be rented out during the second half of 2011 giving a further boost to rental revenues.

Other Business

Almana Computer Services W.L.L.

Almana Computer Services W.L.L ("**Almana Computer**") had revenues of QAR 27.97 million in 2010, up from QAR 17.39 million in 2009. The revenue during 2008 stood at QAR 32.06 million. Almana Computer diversified into low current systems and the structured cabling business in 2010 and had a net profit of QAR 0.43 million against a loss of QAR 5.83 million in 2009 and a loss of QAR 0.39 million in 2008. The losses in 2009 were as a result of a provision for debtors.

Skyline Travel W.L.L

Skyline Travel W.L.L. ("**Skyline Travel**") reported revenues of QAR 69.13 million during 2010 which was 6.00 per cent. higher than 2009 revenues of QAR 65.22 million. The revenue during 2008 stood at QAR 69.58 million. The profitability of the company improved from QAR 2.56 million in 2008 to QAR 2.95 million in 2009 and further to QAR 3.06 million in 2010.

Almana Exchange W.L.L

Almana Exchange W.L.L. ("**Almana Exchange**") had a net loss of QAR 0.45 million during the year 2010 as compared to a net profit of QAR 0.40 million in 2009. The losses were due to increased costs relating to a newly opened branch in the Salwa district of Doha designated for industrial purposes (the "Industrial Area"). The business from this branch in initial months being slow to build up resulted in high losses due to fixed costs. The performance of Almana Exchange began to improve in late 2010.

Group Cash Flow

Almana Group bank balances and cash net of bank overdrafts as at 31 December 2010 stood at QAR 34.24 million as compared to an overdraft position of QAR 8.94 million as at 31 December 2009.

Cash from operations was positive at QAR 124.09 million in 2010 against QAR 448.61 million in 2009. This was due mainly to the large accounts receivable paid of QAR 197.47 million in 2009 against an increase in receivables of QAR 30.43 million in 2010. After taking into account finance costs and employees end of service benefits, net cash used in operating activities was QAR 38.31 million in 2010 against net cash generated of QAR 337.30 million in 2009.

Cash generated from investing activities during 2010 stood at QAR 1.89 million as compared to cash used amounting to QAR 211.47 million in 2009. Purchases of available-for-sale investments fell substantially from QAR 107.36 million in 2009 to QAR 30.22 million in 2010. Additions to property, plant and equipment reduced to QAR 117.70 million in 2010 against QAR 302.59 million in 2009. Proceeds from the disposal of property, plant and equipment was QAR 46.44 million in 2010 against QAR 22.93 million in 2009 with proceeds from disposal of investment properties at QAR 34.72 million in 2010 against nil in 2009.

The net cash flows from financing activities during 2010 was QAR 79.60 million, due to draw down of loans, versus net cash flows used of QAR 104.19 million in 2009.

Statement of Financial Position Data:

The following is the Consolidated Statement of Financial Position Data of Almana Group as at 31 December 2008, 2009 and 2010:

	QAR in Millions		
	2008	**2009**	**2010**
ASSETS			
Non-current assets			
Property, plant and equipment	1,020.06	910.23	913.87
Investment properties	1,386.83	1,663.18	1,716.63
Land lease rights	106.12	160.11	156.20
Investment in joint ventures	5.98	9.06	7.96
Available-for-sale investments	368.58	391.29	611.40
	2,887.58	3,133.86	3,406.06
Current assets			
Inventories	252.02	203.13	187.84
Contract work in progress	85.23	91.46	103.19
Available-for-sale investments	314.88	268.81	167.80
Accounts receivable and prepayments	577.41	377.00	407.00
Bank balances and cash	29.18	45.89	82.87
	1,258.72	986.29	948.68
TOTAL ASSETS	4,146.29	4,120.15	4,354.74
EQUITY AND LIABILITIES			
Equity			
Share capital	1,000.00	1,000.00	1,000.00
Legal reserve	146.76	146.76	152.77
Revaluation reserve	28.60	28.22	27.84
Retained earnings	744.26	735.12	789.55
Shareholders' correct accounts	27.41	24.94	14.96
Cumulative changes in fair values	20.91	26.92	155.95
Equity attributable to owners of the parent	1,967.94	1,961.96	2,141.06
Non-controlling interests	16.02	15.90	18.10
Total equity	1,983.96	1,977.86	2,159.16
Non-current liability			
Interest bearing loans and borrowings	1,390.22	1,277.98	1,531.21
Employees' end of service benefits	9.67	12.88	15.88
	1,399.89	1,290.86	1,547.10
Current liabilities			
Accounts payable and accruals	167.83	184.20	144.48
Bank overdrafts	59.77	54.83	48.64
Interest bearing loans and borrowings	534.84	612.41	455.37
	762.44	851.43	648.49
Total liabilities	2,162.33	2,142.29	2,195.58
TOTAL EQUITY AND LIABILITIES	4,146.29	4,120.15	4,354.74

Analysis

Almana Group’s Total Assets as at 31 December 2010 stood at QAR 4.35 billion, a growth of 5.69 per cent. compared to 31 December 2009. The growth was primarily driven by an increase in noncurrent assets of QAR 272.20 million versus a fall in current assets of QAR 37.61 million. This growth has been financed by a combination of debt, equity and retained profit. Total Assets as at 31 December 2010 comprised of Property, Plant & Equipment 20.99 per cent., Investment Properties 39.42 per cent., Land lease rights 3.59 per cent.,17.89 per cent. available for sale investments, 9.35 per cent. receivables, 4.31 per cent. inventory, 2.37 per cent contract work in progress, 1.90 per cent bank balances & cash and remaining 0.18 per cent. investment in joint ventures. Almana Group has assets pledged as security against loans provided to its subsidiaries. These pledged assets include properties comprising of land and investment properties valued at QAR 888.10 million as at 31 December 2010, available for sale investments valued at QAR 646.97 million as at 31 December 2010 and vehicles worth QAR 130.34 million as at 31 December 2010 registered jointly in the name of such subsidiaries and the lending banks.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and cash net of outstanding bank overdrafts.

Cash and cash equivalents increased from a net overdraft of QAR 8.94 million in 2009 to net cash and equivalents of QAR 34.24 million as at 31 December 2010.

Accounts Receivables and Prepayments

Accounts receivables and prepayments have increased from QAR 377.00 million as at 31 December 2009 to QAR 407.00 million as at 31 December 2010. As at 31 December 2010, 30.41 per cent. of Almana Group's trade receivables were related to its automobile business, 46.40 per cent. related to contracting and the remainder were from the other business groups. The company considers the overall quality of its receivables portfolio to be satisfactory as a number of Almana Group customers are government entities and international companies.

Inventories

Inventory decreased by 7.53 per cent. to QAR 187.84 million as at 31 December 2010 from QAR 203.13 million as at 31 December 2009. The break-up of inventory at 31 December 2010 reveals that inventory was contributed primarily by the contracting business with 43.96 per cent. of inventories and the automobile business with 51.62 per cent. of inventories with the balance coming from other business groups. Inventories are valued at the lower of cost and net realizable value with provisions for any obsolete or slow moving items. Almana Group had provisions for slow moving inventories of 5.38 per cent. of the inventory value as at 31 December 2010.

Available for Sale Investments

The investment in available for sale investments has increased from QAR 660.10 million at 31 December 2009 to QAR 779.20 million as at 31 December 2010. Of this, quoted investments stood at QAR 718.21 million and unquoted equity investments QAR 60.99 million as at 31 December 2010. The available for sale portfolio comprises mainly investments in Qatari Stock Exchange listed equities

At 31 December 2010, the main investments within the available for sale portfolio included equity investments in the following banks: Al Khaleej Commercial Bank (QAR 266.72 million); Qatar National Bank (QAR 112.19 million); Rayyan Bank (QAR 28.69 million); Qatar Islamic Bank (QAR 56.28 million); Commercial Bank of Qatar (QAR 59.77 million).

Major industrial stock investments included Industries Qatar (QAR 96.12 million) and Nakilat (QAR 59.14 million).

Unquoted investments include stakes in nine companies with the largest stake being in Gulf Publishing and Printing Company W.L.L. at QAR18.34 million; Gulf Business Machines Qatar W.L.L. (QAR 9.89 million); and Qatar Securities Company (C.Q.S.C.) (QAR 14.33 million).

Property, Plant and Equipment

Property, plant and equipment ("**PPE**") includes land, buildings, vehicles, furniture, fixtures and various projects that are currently under construction. PPE increased marginally from QAR 910.23 million as at 31 December 2009 to QAR 913.87 million as at 31 December 2010.

Investment Properties

Investment properties have grown from QAR 1,663.18 million as at 31 December 2009 to QAR 1,716.63 million as at 31 December 2010. The investment properties include various buildings held as rental properties. It also includes various plots of land which are held for capital appreciation and development in due course. The properties are valued at year end and the increase/decrease is included as fair value changes in investment property in the income statement.

Investment in Joint Venture

Joint venture investments as at 31 December 2010 amounted to QAR 7.96 million and include holdings of 51 per cent. each in Coca Cola Almana W.L.L ("**Coca Cola Almana**"), and Qatar Gratings and Road Barriers W.L.L ("**QGRB**").

Liabilities

Total liabilities grew from QAR 2,142.29 million as at 31 December 2009 to QAR 2,195.58 million as at 31 December 2010. Liabilities have increased as a result of increased working capital requirements and additions to PPE.

Accounts payable has decreased from QAR 184.20 million as at 31 December 2009 to QAR 144.48 million as at 31 December 2010 on account of adjustment of advances received from customers on completion of various projects. The payable days, have remained almost the same at 40 days due to timely settlement of supplier's dues.

Interest bearing loans and borrowings comprising of bank and Sukuk borrowings stood at QAR 1,925.06 million at year end 2008 decreasing to QAR 1,890.39 million in 2009 and increased marginally to QAR 1,986.58 million in 2010.

The contingent liabilities as at 31 December 2010 amounted to QAR 144.98 million.

Equity

Total equity increased from QAR 1,983.96 million in 2008 to QAR 2,159.16 million in 2010. The increase in equity is primarily due to an increase in retained earnings and cumulative changes in fair values.

Overview

Almana Trading commenced its operations in 1960. It was registered as a partnership in 1972 and operated as such until 1982 when it was converted to a company with limited liability under Law 11 of the Company's Act 1981 of the State of Qatar and named Almana Group W.L.L. (within this section, "**Almana Group**", and together with its subsidiaries, "**Almana**"). Almana Group is incorporated under commercial registration no. 54 for an unlimited period of time. The principal place of business of Almana Group is located at Almana Tower, Airport Road, P.O. Box 491, Doha, Qatar.

Pursuant to its articles of association, Almana Group's principal purposes are (i) to own shares of various subsidiary companies; (ii) to manage and supervise the various subsidiaries and business segments; and (iii) to offer corporate office and administrative services to its subsidiaries.

Since its inception as Almana Trading, Almana has been involved in a wide number of business areas. Almana Group is the parent company of a number of subsidiaries whose areas of operations now include:

- Automobile Business;
- Contracting;
- Investments & Real Estate; and
- Other Business.

Almana Group's financial year starts on the 1 January and ends on the 31 December of each calendar year. Its registered address is at Almana Tower, Airport Road, and P.O. Box 491, Doha, Qatar.

Strategy

Almana Group has established itself in areas which are poised to experience significant growth over the next five years driven by the forecast expansion in Qatar’s economy. Almana currently derives its profit principally from its investments and real estate, contracting and automobile operations.

Almana’s stated strategic objectives are:

- To establish joint-venture operations in the State of Qatar with leading multi-national companies. This represents a move away from acting more akin to a sponsor for international companies;
- To build multi-product customer relationships, in particular with the foreign companies Almana Group represents. Almana Group will provide products and services such as residential accommodation, offices, travel services, and automobiles, the latter through dealerships, vehicle sales, leasing and rental, currency exchange and information technology;
- To expand its real estate business to meet the commercial and residential property needs of the country;
- To grow the group’s business activities in the oil, gas and petrochemicals industry in the State of Qatar and provide maintenance and ancillary services to this sector;
- To introduce and / or expand a niche manufacturing business; and
- To focus on business opportunities in the State of Qatar rather than diversifying into international markets for future business growth.

The sectors in which Almana expects to see significant opportunity to further advance its businesses over the next five years are:

(a) Real Estate Business:

Although the real estate market experienced challenging conditions in 2009 with falling rents, subsequently the Qatari market stabilized and rents have started to increase.

Almana Group, due to the availability of a large land bank is prepared to take advantage of a rebound in the property market. Projects completed include Palm City Gardens, a 124 villa residential compound, Bin Mahmoud Residential Apartments, a 58 flat residential apartment building, labour accommodation buildings and an office in the Industrial Area . Going forward Almana Group over the next 5 years is planning to build a 55 villa compound, an office tower on Airport Road and a 4 Star Hotel (the "**Hotel**") in Doha. These properties are expected to be ready at year end 2012.

(b) Automobile Business:

Almana has positioned itself to service an expected increase in demand for personal and commercial vehicles through its distribution arrangements with key automotive manufacturers such as Ford, Chrysler and Peugeot by opening a new showroom and expanding and upgrading its after sales facilities. Almana's auto rental business would expect to benefit from any additional long and short term users resulting from the growth of the State of Qatar’s economy.

(c) Contracting for Commercial Interior Decoration & Furnishing:

Almana Maples is often the preferred choice of 5 Star hotels such as Doha Sheraton Hotel, Marriott Hotel, Sharq Village & Spa, Oryx Rotana Hotel, Qatar Airways and multinational companies for their interior decoration and furnishing requirements. Recently Almana Maples has furnished six branches for some major banks in the State of Qatar. It has also entered into tie ups with major international leading brands such as Brintons Carpets UK, Sanderson UK, Panaz UK, Armani/Casa, Italy etc. which would enable the company to increase the interior solutions for their ongoing and new clients. With a large number of hotels, stadiums, offices and retail developments expected to be built due to the State of Qatar winning rights for hosting FIFA World Cup 2022 the business for Almana Maples over the next five years is expected to grow significantly.

(d) Civil Contracting:

With a slowdown in oil & gas related projects and a government focus on infrastructure projects, Almana Group is shifting its focus on infrastructure projects and is in the advance stages of negotiations for setting up a joint venture with EEI Corporation of Philippines. EEI is one of the largest contractors in Asia with expertise in executing large projects including road works, bridges, metro rail networks and other big projects. The joint venture is expected to generate substantial revenues for the group with numerous projects in pipeline to be announced in the State of Qatar over the next few years.

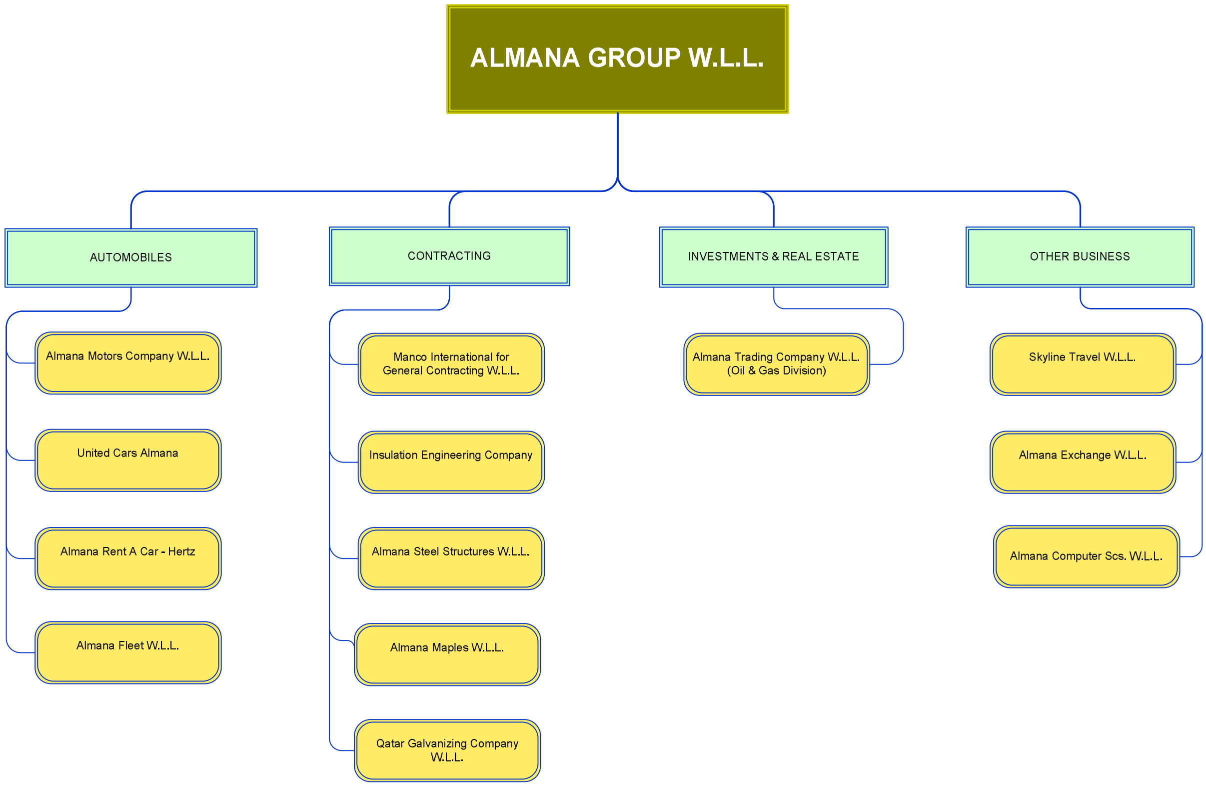
Business Activities

Almana's business operations are primarily concentrated in the State of Qatar and are organised into four business groups: Automobile, Contracting, Investments and Real Estate, and Other Business.

The operations of each such business group is conducted by one or more of Almana's subsidiaries as described below:

Subsidiaries

The subsidiaries of Almana Group W.L.L. are shown below:



Subsidiaries

Almana Group has the following 12 wholly owned consolidated subsidiaries. Each subsidiary operates solely in the State of Qatar:

Name

1. Almana Motors Company W.L.L
2. United Cars Almana
3. Almana Fleet W.L.L
4. Manco International for General Contracting W.L.L
5. Almana Steel Structures W.L.L
6. Almana Trading Company W.L.L
7. Almana Maples W.L.L.
8. Almana Computer Services W.L.L.
9. Skyline Travel W.L.L.
10. Almana Exchange W.L.L.
11. Insulation Engineering Company
12. Almana Rent A Car – Hertz

In addition, Almana Group has the following subsidiary consolidated:

	Name	Shareholding
1.	Qatar Galvanizing Company W.L.L.	51%

Joint Ventures

Almana joint venture companies include Coca Cola Almana and QGRS. The holdings in these companies and their operations are as follows:

Company	Holding	Nature of Operations
Coca Cola Almana W.L.L.	51%	Distribution and sale of beverage Products
Qatar Gratings & Road Barriers	51%	Selling grating panels and barricades
Chiyoda Almana Engineering LLC	51%	Engaged in maintenance of LNG Plants
Almana Trading Metal One Co.	51%	Buying & selling steel pipes

ALMANA GROUP W.L.L. BUSINESSES

The following is a summary of each of Almana Group's business lines:

Automobile Business

The automobile business is one of Almana's main business lines. The Automobile division is led by Mr. Bader Almana. It consists of the following four Subsidiaries:

Almana Motors

Almana Motors is the distributor for Ford and Peugeot cars in the State of Qatar. Almana Motors was incorporated more than 40 years ago with the Peugeot dealership. In 1987 the company obtained dealership rights from Ford Motor Company and has successfully established the brand in the State of Qatar.

Currently Almana Motors has three showrooms for the two brands at prominent locations including a recently opened new showroom on Salwa Road. Almana Motors has a well equipped state-of-the-art workshop in the Industrial Area.

Almana Motors has a proven track record of sales and profitability over the years, is expected to experience improved performance with the opening up of its new showroom expected in end 2012. To handle the present and expected increased volume, the company is in the process of upgrading and expanding its workshop capacity substantially and setting up Quick Service stations around Doha.

Almana Hertz

In 1993, Almana Hertz was established as an additional business line to rent out cars on a short term basis using the brand "Hertz" pursuant to a franchise agreement. The cars are mainly rented out to large multinationals on a daily or monthly basis. As at 31 December 2010, the fleet comprised of approximately 507 vehicles with a staff of 50 personnel. Almana Hertz currently has two offices: one located on Airport Road and the other at the Airport. It has a lube facility in the Industrial Area where cars are serviced.

United Cars Almana

United Cars Almana, formed in 1991, is the distributor for Jeep, Chrysler and Dodge vehicles in the State of Qatar. The main showroom is located at Airport Road. United Cars Almana has a workshop next to Almana Motors' workshop in the Industrial Area. The workshop facilities were expanded in 2010.

Almana Fleet

Almana Fleet established in 1996, was one of the first companies in the State of Qatar to offer long term leasing services of up to 3 years. Almana Fleet estimates that it is the largest leasing company in the State of Qatar with a fleet size as, at 31 December 2010, of over 2,450 vehicles, mainly consisting of Ford and Chrysler vehicles and employs 72 staff. Its main customers consist of oil companies, multinationals and government owned companies which include the US Air Force, Qatar Foundation, Arcent, and the General Post Corporation. Almana Fleet has its own service facilities in the Industrial Area for servicing its vehicles.

Contracting Business

The contracting business is carried on by the following three subsidiaries:

Manco International

Almana has been active in the contracting sector since Manco for General Contracting W.L.L. was established in 1970. The contracting business is currently operated through Manco International. It acts as general contractor mainly for the oil and gas industry, the petrochemical industry and the fertilizer industry with a focus on electro-mechanical contracting services. Its staff of almost 700 employees as at 31 December 2010 includes professional project managers and engineers. It owns a large pool of heavy equipment and other machinery that allows it to execute large scale contracts. Manco International became one of the first companies in the State of Qatar to receive an ISO 9001 accreditation in 1993. During 2010 the company implemented an Oracle ERP system in order to improve internal control systems, operational and financial performance. Currently, the company is executing a contract for building tank farms for Qatar Petroleum amounting to QAR 242 million. The project is expected to complete during 2011.

The company is shifting its focus to civil infrastructure projects and is in advance stages of negotiations for setting up a Joint Venture with EEI Corporation of Philippines.

IEC

IEC was established in 1975 and is a division of Almana Trading specializing in the industrial insulation business. The design, supply and turnkey contracting services offered by IEC include industrial insulation, fire proofing, painting, sand blasting, refractory works, acid resistant lining and scaffolding services.

The company has a staff of around 1800, including qualified project management personnel and skilled technicians who have longstanding experience in this industry. The company has infrastructure facilities including site offices in Ras Laffan and Messaid. It has state of the art workshop with advanced Computerized Numeric Control ("**CNC**") machines, a large labour camp, major stock of scaffolding material and the requisite equipment to cater to major jobs simultaneously while maintaining lower costs and shorter response times.

IEC had turnover of more than QAR 200 million per annum for the last two years and has executed jobs for Ras Gas, Qatar Gas, Qatar Petroleum and other major companies. IEC currently has signed orders of around QAR 250 million and will be bidding for orders worth QAR 400 million in near future. IEC is a leading player in the region in industrial insulation business and its customer base includes RasGas, QatarGas and Qatar Petroleum.

Almana Steel

Almana Steel was established in 1973, and specializes in the steel fabrication business. It has experience in, among others, the construction and fabrication of industrial, residential and commercial steel buildings, steel bridges, water, oil and chemical storage tanks, stacks or chimneys with related damper or ducts and platforms, cat-walks, ladders and stairs and blasting and painting. Almana Steel's fabrication site is located in the Industrial Area. In 2008, it became the first company of its kind to be awarded with an ISO 9002 certification in the State of Qatar.

Almana Maples

Established in 1979, the company specializes in the supply and manufacturing of furniture and furnishing to both retail and commercial sectors. Almana Maples in close collaboration with international furniture companies, creates, designs and co-ordinates the refurbishment of palaces, villas, hotels and offices, offering a complete turnkey package for major companies.

Almana Maples has a comprehensive team of people with the ability to interpret and understand the requirements of their customers and to ensure that each project is executed with speed, efficiency and within stipulated time lines.

Almana Maples has successfully completed many projects throughout the State of Qatar for high profile names including the Doha Sheraton Hotel, Qatar Airways, Al Sharq Village Spa, Marriott Doha, Sports City and Ritz Carlton.

Almana Maples has a state-of-art carpentry workshop with a large pool of skilled workers who have been instrumental in making quality furniture for hotel and business suites where craftsmanship of the highest quality is demanded.

Almana Maples has recently relocated its operations to a new office situated in the Almana Tower, Airport Road. The existing showroom at Mid-mac Roundabout is presently undergoing a full renovation with a tentative re-opening date during the summer of 2011 where it is expected that many major exclusive international suppliers will be displayed.

Qatar Galvanizing

Almana's manufacturing business is carried on by its subsidiary Qatar Galvanizing which was established in February 2006. Almana Group holds 51 per cent. share in the company and the balance 49 per cent. is held by All Metals Galvanizing Company in Dubai, UAE. Qatar Galvanizing's manufacturing facilities are situated on a 47,000 square meter plot consisting of a 2,100 square meter galvanizing plant, a 1,500 square meter receiving and raw material holding area and a final material holding area of 1,200 square meters.

The plant has a production capacity of 5,000 tonnes of heavy structural steel per month. According to Almana's estimates Qatar Galvanizing has a market share of around 70 per cent. of the galvanizing industry in the State of Qatar which the company expects to increase to more than 75 per cent. by the end of 2013. While the main business is derived from clients established in the State of Qatar, the company has also provided its products to projects managed by clients situated in the UAE and KSA such as Danem Engineering (UAE), Sendan FZCO (UAE) and Unitech Group (KSA).

The company established a Documented Quality Management System complying with the requirements of ISO 9001:2000, and is certified by TUV-SUD.

All the galvanizing is carried out to ASTM A 123 and BS EN ISO 1461-1999, and related standards.

Qatar Galvanizing has an abrasive blast cleaning service, pre- and post-treatment tanks and a drying oven along with a range of materials handling heavy equipment.

Qatar Galvanizing is in the process of setting up more plants in Sohar, Oman and Messaieed, the State of Qatar with large infrastructure projects in the pipeline, which are expected to be completed and operational towards end of year 2012.

Investments & Real Estate

Almana Trading

The oil and gas division was established in 1965 and assists foreign companies primarily in the oil and gas sector in securing contracts and assisting them in the execution of large oil and gas infrastructure projects.

The services Almana Trading provides to its clients include the promotion of their interests, products and services in the State of Qatar, the provision of information on potential business opportunities, the co-ordination of tenders administrative interfaces with clients, the provision of access to multi-disciplinary local service providers to meet required sub-contracting needs and of local liaison services such as office space, hotel rooms, visas, passes and permits, licenses and clearances. All these services are provided to foreign companies that are active in the following areas of the oil and gas industry: oil and gas processing and distribution facilities, drilling operations, marine vessel services, inspection and testing, health safety and environment, industrial and petrochemical plants, power generation and transmission, water production and waste treatment, telecommunications, commercial and industrial infrastructure facilities, insulation, scaffolding and painting and other equipment and spares.

The Real Estate Investment business is carried out by Almana Trading through Almana Real Estate ("**ARE**"), a division of Almana Trading. It conducts both residential and commercial projects. ARE currently owns two luxury villa compounds, one premium residential building and Almana Tower catering to the residential accommodation needs of executives of multinational companies, government employees and other large corporates in the State of Qatar. Built in 1982, Almana Tower has become a landmark building in Doha.

ARE has a large land bank and is currently working on development of three properties, a significant portion of which are expected to be ready by December 2012. These include a 4 star hotel and tower on Airport Road near Almana Tower and a 55 villa residential compound in Al Laqta Area.

Residential Accommodation

As of the date of this Prospectus, Almana Trading owns the following properties which are currently leased out:

(a) Almana Tower

A commercial building comprising of 12 floors, basement and ground floor parking. It is located on Airport Road and has office space of 8,426 square meters.

(b) Palm City Villa Compound

A building comprising of 35 fully furnished duplex villas located on the Salwa Road, Doha.

(c) Palm City Gardens

A 124 Villa Compound located in Doha in the vicinity of Tebah Gardens and Beverly Hills. The plot has a size of 82,225 square meters including 124 fully furnished duplex villas with landscaping and gardens.

(d) Bin Mahmoud Residential Apartments

The building consists of 58 fully furnished luxury two and three bed room apartments and is located in Bin Mahmoud area. The company is in negotiation to rent out the entire building starting during the second half of 2011.

Residential Accommodation Projects

Some upcoming projects to be built on existing land with ARE include the following:

(a) Palm City Villas, Al Laqta Villa Compound

This 20,000 square meter plot is planned for a highly secure Villa Compound located in Doha at Al Laqta, Al Rayyan City behind the American Embassy. The compound will consist of 55 three-bedroom villas. Each villa will be fully furnished and have a separate maid's room and covered car parking. The total costs of the project are estimated at QAR 88.97 million. Construction is expected to begin in the second half of 2011 and will last for approximately 18 months. It is expected that the properties will be offered from January 2013.

Commercial Space Projects

(a) Almana Showroom Building

The plot for the building is located at Airport Road, near Dasman Hypermarket. The total size of the plot is 9,265 M^2, of which 5,000 M^2 will be used for the building project. The ground floor will be used for Almana Motors Company Showroom and other floors will be rented. The land is already available with ARE and the construction and furniture and fitting would cost around QAR 137 million. Construction of the project is expected to start in second half of 2011 and the construction period is expected to take around 18 months. The property is expected to be offered to tenants from January 2013 onwards.

(b) 4 Star Hotel Project

The plot for the Hotel is located at Airport Road near Almana Tower. The size of the plot is 2006 M^2. The proposed Hotel will comprise the following elements:

(i) Hotel Rooms;

(ii) Retail and public area (restaurants, functions and recreation); and

(iii) Car parking (two basement floors).

The Hotel will comprise of 160 rooms and will be built to the highest quality with superior quality material used in construction. The plans for the Hotel call for equipment, furniture, fittings and interior decoration to be equivalent to that of a luxury hotel. Other facilities at the Hotel will include, shops, multipurpose room, swimming pool, health club, library, internet room, office and meeting room, meeting hall, conference hall and a ballroom. A total of 108 parking spaces have been planned at the two basement floors.

ARE is in discussion with major leading chains for the management of the Hotel. The construction and furnishing of the Hotel is expected to cost approximately QAR 128 million. Construction of the project is expected to start in the second half of 2011 and the construction period is expected to take around 18 months. The Hotel is scheduled to open by January 2013.

Other Business

Almana Group's ancillary business includes the operation of a travel agency, an exchange house and a central air-conditioning business, each of which is carried on by the following subsidiary, as applicable:

Skyline Travel

Skyline Travel has been established since 1973 and is an IATA accredited-agent and sub-agent for many airlines such as Gulf Air, Qatar Airways, Emirates Airlines, British Airways, Singapore Airlines and other carriers. It also provides a wide range of other travel products such as business travel, holiday packages, custom-made vacations, group and incentive arrangements, conferences as well as worldwide hotel and car rental bookings. Skyline Travel offers its services to Almana and external clients.

Almana Exchange

Since 1979, Almana Exchange has offered services such as money exchange, money transfer, and demand drafts, mainly to the large expatriate population in the State of Qatar. It is currently managed by the Bank of India, a nationalised bank in India, and has online funds transfer arrangements with Western Union and the UAE Exchange. It further utilises a telegraphic transfer and draft drawing facility with banks in Indonesia, Philippines, Egypt, Sri Lanka, Lebanon, India and Nepal. The exchange currently has three branches in the State of Qatar. The management agreement with Bank of India is valid until June 2012 and is renewable upon expiry.

Almana Computer

Almana Computer was established in 1983 and carries out Almana's information technology business. It offers flexible information technology solutions and services which include the sale and installation of hardware, the implementation of networks and the provision of project management services, IT Training, application design and customization. It provides networked systems management, structured cabling, low current systems, high performance computing, development tools, remote access server and routers. All

Almana Computer's services are provided to both Almana and external clients. In addition, Almana Computer is a certified business partner of a number of multinational hardware and software providers such as IBM, HP, Lotus, Microsoft and Oracle Technology.

Joint Ventures

Coca Cola Almana

Almana Trading is the exclusive distributor of Coca-Cola, Fanta and Sprite soft drinks in the State of Qatar pursuant to a franchise agreement between Almana Trading and Coca-Cola Company that expires in May 2011 and is under renewal for a further period of five years. Coca-Cola Almana is a joint venture between Atlantic Industries and Almana Trading which was established in 2005. Almana Trading and Coca-Cola Almana have entered into a distributorship agreement in 2006 providing Coca-Cola Almana with sub-distributorship rights for distributing Coca-Cola products for a period of five years which is capable of being automatically renewed by Almana.

QGRB

QGRB is a joint venture established in March 2008 between Almana Group and Lichtgitter Gesellschaft mbH, Germany, who are pioneers in grating manufacturing. QGRB has a state of the art fabrication unit and technical expertise and, quality management systems have been provided by Lichtgitter. Lichtgitter was established in 1929 in order to carry out specialized manufacturing of gratings and is one of the leading manufacturers of gratings worldwide.

Almana Trading Metal One LLC

Almana Trading Metal One LLC ("**ATMOC**") is a joint venture between Almana Trading and Metal One of Japan. The company was setup in May 2009 for buying and selling steel pipes.

Chiyoda Almana Engineering LLC

Chiyoda Almana Engineering LLC ("**Chiyoda Almana**") is a joint venture established in March 2008 between Chiyoda Corporation of Japan and Almana. Chiyoda Almana is engaged in contract maintenance of LNG Plants in the State of Qatar. Chiyoda Almana was awarded USD60 million maintenance contract from RasGas.

Competition

Almana faces competition in all the markets in which it operates with growing competition following the increase in Dubai-based entities pitching for work in Doha. Given that most of its business lines are focused on the quality of products and services the main competition criteria is pricing. A key competitive factor is the ability to manage costs successfully which requires management focus on reducing costs and improving efficiency. The main drivers in this respect include technology, scale, asset utilization, logistics and the ability to execute business efficiently.

Automobile Business

Almana Motors and United Cars Almana have competition from General Motors dealerships in high end vehicles and from Japanese and Korean dealerships in mid and low end vehicles. However, both the companies have been able to gradually increase their market share due to new models being launched by Ford and Chrysler and competitive pricing. The market for short term car rentals in the State of Qatar is currently served by companies representing five major car rental brands and many smaller companies. According to company estimates, Almana Hertz in the State of Qatar had a share of more than 10 per cent. of the market for short term car rentals in the State of Qatar in 2010.

Almana's main competitors in the car rental business are:

- Avis Rent A Car;
- Budget Rent A Car;
- National Almana Rent A Car; and

- Europe Rent A Car.

The main competitors in the lease market are:

- Abdulla Abdulghani Rent A Car;
- Prestige Rent A Car
- Nice Rent A Car; and
- Al Muftah Rent A Car.

Contracting Business

Manco International's main competitors in the contracting business are the following companies:

- Galfar Engineering & Contracting LLC;
- Panaroma Contracting & Engineering Services W.L.L.;
- MedGulf Construction Company W.L.L.; and
- Qatar Engineering & Construction Company W.L.L.

IEC estimates its market share in the industrial insulation business in the State of Qatar as approximately 55-60 per cent. Its main competitors are the following companies:

- Cape (East) LLC;
- Kaefer LLC; and
- Galfar Engineering & Contracting LLC.

Almana Steel's main competitors in the steel fabrications business are the following companies:

- Delta Doha Corporation;
- Al Madina Qatar LLC; and
- Metalic Engineering LLC.

Almana Maples is a leading name in the interior decoration and furnishing sector in the State of Qatar and is first choice of all major hotels and, multinational clients. Its main competitors are the following companies:

- Modern Design, Furniture & Decoration Company LLC;
- Ali Bin Ali & Partners;
- Qatar Decoration;
- Tivoli Furniture; and
- Al-Muftah Interior.

Qatar Galvanizing estimates its market share in the galvanizing sector in Doha at approximately 70 per cent. of the Qatari market. Qatar Galvanizing's main competitor is Seashore Galvanizing Company.

Investments & Real Estate

Due to the State of Qatar winning rights for FIFA World Cup there are expected to be a large number of projects under execution from now through to 2022. The real estate market has already stabilized in terms of rents which are now showing signs of improvement. Competition for office and residential space is expected to be restricted due to a shortage of high quality real estate. The Hotel will have competition as several worldwide hotel chains such as Hilton, Shangri-la, Marriott, Rotana and Renaissance are scheduled to open hotels in the State of Qatar in the next few years.

Other Business

Almana Computer is one of the leading companies in information technology sector. Its main competitors are the following companies:

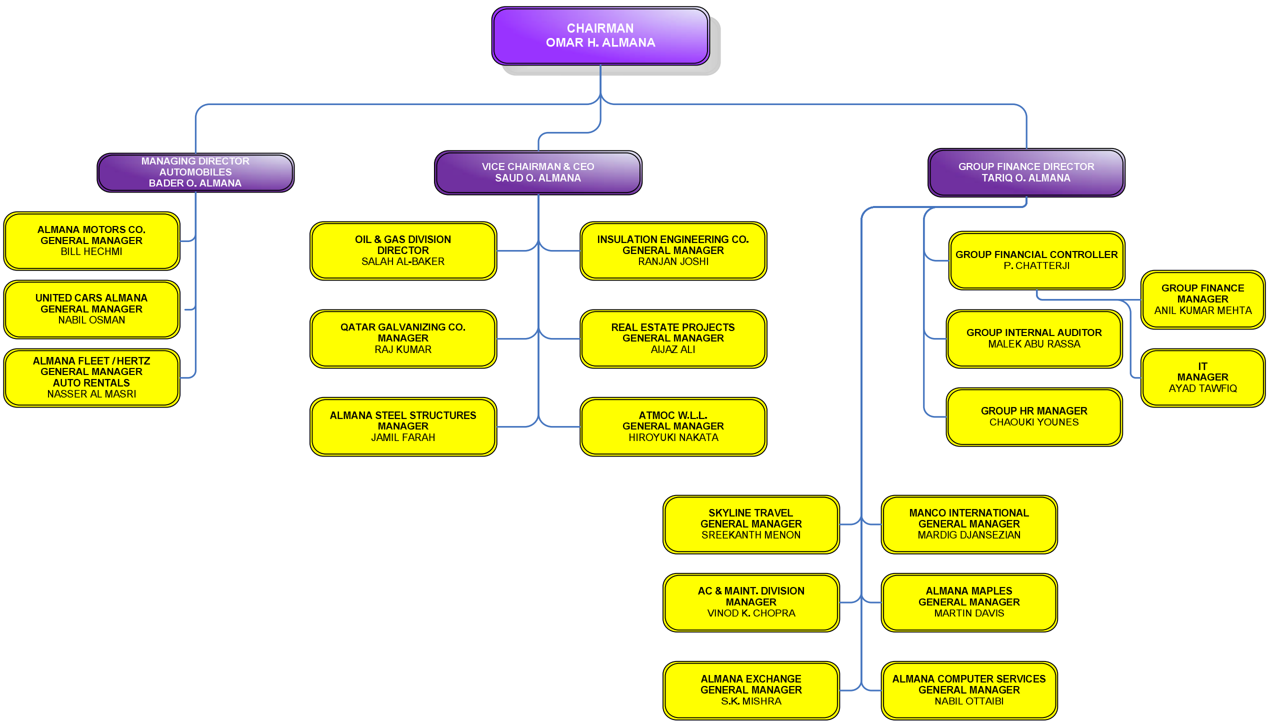
- Mannai Corporation,
- Computer Arabia, and
- QDS (Qatar Data Machine System).

Shareholders, Board of Directors and Senior Management

Almana Group's main shareholders are as follows:

Name	Shareholding
Mr. Omar Hamad A. Almana	85.00%
Mr. Saud Omar H.A. Almana	5.00%
Mr. Bader Omar H.A. Almana	5.00%
Mr. Tariq Omar H.A. Almana	5.00%

Organisation Structure / Key Managerial Personnel



Almana Group is managed by its board of directors (the "**Board of Directors**") consisting of the Chairman, the Vice-Chairman and two Directors.

The Vice-Chairman and the Directors also act as the heads of Almana's business groups. These Directors are supported by the managers of the various business groups and/or subsidiaries. Each of these managers is a person professionally qualified for and specialised in their respective area of business operations.

All major decisions are taken collectively by the members of the Board of Directors in consultation with the Group Financial Controller and/or the heads of the relevant business groups when necessary.

Board of Directors

Almana Group's Board of Directors consists of the following persons:

Omar Hamad A. Almana (Chairman)

Mr. Omar Hamad A. Almana founded Almana Trading in 1972 has been the Chairman of the Board of Directors since 1982. He was a founding member of the Commercial Bank of Qatar, Al Ahli Bank in Qatar, Qatar General Insurance & Reinsurance and of Gulf Publishing and Printing Organisation.

He is very active in the Qatari business community. He is a nominated member of the State of Qatar Businessmen's Association, a body established by HH The Emir Sheikh Hamad bin Khalifa Al Thani, and accompanies Ministerial level business delegations abroad. He is also a member of the Board of Trustees for the American School of Doha.

Saud Omar H.A. Almana (Vice-Chairman and Chief Executive Officer)

Mr. Saud Omar H. A. Almana is Almana Group's Chief Executive Officer, Vice-Chairman of the Board of Directors.

He joined Almana Group in 1990 and became Chief Executive Officer and Vice-Chairman of the Board of Directors in 2007. He graduated with a bachelor's degree in business administration from the American University in Cairo. He is a member of the board of directors of Doha Insurance, Qatar Securities Company, Qatar Flour Mill and Qatar Red Crescent Society.

Bader Omar H.A. Almana (Director)

Mr. Bader Omar H. A. Almana is one of Almana Group's Directors and the Managing Director, Automobiles. He joined Almana Group in 1994 as Managing Director, Automobiles and as a member of the Board of Directors. He graduated with a master's degree in business administration with a major in marketing from the American University in Cairo. He is a member of the board of directors of Gulf Business Machines.

Tariq Omar H.A. Almana (Director)

Mr. Tariq Omar H. A. Almana is one of Almana Group's Directors and the Group Finance Director.

He joined Almana Group in 2000 as Assistant Group Finance Director and a member of the Board of Directors. He studied in computer science with major in computer information systems from George Washington University in Washington, D.C., USA. He is a member of the board of directors of the Social Development Centre of the State of Qatar.

The business address for Mr. Omar Hamad A. Almana, Mr. Saud Omar H.A. Almana, Mr. Bader Omar H.A. Almana and Mr. Tariq Omar H.A. Almana is: Almana Group W.L.L., 12th Floor, Almana Tower, Airport Road, Doha, Qatar.

Senior Management

Almana's senior management is as follows:

Mr. Proshanto Chatterji (Group Financial Controller)

Mr. Proshanto Chatterji is Almana's Group Financial Controller. In his capacity as Group Financial Controller, he is mainly responsible for the supervision of Almana Group's corporate banking, finance, treasury, management reporting and budgetary control functions.

Mr. Chatterji joined Almana Group in 1991 as Group Financial Controller. Between 1983 and 1990, he gained experience as an accounts manager with HCL Limited in New Delhi, India. He has also worked as financial controller with GBC Hi Tech India Ltd. in New Delhi, India. and as an audit supervisor with Khanna and Annadhanam, Chartered Accountants in New Delhi, India.

Mr. Chatterji is a chartered accountant and has been a member of the Institute of Chartered Accountants of India since July 1978.

Mr. Chaouki Younes (Human Resources Manager)

In 2008, Mr. Chaouki Younes was appointed as Almana Group's Human Resources Manager. In this capacity, Mr. Younes directs Almana Group's administration department, interacts with ministries and government departments and also responsible for:

- Employee orientation, development and training;
- Policy development and documentation;
- Conduct job analysis activities;
- Employment contracts and benefits;
- Recruitment and staffing; and
- Forecast future staffing and organizational needs and developing new programs to attract and retain staff.

Between 2007 and 2008, Mr. Younes worked as Corporate Manager - Human Resources of the Copri Construction Enterprises Company, Kuwait. Between 2005 and 2007 he worked as Human Resources Manager with Kuwait Oxygen & Acetylene Company, Kuwait. Between 1993 and 2005 he worked as Admin Manager/Operations Manager/HR Manager with XENEL Group, Saudi Arabia.

Mr. Younes successfully completed his Bachelor degree in Business Studies from Lebanese American University.

Mr. Anil Kumar Mehta (Group Finance Manager)

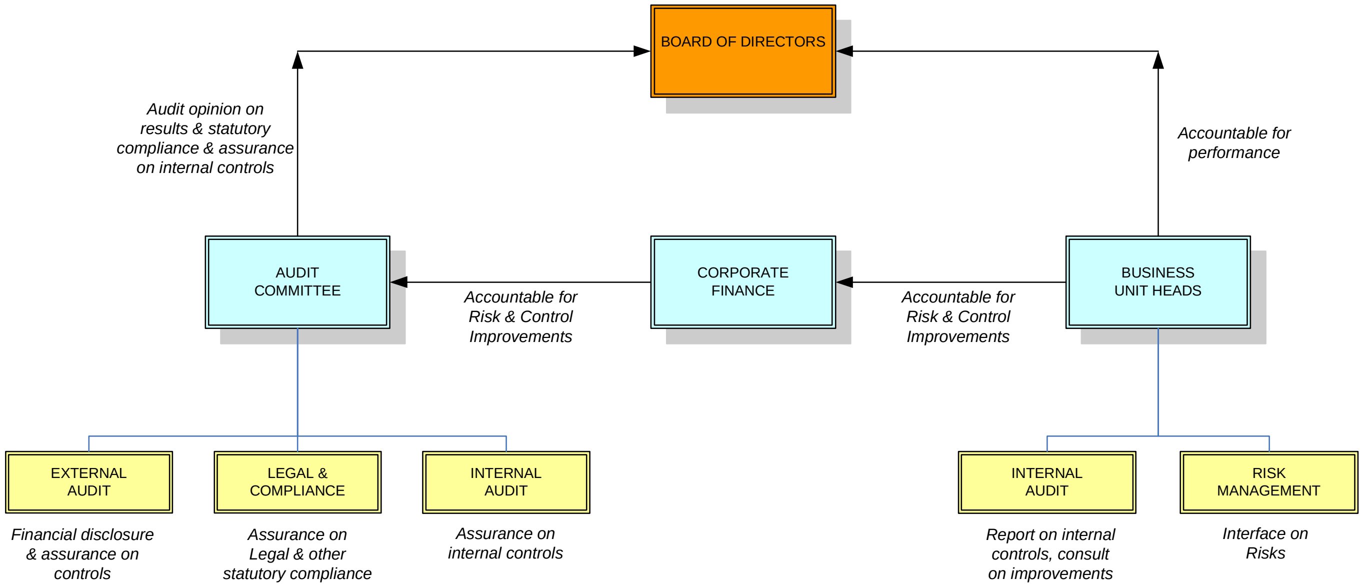
Mr. Mehta is Almana's Group Finance Manager. He is mainly responsible for the Group's accounting, management reporting, information technology and budgetary control functions. He has been with Almana Group since 2001.

He had worked as Chief Accountant with Al Nasser Industrial Enterprises, Abu Dhabi between 1997 and 2001 and supervised accounting and reporting system for all industries within the Group. Earlier he worked as Chief Accountant for Emochem (JV of Exxon Chemical) during the year 1992 to 1995 taking care of the accounting and reporting function. During the year 1990 to 1995 he worked with Empak, which was one of the leading manufacturers of polypropylene bags in the Gulf, as Chief Accountant.

Mr. Mehta is a chartered accountant and has been a member of the Institute of Chartered Accountants of India since 1988.

Corporate governance and risk management

The following chart shows the structure of Almana's Corporate governance and risk management:



The Company is governed by the decisions of the Board of Directors comprising of the Chairman, Vice Chairman and two Directors.

All major decisions are taken collectively by the Board in consultation with the Group Financial Controller and respective Business Unit Heads, wherever necessary.

Broadly the businesses of the group are categorised into four main segments:

- Automobile;
- Contracting;
- Investments and Real Estate; and
- Other Business.

The Vice Chairman and each of the Directors individually oversee the operations of specific segments.

Each of the Business enterprises is headed by Unit Head who is responsible for the operations of the particular unit.

Each of these Unit Heads are professionally qualified and specialized in their area of Operations.

Certain functions are handled at the corporate level across the group. They are Accounts and Finance, Internal Audit, Personnel & Administration and Legal & Compliance.

Each of these Departments is headed by individual professionally qualified personnel.

The Operational functions across the subsidiaries have systems in place and operate within a set of policies and procedures that are followed without exception.

These standardized procedures and systems are applied broadly across the group companies to the following functions:

- Inventory;
- Purchasing & Payable;
- Accounting;
- Project Management;
- ISO Certification;
- Safety/Health; and
- Quality Management.

Moreover, the group operates under an ERP System (ORACLE & Keriddge) specially designed to cover the wide range of operations of the group.

The above arrangements facilitate proper corporate governance and the transparency of operations. The systems and procedures laid down are in line with the international industry practices.

Audit Committee

Almana Group's audit committee consists of the Directors and the Group Financial Controller.

The Audit Committee's main functions are the following:

(a) overseeing the performance of the external auditor and the internal audit function;

(b) reviewing the internal audit function including the audit plan and the audit findings, the internal auditors report and ensuring that the corrective actions, if required, are implemented by the business groups;

(c) monitoring the internal control process and deciding on accounting policies and principles; and

(d) establishing procedures for receipt, retention, and handling of complaints regarding accounting, internal controls or auditing matters.

The Audit Committee also evaluates corporate governance processes and the effectiveness of Almana's risk management procedures. In particular, the Audit Committee regularly assesses whether existing management processes are effectively identified and monitors significant risks, determine whether the risk control system is effective, and decide whether further steps to mitigate specific risks are required.

The Audit Committee also designs and implements risk management matrixes which establish tolerance thresholds and performance metrics for individual risk owners within Almana, in particular, the managers of the various business units and/or subsidiaries.

Conflicts of Interests

As of the date of this Prospectus, there are no conflicts or potential conflicts of interests between the private interests or other duties of the members of the Board of Directors or the senior management of Almana Group and their respective duties to Almana Group.

Environmental Matters

With the exception of Qatar Galvanizing, Almana does not deal in materials or conduct business that poses a risk of environmental pollution on any property owned by Almana.

Qatar Galvanizing is currently in compliance with all applicable environmental legislation and regulations, including the Environmental Compliance Requirements under Law 30 of 2002 and Executive Regulation No. 4 for the year 2004 of the State of Qatar.

Insurance

The following is a summary of Almana's insurance policies in force as of the date of this prospectus:

Description	**Insured Amount (QAR millions)**
Fire & Special Perils & Burglary Insurance (full reinstatement value)	932
Third Party Liability Insurance	10
Workmen’s Compensation Insurance	73
Fidelity Guarantee Policy	11
Householder’s Comprehensive Insurance (full reinstatement value)	13
Property All Risks (full reinstatement value)	107
Vehicle Insurance (Comprehensive)	161

There have been no material claims under any of these insurance policies.

Intellectual Property

Neither Almana Group nor any of its subsidiaries have registered any intellectual property rights.

Employees

The following is a breakdown of employees by business group:

Company	**No. of Employees**
Corporate Office	25
Automobiles	355

Contracting	2916
International Trading	166
Real Estate Development	66
Commercial Interior decoration and Furnishing	150
Manufacturing	87
Information Technology	64
Ancillary Business	106

Four subsidiary companies of Almana providing cross guaranties are:

Almana Motors

Almana Motors Company W.L.L. is a limited liability company registered in the State of Qatar. The company was incorporated on 5 March 1983 with commercial registration no. 8497. The principal place of business of the company is located at Almana Tower, Airport Road.

Business Overview

Almana Motors is the exclusive distributor for Ford and Peugeot cars in the State of Qatar. Almana Motors was incorporated more than 40 years ago with the dealership of Peugeot Automobiles. In 1987 the company obtained dealership of Ford Motor Company and has successfully established the brand in the State of Qatar.

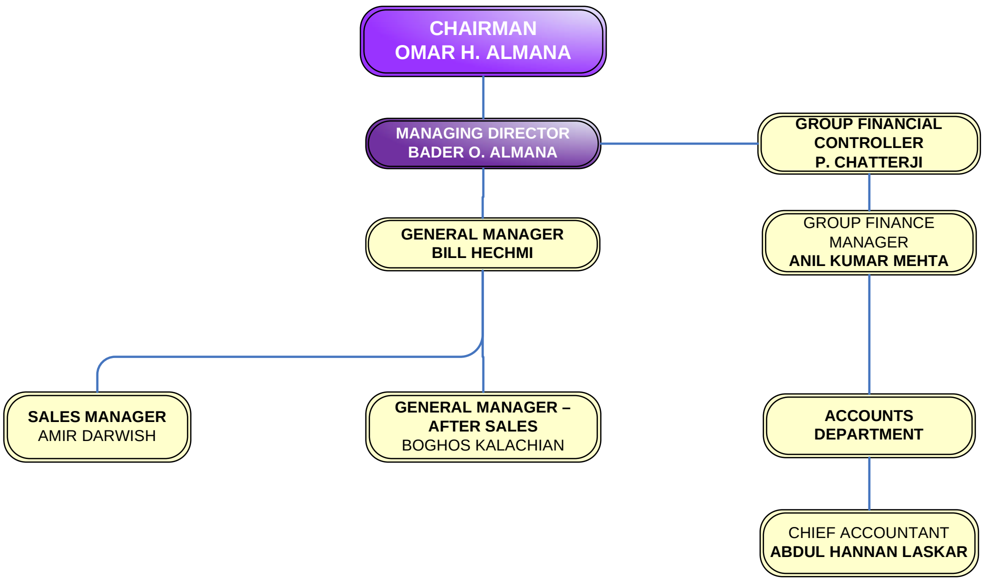
Currently Almana Motors has three showrooms for the two brands at prominent locations including a recently opened new showroom on Salwa Road. Almana Motors has a well equipped state-of-the-art workshop in the Industrial Area.

Almana Motors has proven track record of sales and profitability over the years, which will get a major boost with the opening up of a new showroom. To handle the present and expected increased volume, the company is in the process of upgrading and expanding workshop capacity substantially and setting up Quick Service Station in different parts of Doha.

Almana Motors also plans to relocate the showroom on Airport Road to a new building during 2013.

The company is part of the Almana group of companies but is not dependent on any other company within the group.

Administrative, Management and Supervisory Personnel



The address for the above mentioned individuals is at Almana Tower, Airport Road, P.O. Box 491, Doha, Qatar.As of the date of this Prospectus, there are no conflicts or potential conflicts of interests between the private interests or other duties of the members of the Board of Directors or the senior management of Almana Motors and their respective duties to Almana Motors.

Shareholders

Name	**Shareholding**[1]
Mr. Omar Hamad A. Almana	68.00%
Mr. Bader Omar H.A. Almana	32.00%

Financial Information

The following is the Income Statement Data for Almana Motors for the years 2008, 2009 and 2010.

Income Statement Data:		*QAR in Millions*	
	2008	**2009**	**2010**
Revenue	147.80	176.51	119.95
Cost of sales	(113.91)	(135.11)	(90.11)
Gross profit	33.90	41.40	29.85
Other income	1.64	1.66	1.88
Selling and promotional costs	(2.83)	(2.10)	(1.05)
Administrative expenses	(13.37)	(13.78)	(14.27)
Amortisation of land lease rights	(1.52)	(1.52)	(1.52)
Gain on disposal of property, plant and equipment	-	0.05	0.09
Gain on foreign exchange	0.02	0.12	0.15
Finance costs	(13.47)	(17.19)	(13.03)
Profit for the year	4.57	8.65	2.10

The following is the Statement of Financial Position Data for Almana Motors as at 31 December 2008, 2009 and 2010.

Statement of Financial Position Data:		*QAR in Millions*	
	2008	**2009**	**2010**
ASSETS			
Non-current assets			
Property, plant and equipment	70.18	67.62	67.05
Land lease rights	63.67	62.16	60.64
	133.85	129.78	127.70
Current assets			
Inventories	111.13	80.90	66.30
Accounts receivable and prepayments	66.80	26.70	48.10
Bank balances and cash	2.54	26.62	3.51
	180.47	134.21	117.91
TOTAL ASSETS	314.32	263.99	245.61
LIABILITIES AND EQUITY			
Equity			
Share capital	50.00	50.00	50.00
Legal reserve	20.40	22.56	23.08
Revaluation reserve	2.27	2.11	1.95
Retained earnings	23.04	29.69	31.42
Total equity	95.71	104.35	106.45

[1] These shares are held by the respective shareholders as nominees and in trust on behalf of Almana Group W.L.L. who is the beneficial owner of these shares.

Non-current liabilities			
Interest bearing loans and borrowings	67.79	34.63	50.19
Employees' end of service benefits	0.96	1.19	1.45
	68.75	35.82	51.64
Current liabilities			
Accounts payable and accruals	12.12	21.57	12.37
Bank overdrafts	2.13	0.55	0.09
Interest bearing loans and borrowings	135.61	101.70	75.06
	149.86	123.81	87.52
Total liabilities	218.61	159.63	139.16
TOTAL EQUITY AND LIABILITIES	314.32	263.99	245.61

Analysis

Almana Motors had revenues of QAR 147.80 million in 2008 which increased to QAR 176.51 million in 2009 but reduced by 32.04 per cent. in 2010 at QAR 119.95 million. The net profit in 2008 stood at QAR 4.57 million. Revenues fell as a result of banks reducing financing of vehicles for retail customers due to the then prevailing trend in the market and reduced credit appetite from financial institutions. Net profit reduced from QAR 8.65 million in 2009 to QAR 2.10 million during 2010 primarily due to a fall in gross profit from QAR 41.40 million in 2009 to QAR 29.85 million in 2010.

Total Assets stood at QAR 245.61 million as at 31 December 2010 compared to QAR 263.99 million as at 31 December 2009. There was a drop in inventory from QAR 80.90 million as at 31 December 2009 to QAR 66.30 million as at 31 December 2010. Bank balances and cash reduced from QAR 26.62 million as at 31 December 2009 to QAR 3.51 million as at 31 December 2010.

The total liabilities reduced from QAR 159.63 million as at 31 December 2009 to QAR 139.16 million as at 31 December 2010. Interest bearing loans and borrowings reduced to QAR 125.25 million as at 31 December 2010 from QAR 136.33 million as at 31 December 2009. The contingent liabilities as at 31 December 2010 amounted to QAR 43.94 million.

The current ratio improved from 1.08 times as at 31 December 2009 to 1.35 times as at 31 December 2010.

Almana Motors has a global importer dealers' sales and service Agreement with Ford Motor Company, USA. The agreement was first entered into over twenty years ago, is valid until 31 December 2011 and is renewable for 2 years upon expiry. Under the terms of the agreement, Almana Motors is authorised to sell Ford vehicles, parts and accessories under the Ford brand. Almana Motors has also entered into and import and distribution agreement with Automobiles Peugeot, France more than thirty years ago. As per the agreement, Almana Motors as distributor for Qatar may sell Peugeot vehicles, spare parts and accessories in Qatar. The agreement is renewed every 2 years. The last agreement which expired on 31 December 2010 is under renewal.

Almana Trading

Almana Trading Company W.L.L. is a limited liability company registered in the State of Qatar. The company was incorporated on 9 March 1983 with commercial registration no. 8501. The principal place of business of the company is located at Almana Tower, Airport Road, Doha, Qatar.

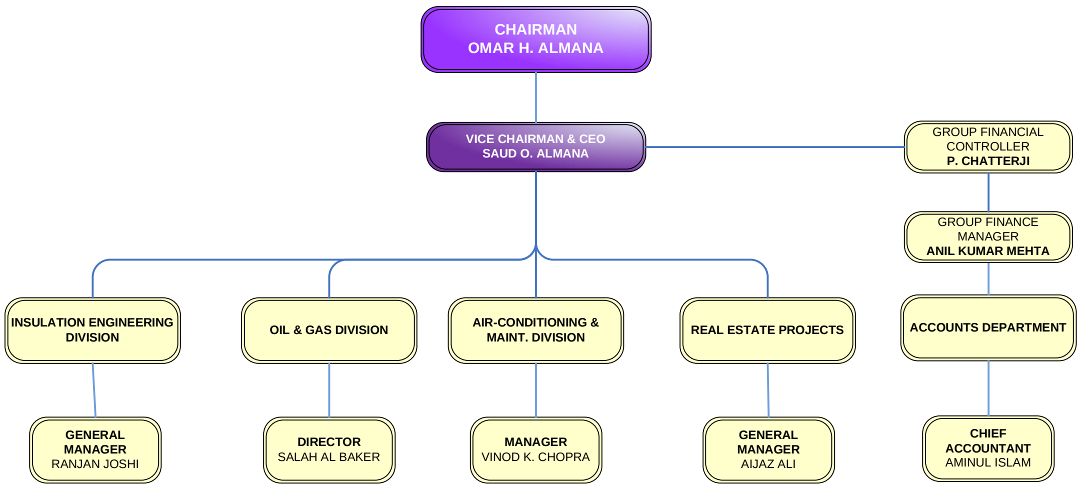
Business Overview

The oil and gas division of the international trading and investment business of Almana Trading was established in 1965 and assists foreign companies primarily in the oil and gas sector in securing contracts and assisting them in the execution of large oil and gas infrastructure projects. The services Almana Trading provides to its clients include the promotion of their interests, products and services in the State of Qatar, the provision of information on potential business opportunities, the co-ordination of tenders, administrative interfaces with clients, the provision of access to multi-disciplinary local service providers to meet required sub-contracting needs of local liaison services such as office space, hotel rooms, visas, passes and permits, licenses and clearances. All these services are provided to foreign companies that are active in the following areas of the oil and gas industry: oil and gas processing and distribution facilities, drilling operations, marine vessel services, inspection and testing, health safety and environment, industrial and petrochemical plants, power generation and transmission, water production and waste treatment, telecommunications, commercial and industrial infrastructure facilities, insulation, scaffolding and painting and other equipment and spares.

Insulation Engineering Company, established in 1975, is a division of Almana Trading specializing in the industrial insulation business. The design, supply and turnkey contracting services offered by INECO include industrial insulation, fire proofing, painting, sand blasting, refractory works, acid resistant lining and scaffolding services. Almana Trading has a staff of around 1800, including qualified project management personnel and skilled technicians who have longstanding experience in this industry. Almana Trading has infrastructure facilities including site offices in Ras Laffan and Messaid. It has state of the art workshop with advanced CNC machines, a large labour camp, major stock of scaffolding material and the requisite equipment to cater to major jobs simultaneously and maintain lower costs & shorter response time. The company had turnover of more than QAR 200 million per annum consistently over the last few years and had executed jobs for Ras Gas, Qatar Gas, Qatar Petroleum and other major companies. The company currently has signed orders of around QAR 250 million a large portion of which consists of three key contracts: the Pearl GTL Project (QAR 177.00 Million); the QAFCO-5 & 6 Project (QAR 35.00 Million); and the Q-CHEM & Ras Laffan Olefin Company Ltd. (QAR 24.00 Million) and is expecting to bid for orders worth QAR 400 million in near future. The company is a leading player in the region in industrial insulation business and its customer base includes RasGas, QatarGas and Qatar Petroleum.

The company is part of the Almana group of companies. The company is not dependent on any other company within the group.

Administrative, Management and Supervisory Personnel



The address for the above mentioned individuals is at Almana Tower, Airport Road, P.O. Box 491, Doha, Qatar. As of the date of this Prospectus, there are no conflicts or potential conflicts of interests between the private interests or other duties of the members of the Board of Directors or the senior management of Almana Trading and their respective duties to Almana Trading.

Shareholders

Name	**Shareholding**[2]
Almana Group W.L.L.	79.91%
Almana Motors Company W.L.L.	20.00%
Mr. Saoud Omar H.A. Almana	0.03%

[2] These shares are held by the respective shareholders as nominees and in trust on behalf of Almana Group W.L.L. who is the beneficial owner of these shares.

Mr. Bader Omar H.A. Almana	0.03%
Mr. Tariq Omar H.A. Almana	0.03%

Financial Information

The following is the Income Statement Data for Almana Trading for the years ended 31 December 2008, 2009 and 2010.

Income Statement Data:	*QAR in Millions*		
	2008	**2009**	**2010**
Revenue	283.84	341.27	351.30
Direct costs	(134.21)	(198.66)	(218.34)
Gross profit	149.63	142.62	132.97
Investment income	42.60	46.33	76.67
Other income	2.36	0.62	1.06
Administrative expenses	(36.24)	(42.45)	(45.45)
Impairment loss on available-for-sale investments	(174.06)	(0.54)	-
Fair value gain (loss) on investment properties	530.56	(55.43)	8.74
Operating profit	514.85	91.16	173.98
Finance costs	(26.61)	(52.03)	(78.59)
Share of results of joint ventures	0.07	1.38	0.93
Profit for the year	488.31	40.52	96.32

The following is the Statement of Financial Position Data for Almana Trading as at 31 December 2008, 2009 and 2010.

Statement of Financial Position Data:	*QAR in Millions*		
	2008	**2009**	**2010**
ASSETS			
Non-current assets			
Property, plant and equipment	746.79	515.77	552.17
Land lease rights	-	56.51	55.13
Investment properties	1,279.93	1,626.26	1,658.39
Investment in joint ventures	5.98	9.06	7.96
Available-for-sale investments	268.57	291.17	499.30
	2,301.26	2,498.77	2,772.95
Current assets			
Contract work-in-progress	40.03	54.97	69.84
Inventories	59.96	56.69	65.12
Accounts receivable and prepayments	117.06	159.58	164.51
Available-for-sale investments	185.80	197.42	77.51
Bank balances and cash	17.26	4.50	27.44
	420.11	473.16	404.43
TOTAL ASSETS	2,721.37	2,971.92	3,177.38
EQUITY AND LIABILITIES			
Equity			
Share capital	250.00	250.00	250.00
Legal reserve	125.00	125.00	125.00
Revaluation reserve	9.75	9.75	9.75
Cumulative changes in fair values	23.81	47.84	145.99

Retained earnings	1,339.50	1,380.01	1,476.33
Total equity	1,748.05	1,812.60	2,007.07
Non-current liabilities			
Interest bearing loans and borrowings	478.87	472.02	568.00
Employees' end of service benefits	3.92	5.23	6.28
	482.79	477.25	574.28
Current liabilities			
Bank overdrafts	28.56	31.06	28.30
Interest bearing loans and borrowings	196.77	286.70	149.41
Accounts payable and accruals	265.20	364.32	418.32
	490.53	682.08	596.03
Total liabilities	973.32	1,159.32	1,170.31
TOTAL EQUITY AND LIABILITIES	2,721.37	2,971.92	3,177.38

Analysis

Revenues increased by 2.94 per cent. from QAR 341.27 million in 2009 to QAR 351.30 million in 2010. There was however a fall in gross profit from QAR 142.62 million in year 2009 to QAR 132.97 million in 2010 due to a fall in commission income from QAR 74.43 million in year 2009 to QAR 54.36 million in year 2010. The net profit for year 2010 included fair value gain on investment properties amounting to QAR 8.74 Million. However, there was a fair value loss on investment properties of QAR 55.43 Million in 2009. Finance costs increased from QAR 52.03 million in year 2009 to QAR 78.59 million in 2010 to due higher borrowings and higher interest rates. The net profit increased from QAR 40.52 million in 2009 to QAR 96.32 million in 2010 due to higher fair value gain and investment income.

Total Assets increased from QAR 2,971.92 million as at 31 December 2009 to QAR 3,177.38 million as at 31 December 2010. Assets include as at 31 December 2010 include QAR 552.17 million of property, plant and equipment, QAR 1,658.39 million of investment properties, QAR 576.81 million of available for sale investments, QAR 164.51 million of accounts receivables & prepayments and, inventories of QAR 65.12 million.

Interest bearing loans and borrowings reduced from QAR 758.72 million as at 31 December 2009 to QAR 717.41 million as at 31 December year 2010. The shareholder’s equity also increased from QAR 1,812.60 million as at 31 December 2009 to QAR 2,007.07 million as at 31 December 2010. The contingent liabilities as at 31 December 2010 amounted to QAR 48.71 million.

United Cars Almana

United Cars Almana is a partnership firm registered in the State of Qatar. The partnership was formed and registered on 26 June 1990 with commercial registration no. 12957. The principal place of business of the partnership firm is located at Almana Tower, Airport Road, Dona, Qatar.

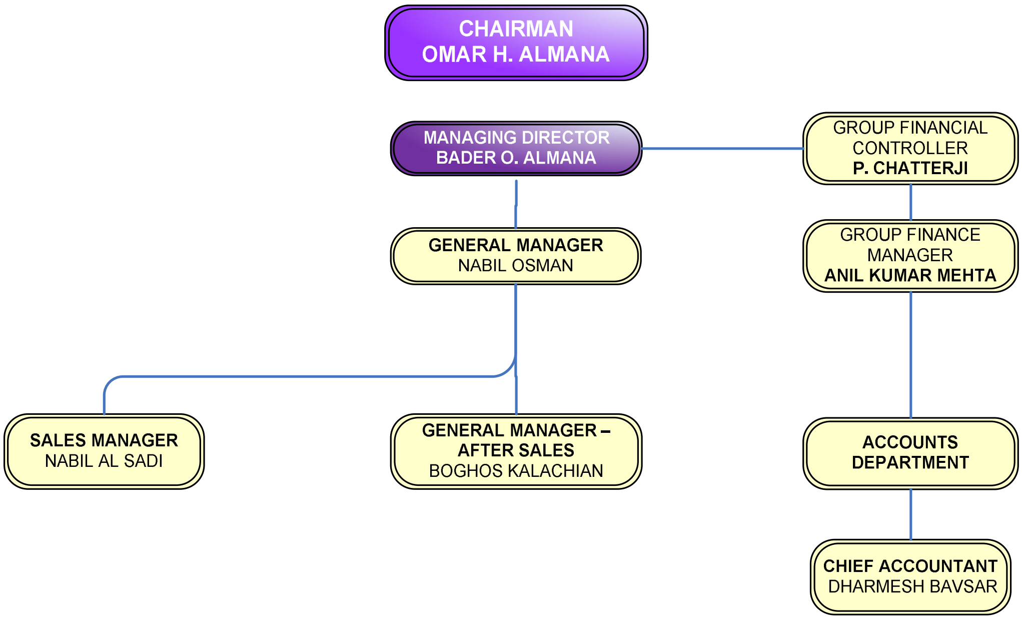
United Cars Almana is the exclusive distributor for Jeep, Chrysler and Dodge vehicles in Qatar. The main showroom is located at Airport Road. The partnership firm has a workshop next to Almana Motors’ workshop in the Industrial Area. The workshop facilities were expanded in 2010.

United Cars Almana, formed in 1991, is the exclusive distributor for Jeep, Chrysler and Dodge vehicles in Qatar. The main showroom is located at Airport Road. The partnership firm has a workshop next to Almana Motors’ workshop in the Industrial Area. The workshop facilities were expanded in 2010.

Organization Structure

This entity is part of the Almana group of companies. The partnership firm is not dependent on any other company within the group.

Administrative, Management and Supervisory Personnel



The address for the above mentioned individuals is at Almana Tower, Airport Road Doha, Qatar. As of the date of this Prospectus, there are no conflicts or potential conflicts of interests between the private interests or other duties of the members of the Board of Directors or the senior management of United Cars Almana and their respective duties to United Cars Almana.

Shareholders

Name	**Shareholding**[3]
Mr. Saoud Omar H.A. Almana	20.00%
Mr. Tariq Omar H.A. Almana	80.00%

Financial Information

The following is the Income Statement Data of United Cars Almana for the years 2008, 2009 & 2010:

Income Statement Data:		*QAR in Millions*	
	2008	**2009**	**2010**
Revenue	102.69	80.91	75.86
Cost of sales	(80.41)	(63.57)	(59.36)
Gross profit	22.28	17.35	16.49
Other income	2.28	2.62	3.38
Faire value gain(loss) on investment properties	7.47	(7.47)	21.32
Administrative expenses	(8.98)	(10.26)	(8.64)
Finance costs	(6.81)	(11.50)	(10.94)
Amortisation of land lease rights	(1.01)	(1.01)	(1.01)
Selling and promotional expenses	(1.26)	(0.93)	(0.75)
Profit (loss) for the year	13.96	(11.21)	19.86

[3] These shares are held by the respective shareholders as nominees and in trust on behalf of Almana Group W.L.L. who is the beneficial owner of these shares.

The following is the Statement of Financial Position Data for United Cars Almana as at 31 December 2008, 2009 and 2010.

Statement of Financial Position Data:		*QAR in Millions*	
	2008	**2009**	**2010**
ASSETS			
Non-current assets			
Property, plant and equipment	18.05	22.87	22.36
Investment properties	44.39	36.92	58.24
Land lease rights	42.45	41.44	40.43
	104.89	101.23	121.03
Current assets			
Inventories	53.15	42.76	30.66
Accounts receivable and prepayments	67.23	30.41	37.08
Bank balances and cash	0.26	1.57	0.75
	120.64	74.74	68.49
TOTAL ASSETS	225.52	175.97	189.52
EQUITY AND LIABILITIES			
Equity			
Capital	25.00	25.00	25.00
General reserve	6.76	6.76	8.75
Retained earnings	22.21	11.22	29.31
Revaluation reserve	16.59	16.37	16.15
Total equity	70.56	59.35	79.21
Non-current liabilities			
Interest bearing loans and borrowings	40.22	22.96	38.48
Employees' end of service benefits	0.45	0.60	0.78
	40.67	23.56	39.26
Current liabilities			
Accounts payable and accruals	43.32	13.46	19.07
Bank overdrafts & other short term facilities	17.77	15.89	14.47
Interest bearing loans and borrowings	53.21	63.71	37.52
	114.30	93.06	71.06
Total liabilities	154.96	116.62	110.32
TOTAL EQUITY AND LIABILITIES	225.52	175.97	189.52

Analysis

The revenue of United Cars Almana decreased from QAR 102.69 million in 2008 to QAR 80.91 million in 2009 and further to QAR 75.86 million in 2010. The Company had net profit of QAR 13.96 million in 2008, loss of QAR 11.21 million in 2009 and net profit of QAR 19.86 million in 2010. The net profit included fair value gain on investment property of QAR 7.47 million in 2008 and QAR 21.32 million in 2010 and fair value loss of QAR 7.47 million in 2009. The company had lower revenue in 2009 and 2010 because of a weakening of bank appetite for car financing.

Total Assets increased from QAR 175.97 million as at 31 December 2009 to QAR 189.52 million as at 31 December 2010. Interest bearing loans and borrowings reduced from QAR 86.66 million as at 31 December 2009 to QAR 75.99 million as at 31 December 2010. Shareholder’s equity increased from QAR

59.35 million as at 31 December 2009 to QAR 79.21 million as at 31 December 2010. The contingent liabilities as at 31 December 2010 amounted to QAR 7.35 million.

The key contract for United Cars Almana relates to the dealership arrangements entered into with Chrysler Group International, USA for the non-exclusive sale of Jeep, Chrysler and Dodge vehicles, spare parts and accessories in the State of Qatar. This relationship has been ongoing for more than two decades. The current agreement is valid until August 2013 and renewable thereafter.

Almana Maples

Almana Maples W.L.L. is a limited liability company registered in the State of Qatar. The company was incorporated on 10 April 1980 with commercial registration no. 7723. The principal place of business of the company is located at Almana Tower, Airport Road, Doha, Qatar.

Business Overview

Established during the year 1979, the company specializes in the supply and manufacturing of furniture and furnishing to both retail and commercial sectors. Almana Maples in close collaboration with international furniture companies, creates, designs and co-ordinates the refurbishment of palaces, villas, hotels, offices, offering a complete turnkey package for major companies and luxury hotels.

Almana Maples has a comprehensive team of people with the ability to interpret and understand the requirements of all their customers and more equally to ensure that each project is executed with speed, efficiency and within stipulated time lines.

Almana Maples has successfully completed many projects throughout the State of Qatar for high profile names including the Doha Sheraton Hotel, Qatar Airways, Al Sharq Village Spa, Marriott Doha, Sports City, Ritz Carlton. Its current primary contracts are for the Qatar Airways Rotana Oryx Hotel (value QAR 28.23 Million), the Al-Hitmi Property Development (value QAR 11.00 Million); and the Commercial Bank of Qatar – 'D' Ring Rd Branch (value QAR 18.30 Million).

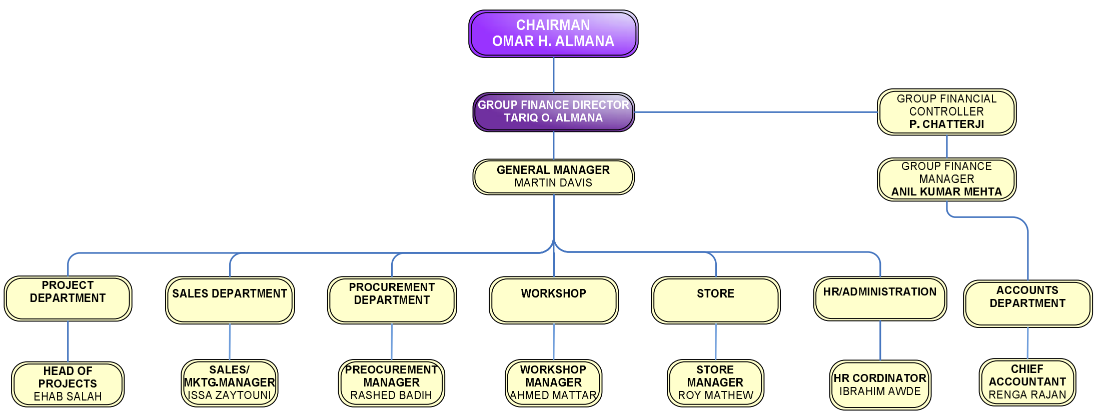
Almana Maples has the state-of-art carpentry workshop with a large pool of skilled workers who have been instrumental in making quality furniture for hotel and business suites where craftsmanship of the highest quality is demanded.

Almana Maples has recently relocated its operations to new office situated in the Almana Tower, Airport Road. The existing showroom at Mid-mac Roundabout is presently undergoing a full renovation with a tentative re-opening date during summer of 2011 where it is expected that many major exclusive international suppliers will be displayed.

Organization Structure

The company is part of the Almana group of companies. Please see structure set out on page 58. The company is not dependent on any other company within the group.

Administrative, Management and Supervisory Personnel



The address for the above mentioned individuals is at Almana Tower, Airport Road, Doha, Qatar. As of the date of this Prospectus, there are no conflicts or potential conflicts of interests between the private interests or other duties of the members of the Board of Directors or the senior management of Almana Maples and their respective duties to Almana Maples.

Shareholders

Name	**Shareholding**[4]
Mr. Omar Hamad A. Almana	51.00%
Almana Group W.L.L.	49.00%

Financial Information

The following is the Income Statement Data of Almana Maples for the years 2008, 2009 & 2010:

Income Statement Data:	*QAR in Millions*		
	2008	**2009**	**2010**
Revenue	25.56	32.89	58.31
Direct cost	(18.32)	(21.52)	(38.19)
Gross profit	7.24	11.37	20.12
Other income	1.07	0.16	0.43
Administrative expenses	(6.27)	(6.93)	(9.85)
Finance costs	(1.47)	(0.51)	(0.46)
Profit for the year	0.57	4.09	10.25

The following is the Statement of Financial Position Data for Almana Maples as at 31 December 2008, 2009 and 2010.

Statement of Financial Position Data:	*QAR in Millions*		
	2008	**2009**	**2010**
ASSETS			
Non-current assets			
Property, plant and equipment	2.69	2.61	3.92
Current assets			
Inventories	6.20	6.93	9.80
Contract work-in-progress	4.96	5.59	11.26
Accounts receivable and prepayments	8.05	17.18	14.18
Bank balances and cash	1.74	5.93	0.74
	20.95	35.63	35.98
TOTAL ASSETS	23.63	38.24	39.90
EQUITY AND LIABILITIES			
Equity			
Share capital	3.40	3.40	10.00
Legal reserve	1.21	1.62	2.65
Retained earnings	0.51	4.19	6.81
Total equity	5.13	9.22	19.46
Non-current liability			

[4] These shares are held by the respective shareholders as nominees and in trust on behalf of Almana Group W.L.L. who is the beneficial owner of these shares.

Employees' end of service benefits	0.72	0.92	1.31
Current liabilities			
Accounts payable and accruals	12.20	20.95	13.81
Advance billings	-	1.18	4.22
Bank overdrafts	5.25	4.21	0.33
Interest bearing loans and borrowings	0.34	1.76	0.77
	17.78	28.11	19.13
Total liabilities	18.50	29.03	20.44
TOTAL EQUITY AND LIABILITIES	23.63	38.24	39.90

Analysis

Almana Maples performance has been improving over the last three years. Revenues were QAR 25.56 million in 2008 which increased to QAR 32.89 million in 2009 and further increased to QAR 58.31 million in 2010. Net profit increased substantially from QAR 0.57 million in 2008 to QAR 4.09 million in 2009 and further to QAR 10.25 million in 2010 as a result of higher revenue and better margins.

Total Assets of the company increased from QAR 38.24 million as at 31 December 2009 to QAR 39.90 million as at 31 December 2010. Contract work in progress increased to QAR 11.26 million as at 31 December 2010 from QAR 5.59 million as at 31 December 2009. The current ratio stood at 1.88 times as at 31 December 2010 from 1.27 times as at 31 December 2009. The shareholder’s equity increased from QAR 9.22 million as at 31 December 2009 to QAR 19.46 million as at 31 December 2010. The contingent liabilities as at 31 December 2010 amounted to QAR 5.23 million.

General

Middle East Real Estate Investment Company will act as investment manager under the Investment Management Agreement executed between the Trustee and Middle East Real Estate Investment Company.

Middle East Real Estate Investment Company was established as a company with limited liability in the State of Qatar on 18 August 2004 under Law 11 of the Company's Act 1981 of the State of Qatar. With effect on 24 February 2008, the legal form of Middle East Real Estate Investment Company was converted from a company with limited liability to a partnership.

The Investment Manager is registered in the Commercial Register of the State of Qatar under the commercial register number 28754.

The capital of the Investment Manager is QAR 200,000 and has been contributed by the partners of the partnership as follows:

Name of Partner	Percentage	Total Value of unit (QAR)
Noora Omar Almana	91%	182,000
Omar Saud Almana	3%	6,000
Lama Tariq Almana	3%	6,000
Tamador Bader Almana	3%	6,000

The fiscal year of the Investment Manager starts on 1 January and ends on 31 December of each year.

Business of the Investment Manager

According to the extract from the Commercial Register of the State of Qatar dated 24 February 2008, the Investment Manager's commercial activities comprise the followings:

(a) investment in shares and bonds in favour of the owner of the register;

(b) lease and rent of properties; and

(c) representation of international companies.

The Investment Manager has mainly been managing a portfolio comprising assets such as shares, bonds and several other securities. Its activities in relation to the management of this portfolio include financial analyses and the ongoing monitoring of the investments in the securities.

The following is a summary of certain provisions of the Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Issuer and the Paying Agents.

Investment Management Agreement

Pursuant to the Investment Management Agreement dated on or about the Closing Date and entered into between the Investment Manager and the Trustee, the Trustee will appoint the Investment Manager to purchase, on behalf of the Trustee, the Original Portfolio from Almana and to develop and manage the Portfolio in accordance with the Investment Plan attached to the Investment Management Agreement and prepared by the Investment Manager. Insofar as permitted under applicable law, the Portfolio may include, without limitation: plots of land in Doha, real estate projects (including those of Almana and its subsidiaries), equity assets, new business opportunities (by either the capitalisation of subsidiaries to be used as an acquiring vehicle or by acquiring businesses or assets directly) and such other Sharia compliant investment activities that the Investment Manager considers appropriate. For the purpose of determining whether or not any share, interest, partnership interest, participation, rights, or other equivalents in any equity is Sharia compliant, the Investment Manager shall have regard to the then current generally accepted Sharia principles as published from time to time.

The Investment Plan provides that from and including the Closing Date up to the End Date not less than 33 per cent. of the sale proceeds shall be invested in Tangible Assets. The Investment Manager shall be entitled to replace and substitute the Assets with other assets, provided always that an amount equal to not less than 33 per cent. of the Capital shall be invested in Tangible Assets.

In relation to each Return Period, Distributable Profit from that Return Period will be distributed by the Investment Manager to the Trustee in USD two Business Days prior to each Periodic Distribution Date.

If the Distributable Profit is greater than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date, any amount equal to such surplus Profit Distribution will be recorded by the Investment Manager in the accounts as a credit to the line item entitled Profit Reserve Amount. Any amount standing to the credit of the Profit Reserve Amount column in the accounts on the End Date will be due and payable to the Investment Manager as an incentive fee. The Investment Manager is, however, prior to the End Date, entitled to any amount standing to the credit of the Profit Reserve Amount as an Advance Incentive Fee provided that the Advance Incentive Fees deducted from the Profit Reserve Amount prior to the End Date are re-credited to the Profit Reserve Amount in the event, and to the extent that on a Periodic Distribution Date the aggregate of (i) the funds available for distribution to the Trustee on that date, plus (ii) the amounts then standing to the credit of the Profit Reserve Amount, is less than the Periodic Distribution Amount due and payable on the relevant Periodic Distribution Date. The Trustee may, at any time, demand payment of all or any part of such Profit Reserve Amount.

If the Distributable Profit is less than the relevant Periodic Distribution Amount or if the funds available in the Transaction Account on the relevant Periodic Distribution Date are not sufficient to enable the Trustee to pay the relevant Periodic Distribution Amount due on the relevant Periodic Distribution Date in full, the Investment Manager will deduct such shortfall from the Profit Reserve Amount. If the amounts standing to the credit of the Profit Reserve Amount are insufficient (after the Investment Manager has re-credited any Advance Incentive Fee to the Profit Reserve Amount), the Investment Manager may meet the shortfall through the provision of the Liquidity Facility.

Under the terms of the Investment Management Agreement, the Investment Manager may purchase any Asset comprised in the Portfolio at any time prior to the Redemption Date at its Initial Value provided that:

(a) no Event of Default or Dissolution Event has occurred and is continuing and, if applicable, no Exercise Notice has been served under either the Purchase Undertaking or the Sale Undertaking;

(b) the Investment Manager confirms in writing to the Trustee that (i) no Event of Default or Dissolution Event has occurred and is continuing, (ii) no Exercise Notice has been served under the Purchase Undertaking or Sale Undertaking, (iii) immediately following the proposed purchase, the aggregate of the Initial Value of the remaining Tangible Assets shall constitute not less than USD70,950,000 (being 33 per cent. of USD215,000,000), and (iv) the aggregate of the Value of the remaining Tangible Assets shall constitute not less than USD215,000,000. In the event that the aggregate of the Initial Value of the remaining Tangible Assets is less than USD215,000,000, the Investment Manager will be required to confirm that the Value of all remaining Tangible Assets is USD70,950,000 (being 33 per cent. of USD215,000,000) or more, and any valuation of the remaining Tangible Assets shall be undertaken on a basis that is consistent with the valuation methodology used in determining Initial Values. In addition, the certification of the Investment Manager shall, except in the case of manifest or proven error, be deemed conclusive and binding.

Upon receipt of such confirmation from the Investment Manager, the Trustee shall consent to the sale of the Trustee's right, interest or benefit in, to and of the relevant Asset, and no later than 10 days thereafter, the Investment Manager and the Trustee shall enter into a sale and purchase agreement, evidencing the sale of the Trustee's right, interest and benefit in, to and of the relevant Asset to the Investment Manager, and the purchase price payable shall be deferred until the Certificates have been redeemed in full. The purchase price due may be set off against the incentive fees due to the Investment Manager on such date.

The Investment Manager shall make investments in accordance with the Investment Management Agreement, in a manner that would not subject the Trustee to any tax liability imposed by the State of Qatar. In the event that the Trustee is subject to any such tax liability (arising in respect of or by reference to any income, profits or gains arising in respect of any of the investments made by the Investment Manager on behalf of the Trustee), the Investment Manager shall pay the Trustee an amount equal to such tax liability imposed by the State of Qatar and the incurrence of such tax liability shall not constitute an Event of Default.

The Investment Management Agreement is governed by the laws of England and Wales.

For these purposes:

"**Original Portfolio**" means a portfolio of Sharia compliant real estate assets located in Doha, Qatar and in each case identified in the purchase agreement to be entered into between Almana and the Investment Manager which shall be appended as a schedule to the Investment Management Agreement.

"**Portfolio**" means (i) the Original Portfolio, (ii) any assets in direct or subsequent replacement of the assets comprised in the Original Portfolio in accordance with any of the Transaction Documents including the transferable right, title or interest to any plot of land, Sharia compliant equity instruments, sukuk certificates or other investments (whether traded on an exchange or not); and (iii) any assets in which Portfolio Revenues are invested by the Investment Manager in accordance with the Investment Management Agreement (any cash available prior to investment by the Investment Manager may be deposited by the Investment Manager in any Sharia compliant deposit account with any financial institution that the Investment Manager deems appropriate in its sole discretion).

Guarantee Deed

The Guarantee will be entered into by the Guarantor in favour of Almana Sukuk 2011 Limited (as Issuer and as Trustee for the holders of the Certificates) and the Investment Manager and will be governed by the laws of England and Wales.

Subject to the terms and conditions of the Guarantee, the Guarantor shall irrevocably guarantee to the Trustee, for the benefit of the Certificateholders, the Investment Manager’s Liquidity Facility payment obligations under and in accordance with the Investment Management Agreement.

In addition, the Guarantor shall irrevocably guarantee to the Investment Manager the repayment obligations of the Trustee arising from any Liquidity Facility payments required under and in accordance with the Investment Management Agreement.

Purchase Undertaking

Under the Purchase Undertaking, Almana undertakes that upon the Trustee exercising its option to oblige Almana to purchase all of the Trustee’s rights, interests and benefits in, to and of the Portfolio, Almana shall purchase the same on an ‘‘as is’’ basis (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the full extent permitted by law) at the Exercise Price in accordance with the notice issued under the Purchase Undertaking from the Trustee (the "**Exercise Notice**").

If Almana fails to settle all or part of the Exercise Price that is due in accordance with the Purchase Undertaking (the "**Outstanding Exercise Price**"), Almana irrevocably undertakes to pay the Trustee a late payment amount in respect of the period from, and including, the due date for settlement to, but excluding, the date of full settlement, calculated on a daily basis, as the product of (a) 1 per cent. per annum, (b) the Outstanding Exercise Price and (c) on the basis of 12 months of 30 days each. Any late payment amount received by the Trustee must be donated (on behalf of Almana) to the Red Crescent Society, being the charity of Almana's choice.

Under the Purchase Undertaking, Almana has agreed, for so long as the Certificates are outstanding, to be bound by the following covenants:

Negative Pledge

Almana shall not, and it shall procure that none of its Subsidiaries will, create or permit to subsist any Security upon the whole or any part of its present or future assets or revenues (including uncalled capital) to secure any of its Relevant Indebtedness or any Guarantee of Relevant Indebtedness given by it, other than Permitted Security, without:

(a) at the same time or prior thereto granting security equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or

(b) providing such other Security for those obligations as may be approved by the Certificateholders by an Extraordinary Resolution (as defined in the Declaration of Trust).

Insurance

Almana shall, and shall procure that each member of the Group shall, obtain and maintain insurance with an insurer or insurers of sufficient standing against such losses and risks and in such amounts as are customary in the businesses (or substantially similar businesses) in which they are engaged in the jurisdiction where they operate; provided that if such member of the Group can remedy any failure to comply with the above within 30 days, this covenant shall be deemed not to have been breached.

Information undertakings

Almana shall:

(a) promptly notify the Trustee and the Delegate once it has received notice of or become aware of the occurrence of any Event of Default;

(b) deliver to the Trustee and the Delegate its most recent (consolidated, if so prepared) audited annual and reviewed semi-annual financial statements, as soon as they become available, but in any event within 180 days after the end of each of its financial and semi-annual financial years, prepared by a firm of auditors of international repute and in accordance with IFRS; and

(c) provide the Trustee and the Delegate within 14 days following written request by either the Trustee or the Delegate with a certificate (a compliance certificate) signed by either the chief executive officer or the chief financial officer, or any two other members of Almana's executive management, stating that, to the best of the signing person's knowledge, Almana has kept, observed, performed and fulfilled its obligations under, and complied with, the Transaction Documents to which it is a party and is not in default in the performance or observance of any of the terms, provisions and conditions hereof or in the other Transaction Documents to which it is a party (or, if an Event of Default or Potential Event of Default shall have occurred, describing all such Events of Default or Potential Events of Default of which it may have knowledge), provided always that Almana shall not be required to give more than one compliance certificate in any twelve-month period.

Financial Covenants

Almana undertakes to the Trustee that in respect of any Relevant Period:

(a) its Current Ratio shall not fall below 1.2:1;

(b) the ratio of its Total Borrowings to Tangible Net Worth does not exceed 1.5:1;

(c) the ratio of its Total Assets to Total Liabilities does not fall below 1.5:1; and

(d) the ratio of its Total Assets to Total Secured Assets shall not fall below 2 to 1.

For these purposes:

"**Capital Stock**" means, with respect to any person, any and all shares, participations or other equivalents (howsoever designated, whether voting or non-voting) or such Person's equity, including any preferred stock of such Person, whether now outstanding or issued after the date hereof including, without limitation, all series or classes of such Capital Stock.

"**Current Assets**" means the aggregate amount of inventories, available-for-sale investments, accounts receivable and prepayments, and bank balance and cash;

"**Current Liability**" means the aggregate amounts of the accounts payable and accruals, bank overdrafts and the current portion of term loans;

"**Current Ratio**" means Current Assets divided by Current Liability;

"**Event of Default**" means any of the following events which occurs and is continuing:

(a) **Non-Payment:** a default is made in the payment of any Periodic Distribution Amount for more than 14 days or in the payment of any Redemption Amount for more than seven days, as the case may be, in respect of any of the Certificates;

(b) **Breach of other obligations or undertakings:** Almana or the Investment Manager defaults in the performance or observance of or compliance with any of its other material obligations or undertakings in any Transaction Document to which it is a party and such default continues for a period of 30 days after notice of such default shall have been given to Almana or the Investment Manager, as the case may be;

(c) any of the following events (each a "**Cross Default**"):

(i) any Financial Indebtedness of Almana is not paid when due and payable or, as the case may be, within any applicable grace period;

(ii) any Financial Indebtedness of Almana is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

(iii) Almana fails to pay when due and payable any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness,

provided that no Cross Default will occur under this paragraph (c) if the aggregate amount of the relevant Financial Indebtedness and guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or is less than an amount of US$10,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the US Dollars as appointed by any leading bank on the day on which this paragraph operates);

(d) **Cessation of business:** Almana ceases or threatens to cease to carry on the whole or a substantial part of its business, save in connection with a Permitted Reorganisation, or Almana is unable to, or admits inability to, pay its debts generally (or any class of its debts generally) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law; or

(e) **Liquidation and other events:**

(i) any order is made by any competent court or resolution passed for the winding up or dissolution of Almana, save in connection with a Permitted Reorganisation, or Almana is adjudicated or found bankrupt or insolvent; or

(ii) (A) court or other formal proceedings are initiated against Almana under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to Almana or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of Almana, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of Almana, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of Almana and (B) in such case one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law is rendered against Almana and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(iii) Almana initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or proposes a rescheduling or other similar arrangement to its financial creditors generally (or any class of its financial creditors) as a result of its inability or potential inability to fulfil its obligations to them; or

(iv) any event occurs which under the laws of the State of Qatar or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (i) to (iii) above; or

(f) **Non-compliance with judgments**: Almana fails to comply with or pay any sum (being an amount of not less than US$10,000,000 (or its equivalent in any other currency or currencies) due from it under any final non-appealable judgement or order given by a court of competent jurisdiction and such failure continues for the period of 30 days next following the service by the Trustee on Almana of notice requiring the same to be paid; or

(g) **Unlawfulness or invalidity**: it is or will become unlawful for Almana to perform or comply with any of its obligations under or in respect of the Transaction Documents to which it is a party, or any such obligations becomes unenforceable or invalid; or

(h) **Failure to take action etc**: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable Almana lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents to which it is a party or (ii) to ensure that those obligations are legal, valid, binding and enforceable, is not taken, fulfilled or done.

"**Financial Indebtedness**" means any indebtedness for or in respect of moneys borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with International Financial Reporting Standards ("**IFRS**"), be treated as a finance or capital lease;

(d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution excluding any performance bonds;

(h) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into this agreement is to raise finance and all conditional sale obligations under any title retention agreement (excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings properly initiated and diligently conducted;

(i) any obligations incurred in respect of any Islamic financing arrangements; and

(j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Group**" means, at any time, Almana and its Subsidiaries.

"**Guarantee**" means, in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness following demand or claim on that person, including (without limitation):

(a) any obligation to purchase such Financial Indebtedness;

(b) any obligation to extend financing, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and

(d) any other agreement to be responsible for such Financial Indebtedness.

"Permitted Reorganisation" means:

(a) any disposal by any of Almana's Subsidiaries of the whole or a substantial part of its business, undertaking or assets to Almana or any Subsidiary of Almana;

(b) any disposal by any of Almana's Subsidiaries of the whole or a substantial part of its business, undertaking or assets to a third party (not being a Subsidiary) in a transaction negotiated in good faith on an arms-length basis and for valuable consideration;

(c) any amalgamation, consolidation or merger of (i) Almana with any Subsidiary of Almana and of (ii) a Subsidiary of Almana with any other Subsidiary of Almana; or

(d) any amalgamation, consolidation, restructuring, merger or reorganisation whist solvent.

"**Permitted Security**" means:

(a) any Security existing on the Closing Date;

(b) any Security created or outstanding with the approval of an Extraordinary Resolution;

(c) any Security arising by operation of law, provided that such Security is discharged within 30 days of arising;

(d) any Security granted by a Subsidiary in favour of Almana;

(e) any Security created by the operation of a reservation of title clause contained in a vendor's or supplier's standard terms and conditions of sale in respect of goods acquired by Almana or a Subsidiary in the ordinary course of its business;

(f) any Security on assets or property existing at the time Almana or any Subsidiary acquired such assets or property provided that such Security was not created in contemplation of such acquisition and does not extend to other assets or property (other than proceeds of such acquired assets or property), provided that the maximum amount of Financial Indebtedness thereafter secured by such Security does not exceed the purchase price of such property or the Financial Indebtedness incurred solely for the purpose of financing the acquisition of such property;

(g) any Security securing Financial Indebtedness of any person and/or its Subsidiaries existing at the time that such person is merged into or consolidated with Almana or a Subsidiary provided that such Security was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of Almana or any Subsidiary;

(h) any Security created or permitted to be outstanding by Almana or any Subsidiary in respect of any Project Finance Indebtedness; and

(i) any renewal of or substitution for any Security permitted by any of the preceding sub-clauses (a) through (h), provided that with respect to any such Security incurred pursuant to this sub-clause (i), the principal amount secured has not increased and the Security has not been extended to any additional property (other than the proceeds of such property).

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity.

"**Project Finance Indebtedness**" means any Financial Indebtedness issued, borrowed or raised by Almana or any of its Subsidiaries to finance the ownership, acquisition, development and/or operation of an asset or project where there is no recourse whatsoever for repayment thereof other than:

(a) recourse solely to the property, income, assets or revenues or other proceeds from such asset or project (including insurance proceeds); and/or

(b) recourse, for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness, to such asset or project or the property income, asset cash flow or other proceeds deriving therefrom, provided that the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement.

"**Relevant Indebtedness**" means any Financial Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, sukuk certificates or other securities which for the time being are, or are intended to be, or are capable of being, quoted, listed, dealt with in or traded on any stock exchange or over-the-counter or other securities market.

"**Relevant Period**" means each period of twelve months ending on the last day of Almana's financial year and each period of six months ending on the last day of the first half of Almana's financial year.

"**Security**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any affiliate of the seller, or any agreement to give any security interest) securing any obligation of any Person.

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half of the Capital Stock of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Tangible Net Worth**" means the aggregate of Almana's paid up share capital and reserves, less the aggregate of any debit balance shown on its profit and loss account, any dividends which it has declared but which are unpaid and not provided for, its intangible assets and good will.

"**Total Assets**" means the aggregate of Current Assets and Almana's property, plant, equipment, investment properties, land lease rights, investment in joint ventures, available for sale investments and the non-current portion of retention receivables.

"Total Borrowings" means the aggregate of all Financial Indebtedness.

"Total Liabilities" means the total liabilities of Almana including all contingent liabilities and any redeemable preferred capital.

"**Total Secured Assets**" means all assets that fall within the definition of Total Assets and which secure any of Almana's Financial Indebtedness.

The Purchase Undertaking is governed by the laws of England and Wales.

Group Guarantee

The Group Guarantee will be entered into by the Group Guarantors in favour of Almana Sukuk 2011 Limited (as Issuer and as Trustee for the holders of the Certificates) and the Investment Manager and will be governed by the laws of England and Wales.

Subject to the terms and conditions of the Guarantee, the Group Guarantors shall, jointly and severally, irrevocably guarantee to the Trustee, for the benefit of the Certificateholders, the payment obligations of Almana under and in accordance with the Purchase Undertaking.

Sale Undertaking

Pursuant to the Sale Undertaking to be executed by the Trustee in favour of Almana, Almana has the right to oblige the Trustee to sell and assign all of the Trustee’s rights, interests and benefits in, to and from the Portfolio to Almana at the Exercise Price by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 45 days and no earlier than 60 days prior to the Tax Redemption Date.

The Sale Undertaking is governed by the laws of England and Wales.

Declaration of Trust

The Declaration of Trust will be entered into on or about the Closing Date between the Issuer, the Trustee, Almana and the Delegate. The Declaration of Trust is governed by the laws of England and Wales and is subject to the exclusive jurisdiction of the English courts. The laws of the State of Qatar do not recognise the concept of trust or beneficial interests and, accordingly, there is no certainty that the terms of the Declaration of Trust would be enforced by the courts of the State of Qatar.

Pursuant to the Declaration of Trust, the Issuer will declare the Trust for the benefit of the Certificateholders over the Trust Assets and the Trustee will, in relation to the Certificates, inter alia:

(a) not sell or otherwise dispose of any of the Trust Assets except in accordance with the Purchase Undertaking, the Sale Undertaking or the Investment Management Agreement;

(b) hold the Trust Assets on trust absolutely for the Certificateholders as beneficial tenants in common (pro rata according to the face amount of Certificates held by each Certificateholder);

(c) distribute the income derived from the Trust Assets and received by it and otherwise perform its duties in accordance with the Transaction Documents; and

(d) take such other steps as are reasonably necessary to ensure that the Certificateholders receive the distributions to be made to them in accordance with the Transaction Documents.

The Declaration of Trust provides that no payment and/or delivery of any amount whatsoever shall be made in respect of the Certificates by the Issuer, the Trustee or the Trust or any of their respective agents except to the extent that funds are available therefore from the Trust Assets.

For the purposes of the foregoing:

"**Trust Assets**" means all of the Trustee’s rights, title, interest and benefit, present and future, in, to and under the Portfolio and each of the Transaction Documents (other than the Declaration of Trust, and in relation to any representations given to the Trustee by Almana, the Investment Manager or the Group Guarantors pursuant to any of the Transaction Documents), all moneys, which may now be, or hereafter from time to time are, standing to the credit of the Transaction Account and all proceeds of the foregoing.

Agency Agreement

Pursuant to the Agency Agreement, the Issuer will appoint:

(a) Deutsche Bank AG, London Branch, as Principal Paying Agent, Transfer Agent, Calculation Agent and Replacement Agent; and

(b) Deutsche Bank Luxembourg S.A. as Registrar.

Costs Undertaking

Pursuant to the Costs Undertaking, Almana will agree to pay certain fees and expenses arising in connection with the issue of the Certificates and under the Transaction Documents.

Unless indicated otherwise, information in this section has been derived from publications of the Qatar Planning Council and from publications on the Government of Qatar's website.

Country Profile

The State of Qatar is an independent state in the Southern Arabian Gulf surrounded by Saudi Arabia, Bahrain, the UAE and Iran. The country is situated midway along the western coast of the Arabian Gulf and has an area of 11,493 square kilometres. Doha is the capital city of the State of Qatar, the seat of government and the State of Qatar's cultural, commercial and financial centre. It includes the country's main seaport and international airport and has an advanced road system linking it with the international road network. According to the Government of the State of Qatar (the "**Government**") sources, the State of Qatar's population was 744,000 in 2004 when the last Government census was taken. The Economist Intelligence Unit more recently estimated the State of Qatar's population at 1.7 million at the end of May of 2010, an increase of approximately 123 per cent. According to the State of Qatar's last official census, conducted in 2004, approximately 75 per cent. of the State of Qatar's population was comprised of non-Qatari nationals and since that census the overall population of the State of Qatar has more than doubled. This disproportionate increase is largely due to an increase in the number of non-Qatari nationals. The majority of the population is between 25 and 44 years old. The Government is conducting another census in 2010 and currently the Qatari Statistical Authority is working on the fourth and final phase of it.

In terms of foreign relations and membership of international organisations, the State of Qatar, together with Bahrain, Kuwait, Oman, Saudi Arabia and the UAE, is a member of the GCC. Furthermore, the State of Qatar is a member of the Organisation of the Petroleum Exporting Countries (OPEC), the gas exploring countries forum (which has its headquarters in Doha) and the United Nations. It is also a member of the International Monetary Fund, the International Bank for Reconstruction and Development and the World Trade Organisation.

Legal System

Over the last decade, the State of Qatar's legal system has been significantly reformed by the enactment of various pieces of legislation intended to bring Qatari laws in line with international laws, standards and practices. The State of Qatar's civil law now sets forth civil law principles, including with respect to conflict of laws, contracts, rights and obligations, security, ownership and torts. the State of Qatar's commercial law now addresses commercial affairs and entities, competition, commercial obligations and contracts, and commercial paper. The commercial law also provides comprehensive provisions addressing bankruptcy matters, permitting creditors to file claims against any corporate entity, except for certain professional companies and other companies that are at least majority owned by the Government. Finally, the Commercial Companies Law addresses matters with respect to the ownership of shares, limited liability, capital contributions, payment of dividends, shareholder rights and obligations and general principles of corporate governance. The Commercial Companies Law introduces, for the first time, the concept of a single member limited liability company, and is not dissimilar to the companies laws of more mature legal systems.

The Government has passed other significant new legislation in recent years, including the Foreign Investment Law, the Central Bank Law, the Money Laundering Law, the Doha Securities Market Law and the Qatar Financial Centre Law (the QFC Law), as well as competition, intellectual property, labour, property and environmental laws.

Following the establishment of the QFC in 2005, the QFC Law established a legal and regulatory regime to govern the QFC that is generally parallel to and separate from Qatari laws and the Qatari legal system, except for Qatari criminal law. The QFC has established its own rules and regulations applicable to, among others, financial services companies, and which cover such topics as anti-money laundering, contracts and insolvency. In accordance with the rules and regulations of the QFC, the QFCRA regulates, licenses and supervises banking, financial and insurance related businesses carried on, in or from the QFC in accordance with legislative principles of an international standard, modeled closely on those used in London and other major financial centres. In addition, the QFC Civil and Commercial Court deals with matters arising under the QFC Law and the QFC Tribunal hears claims contesting decisions of the QFCRA or the QFC Civil and Commercial Court. The QFC courts only have jurisdiction over those companies that are licensed by the QFC.

Economic Overview

the State of Qatar's rapid economic growth has placed it amongst the highest per capita income countries in the world, with an estimated per capita income in excess of U.S.$61,920 in 2009 (Source: Economic Intelligence Unit: Qatar country fact sheet last updated 15 July 2010). According to the latest GDP and population figures released by Qatar Planning Council, the State of Qatar's per capita income has risen dramatically in the past five years. This is mainly due to expansion in production of oil, liquefied natural gas (LNG) and condensates as well as the State of Qatar's small population.

According to the Economist Intelligence Unit, real GDP grew by 15.8 per cent. in 2008 and 8.4 per cent. in 2007. Nominal GDP increased from U.S.$66.6 billion in 2007 to U.S.$107.8 billion in 2008. However, nominal GDP declined to U.S.$82.4 billion and real GDP grew by 9.5 per cent. in 2009 as a result of the decline in energy prices in the first half of 2009. The slowdown could also be seen in the real estate sector, where prices declined during 2009 and the first half of 2010 due to the completion of several large property developments that alleviated housing shortages caused by rapid immigration. The State of Qatar, being a small economy, is heavily dependent on exports, in particular of oil and gas. the State of Qatar has the third-largest gas reserves in the world. Sales of LNG and oil accounted for approximately 61.7 per cent. of the State of Qatar's overall GDP in 2008. The State of Qatar is rated AA(Stable) by Standard & Poor's and Aa2 (Stable) by Moody's.

Economic policy will continue to centre on the development of the State of Qatar's non-associated natural gas reserves. The primary focus of the Government's long-term strategy is to diversify the economy away from crude oil exports. The Government is aiming to make the State of Qatar the world's leading producer of LNG and Gas-to-Liquids (GTL). Despite the global economic crisis, the State of Qatar continues to witness and experience strong economic growth.

The Government has also emphasised the importance of non-oil and gas investment, which has resulted in an abundance of infrastructure projects such as the QFC, Education City, New Doha International Airport, the Qatar Science and Technology Park and several large-scale real estate projects. In 2005 the Government established the QIA to propose and implement investments for the State of Qatar's financial reserves, both domestically and abroad, and to diversify the State of Qatar's investments across a variety of asset classes and a wide range of geographies. Through the QIA, Qatar Holding and Qatari Diar, a real estate investment company wholly owned by the QIA, the State of Qatar has made investments in private equity, the banking sector, real estate and alternative assets.

Due to the general growth in all economic sectors, the number of new companies has increased, with a corresponding demand on skills and expertise which has led to unemployment rates dropping to an estimated 0.3 per cent. in 2009 from 3.9 per cent. in 2001. The Government has made available a number of incentives to attract foreign investment in joint ventures, which include discounted natural gas and electricity, industrial land at a nominal rent as well as exemptions from import duties on machinery, equipment and spare parts and from export duties generally. The Qatar Ministry of Business and Trade may also, in certain circumstances and for certain types of investments that would be deemed to be beneficial to the national economy, exempt foreign investors from income tax for a period not exceeding ten years. These measures, together with a blanket exemption from income tax on expatriates' salaries, have created an influx of both foreign investment and workers. This situation has created a demand for accommodation in general. This increase in demand is expected to continue due to the expected growth of the State of Qatar economy and the implementation of planned development projects by the Government that are expected to stimulate growth in all sectors and industries.

In contrast to its past performance, foreign trade which had increased steadily over the past years, decreased between 2007 and 2008 due to the contraction of the global economy and the declines in the prices of oil and gas, with imports falling on average by 29 per cent. between 2007 and 2008, while exports fell by an average of 10 per cent. over the same period. In 2008, the State of Qatar's main export partner was Japan, accounting for 40.8 per cent. of total exports.

In 2008, the State of Qatar's trade balance increased by 0.8 per cent. due to imports falling faster than exports, while the 2008 overall balance of payments showed a surplus of QAR 76.3 billion (U.S.$20.91 billion).

Underlying long-term industry and economic trends in the State of Qatar and GCC countries

Despite the global economic crisis, the State of Qatar remains among the fastest-growing economies in the GCC and the world. The Government has been developing the non-hydrocarbon sectors of the State of Qatar's economy, such as manufacturing, trade, transport, financial services and tourism. Additionally, the scale of investment spending in the oil and gas industry, infrastructure and real estate sectors continues to be significant. Importantly, the Government has continued its domestic spending programme over the past two years, despite the global economic crisis and the volatility in oil and gas prices during the second half of 2008 and 2009. The Government's budget is formulated using a conservative estimate of oil prices for the relevant fiscal year. For example, the budget for the fiscal year ending 31 December 2010 is based on an assumed oil price of U.S.$40 per barrel (which would result in a small deficit of U.S.$5.8 billion, or less than 2.0 per cent., of the State of Qatar's total nominal GDP in 2008). The robust budget and continued domestic spending reflected in the budget for 2010 and 2011 illustrates the Government's commitment to support infrastructure and social improvements and to further develop the country's industrial and services sector. In March 2010, the Government announced that the budget for 2010 and 2011 will be 25 per cent. higher than the previous budget amid a projected 44 per cent. rise in Government revenues. The Government will dedicate 40 per cent. of the new budget towards infrastructure, with expenditure also going to the private sector to create jobs. This spending will provide a wide scope of opportunities for all of the Bank's businesses and in particular for those of its corporate customers who are major suppliers to these projects. The Bank believes it is therefore well positioned to be a significant indirect beneficiary of the Government's domestic investment programme. The Bank is well-positioned to benefit further from the growth and diversification of the Qatari economy, through the Bank's retail banking division, which is benefiting from increased wealth across the growing local Qatari population.

The budget for the fiscal year 2010 to 2011 underlines the strength of the Qatari financial position in contrast to the bordering GCC and global environment.

Infrastructure

Although the State of Qatar is focused on ensuring the optimal and sustainable development and commercialisation of the oil and gas sector, which continues to be the backbone of the economy, one of the cornerstones of the State of Qatar's current economic policy is a commitment to diversify the overall economy so that Government revenues from the oil and gas sector are supplemented by an increased percentage of Government revenues from non-oil and gas related activities. As set forth in the National Vision, the Government's long-term economic objectives include developing the State of Qatar's infrastructure and strengthening its private sector. In pursuit of these objectives, and consistent with increased revenues and surpluses, the State of Qatar has increased total expenditure and has funnelled much of this expenditure into major construction projects such as the Lusail real estate development (including Energy City) and the New Doha International Airport.

The building and construction sector has expanded rapidly in the past five years as a result of growing infrastructure needs and the economy's growth and diversification. In the coming years, this sector is expected to experience additional growth due to lower construction costs and major public projects, such as the construction of the New Doha International Airport, which will replace the existing Doha International Airport at an estimated cost of approximately QAR 32.8 billion (U.S.$9.0 billion). The airport is currently scheduled to be completed by 2013, and by its completion, is expected to handle 50 million passengers, two million tons of cargo and 320,000 landings and takeoffs per year. In addition, there are a range of public projects focused on developing the State of Qatar's infrastructure, public services, social and health services and education and youth services, including but not limited to, the U.S.$8.24 billion Education City, the U.S.$800 million Qatar Science and Technology Park, U.S.$7.9 billion Sidra Medical Research Centre and the Qatar National Convention Centre, which is scheduled to be completed by 2011 at an estimated cost of QAR 154 million (U.S.$42.3 million).

Law No. 27 of 2006, promulgating a new commercial code (the "Commercial Code") was issued on July 27, 2006. Certain provisions contained in the Commercial Code, such as the bankruptcy provisions, are intended to be additions to the existing Qatari Civil Code (Law No. 22 of 2004).

According to the provisions of the Commercial Code, after a company is declared bankrupt, the bankruptcy court will appoint between one and three administrators to represent the bankrupt company in all administrative and legal matters, to bring all assets and interests of the bankrupt company into the bankruptcy estate and to carry out the distributions of any assets or proceeds from asset sales under the supervision of the bankruptcy judge. Proceeds from such sales are to be distributed in accordance with the class of the creditor, the nature of the debt and the priority in time that security over the asset was granted.

The bankruptcy administrator shall pay unsecured creditors from the funds realized from unpledged funds or assets of the company. If a company's assets are not sufficient to pay at least 20% of its debts, the court may, upon the request of the administrator, require directors and/or managers of the company to pay all or part of the company's debts.

The Commercial Code would permit creditors to file a corporate bankruptcy against any corporate entity, except for certain professional companies and other companies that are wholly owned or at least 51% owned by the State of Qatar. The Commercial Code also contains criminal sanctions and provisions to prevent the abuse of the bankruptcy provisions contained in the Commercial Code. In addition, Article 5 of the Labour Law No. 14 of 2004, which came into force in January 2005, provides that all sums due thereunder to a worker shall have a preferential claim over all other debts and on the property, movable or immovable, of the employer, and that all such sums shall be preferred over debts owed by the employer to the State of Qatar. Article 168 of the Customs Law No. 40 of 2002 of the State of Qatar provides that claims of the Customs Department of the State of Qatar are to be considered as privileged debts. All previous exemptions granted to ministries, government bodies, general corporations or companies were abolished by this new customs law.

Enforcement of obligations

In any proceedings before the courts of the State of Qatar all documentation has to be in Arabic; for any documentation originally in English, the Arabic translation submitted to the court of the State of Qatar would , despite any provision to the contrary therein, be deemed to be the definitive version relied on for the purposes of the proceedings save where the other party can show any inaccuracies in the translation. The courts of the State of Qatar have a discretion to require further evidence or procedures as to the authenticity of any document and accuracy of any Arabic translation in relation thereto before accepting a document for submission.

There can be no assurances that a court of the State of Qatar would compel a liquidator of Almana to perform or cause to be performed any of its respective obligations under any of the Transaction Documents during a winding-up period.

The enforcement of the express terms of any agreement before the courts of the State of Qatar may also be affected by mandatory provisions of the Civil law of the State of Qatar. Such a provision is Article 402 of the Civil Law of the State of Qatar which provides that if a debtor establishes that settlement of an obligation has become impossible due to a reason that is beyond the debtor's control and to which the debtor did not contribute, the obligation may be extinguished. Similarly Article 171 of the Civil Law of the State of Qatar reads:

> ''….should any general exceptional events occur which events could not be foreseen, and as a consequence of which the performance of the contractual obligation, though not impossible, has become a heavy burden to the debtor threatening him with excessive loss, the court may, according to circumstances, and after comparison between the interest of both parties, reduce the onerous obligation to a reasonable extent. Any agreement to the contrary shall be void.''

This rule has its roots in the civil law doctrine of ''**imprevision**'' and similar rules will be found in the laws of various other Arab countries. It should, however, be noted that the event must be ''general'', ''exceptional'' and one which ''could not be foreseen''. The performance must have become a ''heavy burden'' threatening ''excessive loss'' and the court of the State of Qatar must carry out a ''comparison between the interests of both parties'' before he ''may'' ''reduce the onerous obligation to a reasonable extent''.

Domestic law of the State of Qatar relating to the enforcement of arbitral awards and foreign judgments is relatively undeveloped. Pursuant to Decree No. 29 of 2003 Approving the State of Qatar Joining the Agreement on Recognition and Implementation of Foreign Arbitration Awards, the State of Qatar acceded to and implemented the principles of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) on March 30, 2003. However, there have not been any publicly reported foreign arbitral awards determined in accordance with the UNCITRAL Arbitration Rules that have been brought before courts of the State of Qatar for enforcement.

As a matter of domestic law, courts of the State of Qatar will enforce a foreign judgment or arbitral award upon the conditions determined in the foreign jurisdiction for the enforcement of Qatari judgments and arbitral awards in that jurisdiction as long as (a) the foreign judgment or arbitral award is a final award that has been rendered by a court of competent jurisdiction or a duly constituted arbitral panel, (b) the party against whom the foreign judgment or arbitral award is to be enforced was properly served and represented in the proceedings in the foreign jurisdiction, (c) the foreign judgment or arbitral award does not violate the public policy of the State of Qatar, (d) the issue in question is res judicata in accordance with the law of the jurisdiction where the foreign judgment or arbitral award was given, and (e) the subject matter was not reserved for the exclusive jurisdiction of the courts of the State of Qatar.

There can be no assurance that any foreign arbitral award rendered against Almana pursuant to the Transaction Documents would be enforced by the courts of the State of Qatar.

Even if an arbitral award is effectively enforced in the State of Qatar, there can be no assurances that arbitration in respect of the Transaction Documents would protect the interests of the Certificateholders to the same extent, as would some foreign jurisdictions or courts in the State of Qatar in original proceedings.

The following is a general description of certain Qatar income tax considerations relating to the Certificates. It does not purport to be a complete analysis of all income tax considerations relating to the Certificates nor does it address the considerations that are dependent on individual circumstances. Prospective purchasers of Certificates should consult their own tax advisers to determine the income tax consequences for them of acquiring, holding and disposing of the Certificates and receiving distributions, payments of principal, profit and/or other amounts under the Certificates and the consequences of such actions under the Qatar income tax regulations.

Taxation in the State of Qatar

This general description of taxation in Qatar is based upon (a) Income Tax Law No. 21 of the Year 2009 (the "**Qatar tax law**"), (b) the Executive Regulations prescribed under the Qatar tax law, (c) Law No.20 of 2008 exempting the share of profits of non Qatari equity investors from income tax and (d) the published practices that have been adopted and applied by the Qatar Public Revenues and Taxes Department (the "**PRTD**") of the Ministry of Economy and Finance, each as in effect on the date of this Prospectus. This general description is subject to any subsequent change in Qatar tax law, regulations and practice that may come into force after such date.

Under the Qatar tax law, tax is imposed on income derived from a source in Qatar. Income derived from a source in Qatar includes gross income arising from an activity carried on in Qatar, contracts wholly or partially performed in Qatar, real estate situated in Qatar (including the sale of shares in companies or partnerships, the assets of which consist mainly of real estate situated in Qatar) and shares in companies resident in the State of Qatar or listed on its stock markets.

The term “activity” is defined in the Qatar tax law as; any profession, vocation, service, trade, industry, speculation, contractual work or any business carried on to derive a profit or an income. The gross income of Qatari natural persons resident in Qatar, including their shares in the profits of legal entities, is exempt from Qatar tax as is the capital gains on the disposal of real estate and securities derived by natural persons provided that the real estate and securities so disposed of do not form part of the assets of a taxable activity.

Natural or legal persons deemed subject to income tax in Qatar will either pay tax at the standard rate of 10 per cent on the net taxable income or tax will be withheld at source from the gross payment to be made.

The withholding tax applies to certain payments made to "non-residents" (as defined in the Qatar tax law) in respect of activities not connected with a permanent establishment in Qatar. The Qatar tax law specifies a withholding tax rate of 7 per cent. on payments of interest. The Executive Regulations prescribed under the law provide further guidance in relation to withholding tax on interest and specifically excludes applicability of withholding tax on interest on deposits in banks in the State and interest on transactions, facilities and loans with banks and financial institutions. Pursuant to a letter from the PRTD dated 4 January 2010, this withholding tax on interest was suspended and is expected to remain suspended until 30 June 2011, after which withholding tax on interest should apply subject to the exceptions in the Executive Regulations. However, it is not clear whether the PRTD has the authority to suspend the withholding tax as a matter of Qatari law.

There is no stamp duty, capital gains tax or sales tax applicable in Qatar (however, unless specifically exempt under the Qatar tax law, gains of a capital nature are treated as income and taxed at the same rate as income). Dividends and other income from shares are exempt from tax where the distribution is made out of post tax profits or the distribution is made by a company which is exempt from tax under the income tax law or other laws. The share of profits of non Qatari investors in Qatari public shareholding companies whose shares are listed on the Qatar Exchange are exempt from tax under Law No. 20 of 2008.

There are no provisions in the Qatar tax law that specify the tax treatment in respect of payments made pursuant to Sharia compliant transactions or deal with the tax status of the entities involved in such transactions. Therefore, there is some uncertainty in the application of the Qatar tax law as to (i) the tax status of the Issuer, (ii) the taxation of the payments received by the Issuer, (iii) the taxation of the payments under the Certificates to Certificateholders, and (iv) the taxation of any gains derived from a sale or exchange of Certificates.

To the extent that any withholding tax is imposed under the Qatar tax law on payments made by Almana (under the Purchase Undertaking) or the Investment Manager (under the Investment Management Agreement), Almana (with respect to payments under the Purchase Undertaking) and, subject to certain conditions, the Investment Manager (with respect to payments under the Investment Management Agreement) have undertaken to pay such additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer and Certificateholders.

In addition, pursuant to the terms of the Costs Undertaking, Almana has agreed to indemnify the Issuer in respect of any tax liabilities imposed on the Issuer in connection with the performance of the Issuer's obligations under the Certificates and the Transaction Documents to which it is a party.

Cayman Islands Taxation

The Government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Issuer or the Certificateholders. The Cayman Islands are not party to any double tax treaties.

The Issuer has applied for and can expect to receive an undertaking from the Governor in Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the Issuer or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Issuer to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Issuer.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the tax of savings income, each Member State has been required, since 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, Austria, Belgium and Luxembourg are required instead to apply a withholding system for a transitional period in relation to such payments by deducting amounts on account of tax at rates rising over time to 35 per cent. This transitional period commenced on 1 July 2005 and terminates at the end of the first full fiscal year following agreement by certain non-EU countries and territories to the exchange of information relating to payments of interest. A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. Therefore, payments of Periodic Distribution Amounts on the Certificates which are made or collected through Belgium, Luxembourg, Austria or any other relevant country may be subject to withholding tax which would prevent Certificateholders from receiving Periodic Distribution Amounts on their Certificate in full. The terms and conditions of the Certificates provide that, to the extent that it is possible to do so, a paying agent will be maintained by the Issuer in a Member State that is not required to withhold tax pursuant to the directive.

On 13 November 2008, the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg currently in effect. The information in this section concerning such clearing systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, Almana nor the Joint Lead Managers takes any responsibility for the accuracy of this section. The Issuer and Almana only take responsibility for the correct extraction and reproduction of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or Almana and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in the Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such ownership interests.

Clearing Systems

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Certificates will be represented by the Global Certificate registered in the name of a common depositary or its nominee for Euroclear and Clearstream, Luxembourg. Ownership of book-entry interests in the Global Certificate will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Global Certificate in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the owner of book-entry interests in the Global Certificate will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Global Certificate. The Registrar will be responsible for maintaining a record of the aggregate holdings of the Global Certificate registered in the name of a common depositary or its nominee for Euroclear and Clearstream, Luxembourg and/or, if individual Certificates are issued in the limited circumstances described under "Global Certificate", holders of Certificates represented by those individual Certificates. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of book-entry interests in the Global Certificate holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of holding the Global Certificate; however, holders of book-entry interests in the Global Certificate may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream, Luxembourg.

Clearance and Settlement Procedures

Initial Settlement

Upon their original issue, the Certificates will be in global form represented by the Global Certificate. Interests in the Global Certificate will be in uncertified book-entry form. Purchasers holding book entry interests in the Global Certificate through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Global Certificate will be credited to Euroclear and Clearstream, Luxembourg participants' securities clearance accounts on the Closing Date against payment (for value the Closing Date).

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Certificates where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market trading between Euroclear participants and/or Clearstream, Luxembourg participants will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

General

Neither of Euroclear and Clearstream, Luxembourg is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Issuer, the Trustee, Almana or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Gulf International Bank B.S.C. (the "**Sole Bookrunner and Joint Lead Manager**") has, pursuant to a subscription agreement dated 17 July 2011 (the "**Subscription Agreement**") made between the Issuer, Almana, the Investment Manager and the Sole Bookrunner and Joint Lead Manager agreed, subject to the satisfaction of certain conditions set forth therein to procure subscribers for the principal amount of the Certificates.

Pursuant to the Subscription Agreement, Almana has agreed to pay certain management commissions and expenses to the Sole Bookrunner and Joint Lead Manager in respect of the subscription of the Certificates and to reimburse the Sole Bookrunner and Joint Lead Manager for certain of its expenses incurred in connection with the issue of the Certificates.

United States

The Certificates have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Certificates are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after commencement of the offering of the Certificates, an offer or sale of the Certificates within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

United Kingdom

The Sole Bookrunner and Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement in connection with the Certificates to persons to whom such an invitation or inducement can lawfully be communicated or caused to be communicated under applicable United Kingdom law (including section 21 and section 238 of the Financial Services and Markets Act 2000, the "**FSMA**"); and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Sole Bookrunner and Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of the Certificates to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Certificates to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, natural or legal persons (other than qualified investors as defined in the Prospectus Directive);

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Certificates referred to in (a) and (b) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression "**offer of Certificates to the public**" in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive 2010/73/EU, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

Bahrain

The Sole Bookrunner and Joint Lead Manager has represented and agreed that no marketing or sale of the Certificates may take place in Bahrain except pursuant to the Central Bank of Bahrain and Financial Institutions Law 2006 (Decree Law No.64/2006) and that its has not offered and will not offer, Certificates to the Public (as defined in Articles 142-146 of the Commercial Companies Law (Decree Law No. 21/2001) of Bahrain) in Bahrain.

Cayman Islands

The Sole Bookrunner and Joint Lead Manager has represented and agreed that no offer or invitation to subscribe for Certificates has been made or will be made to the public of the Cayman Islands.

Kuwait

The Sole Bookrunner and Joint Lead Manager has represented and agreed that no marketing or sale of the Certificates may take place in Kuwait unless the same has been duly authorised by the Kuwait Ministry of Commerce and Industry pursuant to the provisions of Law No. 31/1990 and the various ministerial regulations issued thereunder.

State of Qatar and Qatar Financial Centre

The Sole Bookrunner and Joint Lead Manager has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the State of Qatar and Qatar Financial Centre other than in accordance with all applicable laws and regulations of the State of Qatar and Qatar Financial Centre governing the issuer, offering and sale of securities.

Sultanate of Oman

The Certificates have not been and will not be registered under the Capital Market Law of the Sultanate of Oman and, accordingly, the Sole Bookrunner and Joint Lead Manager has undertaken that it will not offer or sell any certificate directly or indirectly in the Sultanate of Oman or to, or for the benefits of, any Omani Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines and in effect at the relevant time. For the purposes of the following paragraph, "**Omani Person**" shall mean any person resident in the Sultanate of Oman, including any corporation or other entity organised under the laws of the Sultanate of Oman.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires Certificates pursuant to an offering should note that the offer of Certificates is a private placement restricted to sophisticated investors under Article 10 of the “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the “**KSA Regulations**”). The Sole Bookrunner and Joint Lead Manager has represented and agreed that the offer of the Certificates will only be directed at sophisticated investors as defined in Article 10 of the KSA Regulations ("**Sophisticated Investors**").

The offer of Certificates shall not therefore constitute a “public offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a private placement may not offer or sell those Certificates to any person unless the offer or sale is made through an authorized person appropriately licensed by the Saudi Arabian Capital Market Authority and:

(a) the Certificates are offered or sold to a Sophisticated Investor;

(b) the price to be paid for the Certificates in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or

(c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Dubai International Financial Centre

The Sole Bookrunner and Joint Lead Manager has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is (a) deemed to be an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**Rules**"); and (b) made only to persons of a type specified in the Rules.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Sole Bookrunner and Joint Lead Manager has represented and agreed that:

(a) the Certificates have not been and will not be publicly offered, sold or promoted or advertised by them in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities to the public; and

(b) the information contained in this Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

General

No action has been or will be taken in any jurisdiction by the Sole Bookrunner and Joint Lead Manager, the Issuer or Almana that would permit a public offering of the Certificates, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Certificates, in any country or jurisdiction where action for that purpose is required. The Sole Bookrunner and Joint Lead Manager has undertaken that it will comply, to the best of its knowledge and belief, with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Certificates or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense.

(1) Application has been made for the Certificates to be listed on the Official List of the UKLA and to be admitted to trading on the Regulated Market of the London Stock Exchange. Admission to listing and to trading is expected to be granted on or around 28 July 2011. However, there can be no assurance that the listing of the Certificates will take effect as of such date or at all.

(2) The issue of the Certificates has been duly authorised by resolutions of the Board of Directors of the Issuer passed on 12 July 2011.

(3) Each of Almana and the Group Guarantors has obtained all necessary consents, approvals and authorisations in connection with the entry into of the Transaction Documents to which it is a party. The entry into by Almana and each of the Group Guarantors of the Transaction Documents to which it is a party was duly authorised by a resolution of the shareholders of Almana and each of the Group Guarantors on 12 July 2011.

(4) The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are entities in charge of keeping records. The ISIN for the Certificates is XS0650740102. The Common Code for the Certificates is 065074010.

(5) Since 31 December 2010, there has been no significant change in the financial or trading position of Almana, the Group Guarantors or the Group and there has been no material adverse change in the financial position or prospects of Almana, the Group Guarantors or the Group.

(6) Since the date of its incorporation, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer,

(7) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.

(8) Neither Almana, nor the Group Guarantors, nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Almana or the Group Guarantors are aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of Almana, the Group or the Group Guarantors.

(9) For so long as any of the Certificates remains outstanding, copies (and English translations where the documents in question are not in English) of the following documents will be available for inspection during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the registered office of the Issuer or each Paying Agent:

  (a) the constitutional documents of the Issuer, Almana and the Group Guarantors;

  (b) the most recently publicly available audited consolidated annual financial statements of Almana and the Group Guarantors;

  (c) the Transaction Documents;

  (d) the pronouncement dated on or before the Closing Date and issued by the Sharia advisors to Gulf International Bank B.S.C.; and

  (e) this Prospectus.

(10) The auditors of Almana and the Group Guarantors are Ernst & Young, Qatar, independent auditors, who have audited the consolidated financial statements of Almana and the Group Guarantors for the years ended 31 December 2010 and 31 December 2009 as stated in the auditors reports set out in this Prospectus.

(11) The expenses relating to the admission to trading of the Certificates are expected to amount to £2,750.

Almana Group W.L.L.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA GROUP W.L.L.

Report on the financial statements
We have audited the accompanying consolidated financial statements of Almana Group W.L.L. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements
Furthermore, in our opinion, proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and, we are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or on its financial position as of 31 December 2009.

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59
Date : 27 April 2010
Doha

CONSOLIDATED INCOME STATEMENT

Year Ended 31 December 2009

	Notes	***2009*** ***QR***	*2008* *QR*
Revenue	3	**908,244,665**	836,157,382
Direct costs		**(641,298,661)**	(585,982,514)
GROSS PROFIT		**266,946,004**	250,174,868
Other income	4	**6,541,479**	8,763,957
Investment income	5	**40,323,175**	54,175,003
Administrative expenses	6	**(118,580,241)**	(111,322,432)
Depreciation	8	**(13,002,798)**	(10,951,579)
Net fair value (loss) gain on investment properties	9	**(62,898,450)**	552,108,125
Amortisation of land lease rights	10	**(2,526,785)**	(2,526,785)
Impairment of available-for-sale investments	12	**(535,693)**	(344,572,887)
Provision for anticipated future losses		**(6,595,092)**	-
OPERATING PROFIT		**109,671,599**	395,848,270
Finance costs		**(110,163,629)**	(74,953,422)
Share of result of joint venture entities	11	**1,380,158**	70,132
PROFIT FOR THE YEAR	7	**888,128**	320,964,980
Attributable to:			
Equity holders of the parent		**(9,524,897)**	312,800,818
Non-controlling interest		**10,413,025**	8,164,162
		888,128	320,964,980

The attached notes 1 to 30 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2009

	2009	*2008*
	QR	*QR*
Profit for the year	**888,128**	320,964,980
Other comprehensive income (expense)		
Available-for-sale investments		
Gain (loss) arising during the year	**2,002,287**	(388,286,370)
Reclassification adjustments for loss (profit) included in the income statement	**3,475,850**	(71,057,058)
Transfer to income statement on impairment	**535,693**	344,572,887
Other comprehensive income (expense) for the year	**6,013,830**	(114,770,541)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6,901,958**	206,194,439

The attached notes 1 to 30 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2009

	Notes	*2009 QR*	*2008 QR*
ASSETS			
Non-current assets			
Property, plant and equipment	8	**910,231,418**	1,020,058,588
Investment properties	9	**1,663,178,866**	1,386,831,911
Land lease rights	10	**160,106,405**	106,124,940
Investment in joint ventures	11	**9,056,087**	5,982,729
Available-for-sale investments	12	**391,289,314**	368,578,393
		3,133,862,090	2,887,576,561
Current assets			
Inventories	13	**203,134,456**	252,018,723
Contract work in progress	14	**91,457,105**	85,230,194
Available-for-sale investments	12	**268,807,686**	314,881,600
Accounts receivable and prepayments	15	**377,003,642**	577,408,861
Bank balances and cash	16	**45,885,145**	29,176,727
		986,288,034	1,258,716,105
TOTAL ASSETS		**4,120,150,124**	4,146,292,666
EQUITY AND LIABILITIES			
Attributable to shareholders of the parent			
Share capital	17	**1,000,000,000**	1,000,000,000
Legal reserve	18	**146,761,318**	146,761,318
Revaluation reserve	19	**28,220,931**	28,604,234
Retained earnings		**735,115,037**	744,256,631
Shareholders' current accounts		**24,938,993**	27,409,069
Cumulative changes in fair values		**26,920,795**	20,906,965
		1,961,957,074	1,967,938,217
Non-controlling interests		**15,900,562**	16,022,537
Total Equity		**1,977,857,636**	1,983,960,754
Non-current liabilities			
Interest bearing loans and borrowings	20	**1,277,977,462**	1,390,216,305
Employees' end of service benefits	21	**12,884,891**	9,673,712
		1,290,862,353	1,399,890,017
Current liabilities			
Accounts payable and accruals	22	**184,195,631**	167,829,523
Bank overdrafts	16	**54,826,883**	59,769,074
Interest bearing loans and borrowings	20	**612,407,621**	534,843,298
		851,430,135	762,441,895
Total liabilities		**2,142,292,488**	2,162,331,912
TOTAL EQUITY AND LIABILITIES		**4,120,150,124**	4,146,292,666

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Omar H. Almana (Chairman) Tariq O. Almana (Director)

The attached notes 1 to 30 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended 31 December 2009

	Notes	*2009* QR	*2008* QR
OPERATING ACTIVITIES			
Profit for the year		**888,128**	320,964,980
Adjustments for:			
Share of results of joint venture entities	11	**(1,380,158)**	(70,132)
Gain on sale of property, plant and equipment	4	**(1,321,499)**	(1,468,703)
Depreciation	8	**50,967,900**	44,090,675
Amortisation of land lease rights	10	**2,526,785**	2,526,785
Provision for slow moving inventories	13	**1,361,295**	495,654
Provision for impairment of receivables	15	**2,936,960**	4,645,453
Finance costs		**110,163,629**	74,953,422
Provision for employees' end of service benefits	21	**4,350,659**	4,662,006
Write-off property, plant and equipment	8	**595,982**	-
Loss (profit) on disposal of available-for-sale investments	5	**10,498,101**	(12,351,042)
Impairment loss on available-for-sale investments	12	**535,693**	344,572,887
Dividend and interest income	4&5	**(51,544,336)**	(42,452,039)
Net fair value loss (gain) on investment properties	9	**62,898,450**	(552,108,125)
		193,477,589	188,461,821
Working capital changes:			
Inventories		**47,522,972**	(111,090,742)
Contract work in progress		**(6,226,911)**	25,939,818
Accounts receivable and prepayments		**197,468,259**	(390,614,736)
Accounts payable and accruals		**16,366,108**	51,393,544
Retention receivable		**-**	6,856,662
Retention payable		**-**	(1,249,542)
Cash from (used in) operations		**448,608,017**	(230,303,175)
Employees' end of service benefits paid during the year	21	**(1,139,480)**	(1,206,446)
Finance costs paid		**(110,163,629)**	(74,953,422)
Net cash from (used in) operating activities		**337,304,908**	(306,463,043)
INVESTING ACTIVITIES			
Acquisition of a subsidiary, net of cash acquired		-	1,846,000
Addition to property, plant and equipment	8	**(302,586,142)**	(199,416,650)
Proceeds from disposal of property, plant and equipment		**22,925,524**	12,226,905
Dividend and interest income received		**51,544,336**	42,452,039
Investment in joint ventures		**(1,693,200)**	-
Purchases of available-for-sale investments		**(107,357,645)**	(720,520,962)
Proceeds from sale of available-for-sale investments		**125,700,674**	267,634,627
Net cash used in investing activities		**(211,466,453)**	(595,778,041)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**(34,674,520)**	1,011,445,530
Net movement in shareholders' current accounts		**(58,978,326)**	(116,466,106)
Dividend paid to non-controlling interests		**(10,535,000)**	(5,512,500)
Net cash (used in) from financing activities		**(104,187,846)**	889,466,924
INCREASE (DECREASE) IN BANK BALANCES AND CASH		**21,650,609**	(12,774,160)
Bank balances and cash at 1 January		**(30,592,347)**	(17,818,187)
BANK BALANCES AND CASH AT 31 DECEMBER	16	**(8,941,738)**	(30,592,347)

The attached notes 1 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2009

	Attributable to equity holders of the parent								
	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Retained earnings QR*	*Shareholders' current accounts QR*	*Cumulative changes in fair values QR*	*Total QR*	*Non-controlling interests QR*	*Total equity QR*
Balance at 1 January 2008	1,000,000,000	115,481,236	28,987,537	462,352,592	56,909,675	135,677,506	1,799,408,546	-	1,799,408,546
Profit for the year	-	-	-	312,800,818	-	-	312,800,818	8,164,162	320,964,980
Other comprehensive expense	-	-	-	-	-	(114,770,541)	(114,770,541)	-	(114,770,541)
Dividends paid	-	-	-	-	-	-	-	(5,512,500)	(5,512,500)
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	13,370,875	13,370,875
Transfer to legal reserve (Note 18)		31,280,082	-	(31,280,082)	-	-	-	-	-
Transfer to retained earnings	-	-	(383,303)	383,303	-	-	-	-	-
Net movement in shareholders' current accounts	-	-	-	-	(29,500,606)	-	(29,500,606)	-	(29,500,606)
Balance at 31 December 2008	1,000,000,000	146,761,318	28,604,234	744,256,631	27,409,069	20,906,965	1,967,938,217	16,022,537	1,983,960,754
Profit for the year	-	-	-	(9,524,897)	-	-	(9,524,897)	10,413,025	888,128
Other comprehensive income	-	-	-	-	-	6,013,830	6,013,830	-	6,013,830
Dividends paid	-	-	-	-	-	-	-	(10,535,000)	(10,535,000)
Transfer to retained earnings	-	-	(383,303)	383,303	-	-	-	-	-
Net movement in shareholders' current accounts	-	-	-	-	(2,470,076)	-	(2,470,076)	-	(2,470,076)
Balance at 31 December 2009	**1,000,000,000**	**146,761,318**	**28,220,931**	**735,115,037**	**24,938,993**	**26,920,795**	**1,961,957,074**	**15,900,562**	**1,977,857,636**

The attached notes 1 to 30 form part of these financial statements.

1 ACTIVITIES

Almana Group W.L.L. is a limited liability company (the "Company") registered in the State of Qatar. The registered office of the Company is located in Doha, State of Qatar. The Company and its subsidiaries, as set out in Note 2.1 below are engaged in the following activities:

Fabrication and erection of steel structures and related activities; operation of a travel agency; trading in furniture and interior decorations; operation of an exchange house, real estate, general trading and contracting activities; purchase and sale of vehicles and related spare parts and automobile distributorship; hire of motor vehicles; trading in steel items; sale of IBM personal computers and providing hardware and software support services; and investment in shares.

The consolidated financial statements of Almana Group W.L.L. for the year ended 31 December 2009 were authorised for issue in accordance with the resolution of the Directors on 27 April 2010.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investments properties, certain land and buildings and available-for-sale investments that have been measured at fair value. The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentation currency.

Statement of compliance

The consolidated financial statements of Almana Group W.L.L and all its subsidiaries ("the Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Qatar Commercial Companies Law No.5 of 2002.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Almana Group W.L.L and its subsidiaries listed below as at 31 December 2009.

	Ownership interest %
• Almana Trading Company W.L.L.	100%
• Almana Motors Company W.L.L.	100%
• Almana Maples W.L.L.	100%
• Almana Steel Structures W.L.L.	100%
• Skyline Travel W.L.L.	100%
• Almana Rent A Car-Hertz	100%
• Almana Exchange W.L.L.	100%
• United Cars Almana	100%
• Almana Fleet W.L.L.	100%
• Almana Computer Service W.L.L.	100%
• Almana Used Cars W.L.L	100%
• Manco International for General Contracting W.L.L.	100%
• Insulation Engineering Co.	100%
• Qatar Galvanizing Company W.L.L.	51%

Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The shareholdings in the above companies are held in the name of Almana family members as nominees for Almana Group W.L.L.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra- group transactions that are recognised in assets, are eliminated in full.

Special purpose entities
The Group has established Almana Sukuk Limited (a limited liability company incorporated in the Cayman Island) as a special purpose entity ("SPE") for the issue of Sukuk Certificates. These certificates are listed on the NASDAQ Dubai. The Group does not have any direct or indirect shareholding in this entity. An SPE is consolidated based on an evaluation of the substance of its relationship with the Group and based on the SPE's risks and rewards, the Group concludes that it controls the SPE. The SPE controlled by the Group was established under the terms that impose strict limitations on the decision-making powers of the SPE's management and that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

Non-controlling interests
Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated consolidated income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Acquisition of non-controlling interests is accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired is recognized in goodwill.

2.2 Changes in accounting policies and disclosures

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2008, except for the adoption of new and amended standards as of 1 January 2009 as noted below:

IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 27. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 26.

IAS 1 Presentation of Financial Statements (Revised)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Group has elected to present two linked statements. Adoption of the revised standard did not have any effect on the financial position or performance of the Group.

IAS 23 (Revised) Borrowing Costs
The standard has been revised to require capitalisation of borrowing costs when such costs relate to qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group already has a policy of capitalising borrowing costs on qualifying assets (Note 8) and hence adoption of this Standard did not have any effect on the financial position or performance of the Group.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

Improvements to IFRSs (May 2008)
In May 2008, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of there amendments resulted in rewording or corrections to accounting policies but did not have any impact on the financial position or performance of the Group.

2.3 New and amended standards and interpretations issued as 31 December 2009, but not applied

The IASB have issued a number of standards and interpretations with an effective date after the date of these financial statements. The management has set our below only those which shall be considered in future periods and also believes that the adoption of these new and amended standards may not have any material impact on the future periods consolidated financial statements.

- Improvements to IFRSs (April 2009) (Applicable to 31 December 2010 year end)
- IAS 27 (Revised) “Consolidated and Separate Financial Statements” (Applicable to 31 December 2010 year end)
- IFRS 3 (Revised) “Business Combinations” (Applicable to 31 December 2010 year end)
- IFRS 9 Financial Instruments (Applicable subsequent to 31 December 2010 year end)
- IAS 24 Related Party Disclosures (Revised) (Applicable Subsequent to 31 December 2010 year end)

2.4 Summary of significant accounting policies

Interest in joint venture
The Group has interest in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the joint venture using equity method of accounting.

Under the equity method, investments in joint ventures are carried in the statement of financial position at cost, plus post-acquisition changes in the Group’s share of net assets of the joint venture. The consolidated income statement reflects the Group’s share of the results of operation of the joint ventures. When there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in shareholders’ equity.

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group’s interest in the joint venture.

The reporting dates of the joint venture and the Group are identical and the joint venture’s accounting policies conform to those used by the Group for like transactions and events in similar circumstance.

Revenue recognition
The Group recognises revenue on the following basis:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Contract income
Contract income consists of the invoice value of work carried out as at the reporting date.

Rental income and income from vehicle hire
Rental income from investment properties and lease rentals from vehicles are accounted for on a time proportion basis.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Interest income
Interest income is recognised as the interest accrues using the effective interest rate method.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established

Commission income
Commission income is recognised when the right to earn revenue is established as per the terms of the contract entered with customers.

Property, plant and equipment
With the exception of the workshop buildings and land, property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of property, plant and equipment when the cost that is incurred, when the recognition criteria is met.

Workshop buildings are measured at the revalued amounts less depreciation and impairment losses subsequent to the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the revalued assets do not materially differ from its carrying amounts. Land is not depreciated.

Any revaluation surplus is credited to the revaluation reserve included in the equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated income statement, in which case the increase is recognised in the consolidated income statement. A revaluation deficit is recognised in the consolidated income statement, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve.

Depreciation is provided on all property, plant and equipment, other than freehold land and capital work in progress, at rates calculated to write off the cost, less estimated recoverable value based on prices prevailing at the date of acquisition, of each asset over its expected useful lives. Motor vehicles on hire are estimated to have a residual value of 25% - 35% of their original cost. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	25 years
Building partitions	5 years
Machinery, tools and equipment	4 - 8 years
Furniture and fittings	4 years
Motor vehicles	4 - 8 years
Office decoration	4 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Transfers are made to investment property when and only when there is a change in use. Those transfers are made at the fair value and the resulting gain is taken to revaluation reserve.

Properties under development, included under property, plant and equipment, will be transferred to investment properties when substantially all the activities necessary to prepare an investment property for its intended use is completed.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognised.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Impairment of non financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had not impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated income statement unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increase in its recoverable amount.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Impairment of non financial assets (continued)

The following criteria is applied in assessing impairment of following specific assets:

Lease rights
Lease rights are amortised over the useful economic life and assessed for impairment whenever there is an indication that the lease rights may be impaired. The amortisation expense on the lease rights is recognised in the consolidated income statement in the expense category consistent with the function of the asset.

Joint venture
After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss of the Group investment in its joint ventures The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the fair value of the joint venture and the acquisition cost and recognizes the amount in the consolidated income statement.

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. When the Group completes the construction or development of self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated income statement.

Available-for-sale investments
All available-for-sale investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

After initial recognition, available-for-sale investments which have a quoted market price and whose fair value can be reliably measured, are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity under other comprehensive income until the investment is sold, collected or otherwise disposed off, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement for the year.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Due to the uncertain nature of cash flows arising from certain of Group's unquoted equity instruments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost less any impairment losses.

Land lease rights
Premiums paid to acquire the lease rights in land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Contract work in progress
Contract work in progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. Attributable profit is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made for contingencies and any anticipated future losses.

Inventories
Inventories are valued at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition on purchase cost for items which can be identified with the cost and on first-in, first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectable. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, bank balances and short term deposits, net of any outstanding bank overdrafts.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

Interest bearing loans and borrowings
Interest bearing loans and borrowings are recognized initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest method, with any differences between the cost and final settlement values being recognized in the consolidated income statement over the period of borrowings. Instalments due within one period at amortised cost are shown as a current liability.

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction or production of an asset that necessarily takes a substantial period of time for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of the specific asset or assets or the arrangement conveys a right to use the asset.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Group as lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases, initial costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2004, the Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement

De-recognition of financial assets and liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability (or part of a financial liability) is derecognized when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged or expires.

3 REVENUE

	2009	*2008*
	QR	*QR*
Sales	**416,678,190**	423,533,014
Contract income	**318,335,271**	236,257,192
Commission income	**75,778,791**	94,857,949
Income from vehicle hire	**71,507,184**	59,222,648
Rental income	**25,945,229**	22,286,579
	908,244,665	836,157,382

4 OTHER INCOME

	2009 *QR*	*2008* *QR*
Gain on sale of property plant and equipment	**1,321,499**	1,468,703
Profit on exchange	**964,163**	1,394,948
Interest income	**723,060**	628,078
Miscellaneous income	**3,532,757**	5,272,228
	6,541,479	8,763,957

5 INVESTMENT INCOME

	2009 *QR*	*2008* *QR*
Dividend income	**50,821,276**	41,823,961
(Loss) profit on disposal of available-for-sale investments	**(10,498,101)**	12,351,042
	40,323,175	54,175,003

6 ADMINISTRATIVE EXPENSES

	2009 *QR*	*2008* *QR*
Salary and related expenses	**48,137,119**	47,559,717
Rent	**14,982,417**	14,189,656
Repair and maintenance expenses	**8,188,653**	7,600,882
Bank charges	**6,604,361**	1,410,944
Advertising and promotion	**4,948,230**	7,091,518
Utilities	**4,934,580**	3,635,273
Visa and immigration charges	**4,535,817**	4,080,247
Allowance for impairment of receivables (Note 15)	**2,936,960**	4,645,453
Travelling expenses	**2,603,142**	3,975,872
Telephone, telex and postage	**2,168,571**	2,028,049
Insurance expenses	**1,409,556**	1,175,186
Provision for slow-moving materials (Note 13)	**1,361,295**	495,654
Professional fees	**1,358,544**	1,126,412
Printing and stationery	**640,748**	613,017
Property, plant and equipment write-off (Note 8)	**595,982**	-
Miscellaneous	**13,174,266**	11,694,552
	118,580,241	111,322,432

7 PROFIT FOR THE YEAR

The net profit for the year is stated after charging staff cost in the amount of QR 105,340,462 (2008: QR 92,515,729) and inventories recognised as expense upon sale of finished goods QR 375,308,041 (2008: QR 357,754,067).

8 PROPERTY, PLANT AND EQUIPMENT

	Freehold land QR	*Buildings QR*	*Building partitions QR*	*Machinery, tools and equipment QR*	*Furniture and fittings QR*	*Motor vehicles QR*	*Office decoration QR*	*Capital work-in-progress QR*	*Total QR*
At cost or revaluation:									
At 1 January 2009	331,556,900	54,068,933	450,959	64,444,158	20,023,210	246,936,313	1,562,791	442,217,343	1,161,260,607
Transfer from investment properties (Note 9)	62,511,000	-	-	-	-	-	-	-	62,511,000
Additions	37,406,000	2,490,711	-	18,219,574	7,487,523	106,428,746	196,734	130,356,854	302,586,142
Transfers	-	21,065,876	(450,959)	1,697,776	(246,317)	(73,139)	(859,726)	(21,133,511)	-
Write-off	-	-	-	-	-	-	-	(595,982)	(595,982)
Disposals	(1,365,900)	-	-	(6,443,693)	(8,510)	(37,421,766)	-	(3,410,662)	(48,650,531)
Transfer to investment properties (Note 9)	-	-	-	-	-	-	-	(401,756,405)	(401,756,405)
At 31 December 2009	430,108,000	77,625,520	-	77,917,815	27,255,906	315,870,154	899,799	145,677,637	1,075,354,831
Depreciation:									
At 1 January 2009	-	14,142,432	220,826	28,078,477	13,654,620	83,862,317	1,243,347	-	141,202,019
Depreciation charge for the year	-	4,114,479	-	7,406,388	2,967,704	36,375,339	103,990	-	50,967,900
Transfers	-	-	(220,826)	941,590	73,137	(29,311)	(764,590)	-	-
Disposals	-	-	-	(2,950,817)	(7,810)	(24,087,879)	-	-	(27,046,506)
At 31 December 2009	-	18,256,911	-	33,475,638	16,687,651	96,120,466	582,747	-	165,123,413
Net carrying amount:									
At 31 December 2009	**430,108,000**	**59,368,609**	**-**	**44,442,177**	**10,568,255**	**219,749,688**	**317,052**	**145,677,637**	**910,231,418**

8 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land QR	*Buildings QR*	*Building partitions QR*	*Machinery, tools and equipment QR*	*Furniture and fittings QR*	*Motor vehicles QR*	*Office decoration QR*	*Capital work-in-progress QR*	*Total QR*
At cost or revaluation:									
At 1 January 2008	244,591,400	39,146,362	450,959	47,451,130	16,591,544	197,232,829	1,436,991	329,206,653	876,107,868
Acquisition of a subsidiary	-	13,172,066	-	9,673,733	72,810	634,528	-	439,220	23,992,357
Additions	-	1,750,505	-	9,502,061	3,358,856	72,107,958	125,800	112,571,470	199,416,650
Transfer from a shareholder	86,965,500	-	-	-	-	-	-	-	86,965,500
Disposals	-	-	-	(2,182,766)	-	(23,039,002)	-	-	(25,221,768)
At 31 December 2008	331,556,900	54,068,933	450,959	64,444,158	20,023,210	246,936,313	1,562,791	442,217,343	1,161,260,607
Depreciation:									
At 1 January 2008	-	8,689,134	128,271	20,169,272	11,231,627	66,364,063	1,125,962	-	107,708,329
Acquisition of a subsidiary	-	1,251,064	-	2,311,081	17,674	286,762	-	-	3,866,581
Depreciation charge for the year	-	4,202,234	92,555	6,011,965	2,633,007	31,033,529	117,385	-	44,090,675
Disposals	-	-	-	(413,841)	(227,688)	(13,822,037)	-	-	(14,463,566)
At 31 December 2008	-	14,142,432	220,826	28,078,477	13,654,620	83,862,317	1,243,347	-	141,202,019
Net carrying amount:									
At 31 December 2008	331,556,900	39,926,501	230,133	36,365,681	6,368,590	163,073,996	319,444	442,217,343	1,020,058,588

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) Freehold land with a cost of QR 54,896,000 (2008: QR 54,896,000) is registered in the name of the shareholders' who have confirmed that they hold the title deeds as trustees on behalf of the Group who is the beneficial owner of the land.

(ii) Land amounting QR 128,922,100 (2008: QR Nil) are mortgaged to Banks against facilities granted to the Group.

(iii) Motor vehicles include vehicles at a cost of QR 164,061,507 (2008: QR 218,566,575) leased out under operating leases of which vehicles with a carrying value of QR 136,208,157 (2008: QR 124,193,812) are mortgaged to banks as security against loans given to companies within the Group. These vehicles are registered jointly in the name of the bank and two of the companies within the Group namely Almana Fleet W.L.L. and Almana Rent A Car- Hertz.

(iv) Capital work-in-progress include capitalised borrowing cost amounting to QR 32,465,955 (2008: QR 19,843,428)

(v) If the workshop buildings were measured using the cost model, the carrying amount would be as follows:

	2009	*2008*
	QR	*QR*
Cost	**13,811,412**	13,811,412
Accumulated depreciation	**(5,706,007)**	(5,475,054)
Net carrying amount	**8,105,405**	8,336,358

(vi) The depreciation charge has been included in the consolidated income statement as follows:

	2009	*2008*
	QR	*QR*
Direct costs	**37,965,102**	33,139,096
Depreciation	**13,002,798**	10,951,579
	50,967,900	44,090,675

9 INVESTMENT PROPERTIES

	2009 *QR*	*2008* *QR*
At 1 January	**1,386,831,911**	834,723,786
Transfer from property, plant and equipment (Note 8)	**401,756,405**	-
Transfer to property, plant and equipment (Note 8)	**(62,511,000)**	-
Net (loss) gain from fair value adjustment taken to consolidated income statement	**(62,898,450)**	552,108,125
At 31 December	**1,663,178,866**	1,386,831,911
Investment properties:		
At cost	**557,695,096**	204,376,691
Net gain from fair value adjustment	**1,105,483,770**	1,182,455,220
At 31 December	**1,663,178,866**	1,386,831,911
Investment properties:		
Wholly owned land	**48,394,036**	48,394,036
Group's share in co-owned land	**878,358,625**	879,737,525
Other investment properties	**736,426,205**	458,700,350
At 31 December	**1,663,178,866**	1,386,831,911

Notes :

(i) The fair value of wholly owned land amounting to QR 48,394,036 is based on valuations carried out on 22 January 2008 by Mr. Ahmed Oadyaat, an external valuer based in Beirut. There were no revaluations made during the year. Management believes that this approximates the fair value as at 31 December 2009.

(ii) As at 31 December 2008, a piece of land with a fair value of QR 62,511,000 originally leased by the shareholders from the municipality with the intention to be leased out after further development and classified under investment property. During the year, the Group has commenced its own occupation on this land and hence the land has been transferred from investment property to property, plant and equipment.

(iii) The fair value of the remaining investment properties amounting to QR 1,213,028,425 (2008: QR 1,338,437,875) is based on valuations carried out during 2009 by Al- Maslmani Real Estate Investment & Development Co. and Bin Hamda Real Estates, independent valuers based in the State of Qatar. The management believes that this approximates the fair value as at 31 December 2009.

(iv) Investment properties registered in the name of the shareholder who holds such properties in trust on behalf of the Group. The financial statements have been prepared on the basis that the beneficial interest of these assets resides with the Group.

(v) On 31 December 2009, the Group has completed construction of 124 Villa Compound and transferred these properties amounting to QR 401,756,405 from property, plant and equipment to investment properties. The management believes that this approximates the fair value as at 31 December 2009.

(vi) The Group has mortgaged investment properties with a fair value of QR 593,713,800 (2008: QR 240,100,550) with local banks against credit facilities granted by the banks.

10 LAND LEASE RIGHTS

	2009	*2008*
	QR	*QR*
At 1 January	**106,124,940**	-
Additions during the year	**56,508,250**	108,651,725
Less: Amortization for the year	**(2,526,785)**	(2,526,785)
At 31 December	**160,106,405**	106,124,940

This pertains to the Group's acquired rights to use pieces of lands from a shareholder, which was leased from the Municipality. The premium is amortised over the period ranging from 30 to 43 years commencing from 1 January 2008 and 1 January 2010.

11 INVESTMENT IN JOINT VENTURES

	2009	*2008*
	QR	*QR*
Investment in Coca-Cola Almana W.L.L.	**4,384,578**	3,432,729
Investment in Chiyoda Almana Engineering W.L.L.	**2,926,052**	2,295,000
Investment in Qatar Gratings and Road Barriers W.L.L.	**1,029,243**	255,000
Investment in Almana Trading Metal One L.L.C.	**716,214**	-
	9,056,087	5,982,729

	Country of incorporation	***Ownership***	***Nature of operations***
Investment in Coca-Cola Almana W.L.L	*Qatar*	*51%*	*Distribution and sale of beverage products*
Investment in Chiyoda Almana Engineering	*Qatar*	*51%*	*Maintenance of Liquefied Natural Gas(LNG) plant*
Investment in Qatar Gratings and Road Barriers W.L.L.	*Qatar*	*51%*	*Selling grating panels and barricades*
Investment in Almana Trading Metal One L.L.C.	*Qatar*	*51%*	*Buying and selling steel pipes*

The following table illustrates summarised information of the Group's investments in joint ventures:

	2009	*2008*
	QR	*QR*
Share of statement of financial position:		
Current assets	**31,870,009**	9,942,306
Non-current assets	**7,089,242**	5,477,832
Current liabilities	**(28,747,079)**	(8,514,228)
Non-current liabilities	**(1,156,085)**	(923,181)
Net assets	**9,056,087**	5,982,729
Share of joint venture entities' revenues and results:		
Revenues	**79,278,652**	36,495,454
Results	**1,380,158**	70,132

12 AVAILABLE-FOR-SALE INVESTMENTS

	2009 *QR*	*2008* *QR*
Quoted equity investments	**597,072,055**	618,635,252
Unquoted equity investments	**63,024,945**	64,824,741
	660,097,000	683,459,993
Presented in the statement of financial position as follows:		
Current	**268,807,686**	314,881,600
Non current	**391,289,314**	368,578,393
	660,097,000	683,459,993

	2009 *QR*	*2008* *QR*
Investments:		
At cost	**655,952,942**	1,029,366,960
Net gain (loss) from fair value adjustment	**4,679,751**	(1,334,080)
Impairment loss on available-for-sale investments	**(535,693)**	(344,572,887)
	660,097,000	683,459,993

Certain available-for-sale investments with a fair value of QR 428,950,612 (2008: QR 390,573,454) are registered in the name of shareholders who holds these investments in trust on behalf of the Group, who is the beneficial owner of the investments.

13 INVENTORIES

	2009 *QR*	*2008* *QR*
Goods for resale	**213,110,275**	244,249,311
Goods in transit	**1,768,068**	20,082,626
	214,878,343	264,331,937
Less: Provision for slow moving inventories	**(11,743,887)**	(12,313,214)
	203,134,456	252,018,723

Movements in the provision for slow moving inventories were as follows:

	2009 *QR*	*2008* *QR*
At 1 January	**12,313,214**	12,108,534
Charge for the year (Note 6)	**1,361,295**	495,654
Amounts written off	**(1,930,622)**	(290,974)
At 31 December	**11,743,887**	12,313,214

14 CONTRACT WORK IN PROGRESS

	2009	*2008*
	QR	*QR*
Cost plus attributable profits	**788,271,712**	610,517,567
Less: Progress billing received/receivable	**(696,814,607)**	(525,287,373)
	91,457,105	85,230,194

15 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009	*2008*
	QR	*QR*
Trade accounts receivable	**173,767,165**	224,924,381
Prepaid expenses	**28,892,286**	23,519,887
Amounts due from related parties (Note 24)	**23,558,259**	25,775,327
Retention receivable	**18,891,442**	14,793,605
Advances to suppliers	**15,797,011**	9,502,400
Other receivables	**130,201,513**	292,207,724
	391,107,676	590,723,324
Less: Allowance for impairment of receivables	**(14,104,034)**	(13,314,463)
	377,003,642	577,408,861

As at 31 December 2009, trade accounts receivable at nominal value of QR 14,104,034 (2008: QR 13,314,463) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**13,314,463**	9,487,223
Charge for the year (Note 6)	**2,936,960**	4,645,453
Amounts written-off	**(2,147,389)**	(818,213)
At 1 December	**14,104,034**	13,314,463

As at 31 December, the ageing of unimpaired trade accounts receivables are as follows:

			Past due but not impaired				
	Total	*Neither past due nor impaired*	*< 30 days*	*30 – 60 days*	*60 – 90 days*	*90 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2009	**159,663,131**	**71,034,928**	**27,406,473**	**10,588,706**	**7,752,274**	**6,795,012**	**36,085,738**
2008	211,609,918	104,542,821	21,700,624	34,060,041	13,936,206	14,111,918	23,258,308

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

16 BANK BALANCES AND CASH

Bank balances and cash shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2009	*2008*
	QR	*QR*
Bank balances and cash	**45,885,145**	29,176,727
Bank overdrafts	**(54,826,883)**	(59,769,074)
	(8,941,738)	(30,592,347)

17 SHARE CAPITAL

	2009	*2008*
	QR	*QR*
Authorised, issued and paid up		
1,000,000 shares of QR 1,000 each	**1,000,000,000**	1,000,000,000

18 LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No. 5 of 2002, 10% of the profit for the year has been transferred to the legal reserve. The Group may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

19 REVALUATION RESERVE

The revaluation reserve had arisen as a result of the revaluation of the workshop buildings in Almana Motor W.L.L. and United Cars Almana by an external valuer. A transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset original cost.

The amount included in the statement of changes in equity comprise of the following amounts:

	2009	*2008*
	QR	*QR*
Gain on revaluation of workshop land and buildings:		
Almana Motors Company W.L.L.	**2,107,221**	2,269,303
United Cars Almana	**16,367,998**	16,589,219
Gain on revaluation of owner occupied property transferred to investment properties:		
Almana Trading Company W.L.L.	**9,745,712**	9,745,712
	28,220,931	28,604,234

20 INTEREST BEARING LOANS AND BORROWINGS

	2009	*2008*
	QR	*QR*
Interest bearing loans and borrowings	**1,296,086,283**	1,330,760,803
Sukuk trust certificates	**594,298,800**	594,298,800
	1,890,385,083	1,925,059,603
Current portion of term loans	**612,407,621**	534,843,298
Non current portion of term loans	**1,277,977,462**	1,390,216,305
	1,890,385,083	1,925,059,603

Notes:

(i) Interest bearing loans and borrowings represent vehicle loans, working capital loans, project finance loans and other loans taken from local and offshore banks. These loans are secured by personal guarantees of the shareholders, corporate guarantees, mortgage of vehicles and certain properties, assignment of fleet revenue and rental income from properties and project proceeds.

(ii) These loans and borrowings carry interest at commercial rates and are repayable over periods varying from 1 to 7 years.

(iii) In May 2008, the Group issued a Trust Certificates (“the Sukuk”) of AED 600,000,000 equivalent to QR 594,298,800 listed under Almana Sukuk Limited on the NASDAQ Dubai. The Sukuk matures in the year 2013 and interest computed based on EIBOR to be paid quarterly.

21 EMPLOYEES’ END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**9,673,712**	6,174,534
Acquired from subsidiary	**-**	43,618
Provided during the year	**4,350,659**	4,662,006
End of service benefits paid	**(1,139,480)**	(1,206,446)
At 31 December	**12,884,891**	9,673,712

22 ACCOUNTS PAYABLE AND ACCRUALS

	2009 QR	*2008 QR*
Trade accounts payable	**67,339,079**	82,272,709
Accrued expenses	**37,092,818**	40,626,476
Advances from customers	**36,994,320**	27,497,945
Provision for anticipated future losses	**6,595,092**	-
Bills payable	**2,202,480**	4,484,319
Retention payable	**1,670,706**	1,020,013
Other payables	**32,301,136**	11,928,061
	184,195,631	167,829,523

23 EXPENDITURE COMMITMENTS

	2009 QR	*2008 QR*
Capital expenditure commitments		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Various real estate projects	**21,376,390**	58,817,193

All of the above commitments are expected to be settled within one year.

24 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the financial statements are as follows:

	2009 QR	*2008 QR*
Transfer of freehold land by a shareholder	**-**	86,965,500
Transfer of land lease rights from a shareholder	**56,508,250**	-

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

	2009 Receivables QR	***2009 Payables QR***	*2008 Receivables QR*	*2008 Payable QR*
Associate companies	**23,558,259**	**-**	28,325,327	-

Amounts due from related parties are disclosed in Note 15.

24 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2009	*2008*
	QR	*QR*
Short-term benefits	**1,728,000**	1,728,000

25 CONTINGENT LIABILITIES

The Group had the following contingent liabilities at 31 December 2009 from which it anticipates that no material liabilities will arise.

(i) The Group's banks have issued letters of guarantees and performance bonds of QR 117,553,391 (2008: QR 101,072,818).

(ii) The Group has discounted notes receivable amounting to QR Nil (2008: QR 1,300,188).

26 FINANCIAL RISK MANAGEMENT

Objective and policies
The Group's principal financial liabilities comprise interest bearing loans and borrowing and overdrafts and trade accounts payable, bills payables and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as available-for-sale investments, trade accounts receivable, retention receivables, amounts due from related parties, bank balances and other receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity risk. The directors review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial liabilities held at 31 December 2009. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

There is no impact on the Group's equity.

	Increase in basis points	*Effect on profit for the year QR*
2009		
QR	**+25**	**(4,863,030)**
2008		
QR	+25	(4,962,072)

26 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk
Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

Trade accounts payable and accrued expenses due in foreign currencies, mainly US Dollars. As Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk to the Group.

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in equity price 2009	***Effect on equity 2009 QR***	*Change in equity price 2008*	*Effect on equity 2008 QR*
Available-for-sale investments (Quoted)	**+5%**	**29,853,603**	+5%	30,931,763

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

The Group sells its product and services to a large number of customers in Qatar. No single customer accounts for more than 10% of outstanding accounts receivable at 31 December 2009.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

	Less than 6 months QR	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
At 31 December 2009				
Bank overdrafts	**54,826,883**	**-**	**-**	**54,826,883**
Trade accounts payable	**67,339,079**	**-**	**-**	**67,339,079**
Bills payable	**2,202,480**	**-**	**-**	**2,202,480**
Retention payable	**1,670,706**	**-**	**-**	**1,670,706**
Interest bearing loans and borrowings	**309,131,503**	**331,008,823**	**1,536,606,656**	**2,176,746,982**
	435,170,651	**331,008,823**	**1,536,606,656**	**2,302,786,130**

26 FINANCIAL RISK MANAGEMENT (continued)

	Less than 6 months QR	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
At 31 December 2008				
Bank overdrafts	59,769,074	-	-	59,769,074
Trade accounts payable	76,337,853	5,934,856	-	82,272,709
Bills payable	4,484,319	-	-	4,484,319
Retention payable	1,020,013	-	-	1,020,013
Interest bearing loans and borrowings	349,127,760	206,452,426	1,691,745,022	2,247,325,208
	490,739,019	212,387,282	1,691,745,022	2,394,871,323

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year end 31 December 2009 and 31 December 2008. Capital includes equity attributable to the equity holders less any unrealized revaluation reserves and cumulative changes in fair values and is measured at QR 1,906,815,348 as at 31 December 2009 (2008: QR 1,918,427,018).

27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities

Financial assets consist of cash and bank balances, available for sale investments and receivables. Financial liabilities consist of bank overdrafts, interest bearing loans and borrowings and payables.

Except for unquoted available-for-sale equity investments carried at cost, the fair values of financial instruments are not materially different from their carrying values.

The following methods and assumptions were used to estimate the fair values of financial instruments:

- Bank balances and cash, trade, retention and other receivables and trade, bills and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair vales of available-for-sale financial assets are derived from quoted market prices in active market.
- Interest bearing loan and borrowings are estimated based on discounted cash flows using interest rate for items with similar terms and characteristics.

Fair value hierarchy

As at 31 December 2009, the Company held the following financial instruments measured at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

27 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

31 December 2009	***Total QR***	***Level 1 QR***	***Level 2 QR***	***Level 3 QR***
Financial assets				
Available-for-sale investments – Quoted equity investments	**597,072,055**	**597,072,055**	**-**	**-**

During the year ending 31 December 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements

28 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Operating Lease Commitments – Group as Lessor
The Group has entered into commercial property leases on some of its investment property portfolio. The Group's automotive activities include the leasing of motor vehicles. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains majority of the significant risks and rewards of ownership of these properties and motor vehicles and so accounts for the contracts as operating leases.

Estimations and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated income statement.

Impairment of available-for-sale financial investments
For available for sale investments, the Group assess at each reporting date whether there is objective evidence that an investment is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit and loss, is removed from equity and recognized in profit and loss.

28 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Fair value of investment properties
Investment properties are stated at fair value. The Group used external, independent evaluators to determine the fair value of the investment properties. The fair values are based on market values, being the estimated amounts for which a property could be exchanged on a date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

29 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on business lines and has three reportable segments as follows:

- Automobile - which comprise of sales and rental of vehicles.
- Contracting - which comprise of electromechanical contracts, insulation contracts, fabrication and furnishing contracts.
- Investment and real estate – which comprise of real estate activities and investments.

Others include airline ticketing, money exchange, real estate, computers and galvanizing plant.

Management monitors the operating results of these business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss of these segments.

The following table presents revenue and profit information regarding the Group's operating segments for the years ended 31 December 2009 and 2008.

Year Ended 31 December 2009	***Automobile QR***	***Contracting QR***	***Investment and real estate QR***	***Others QR***	***Total QR***
Segment revenue	**349,968,590**	**322,531,897**	**110,515,222**	**125,228,956**	**908,244,665**
Depreciation	**34,182,122**	**10,404,058**	**2,693,414**	**3,688,306**	**50,967,900**
Segment profit (loss)	**(2,523,027)**	**(1,474,161)**	**22,264,510**	**(17,379,194)**	**888,128**

Year Ended 31 December 2008	*Automobile QR*	*Contracting QR*	*Investment and real estate QR*	*Others QR*	*Total QR*
Segment revenue	328,215,251	242,254,229	125,908,199	139,779,703	836,157,382
Depreciation	29,393,464	8,310,720	3,013,033	3,373,458	44,090,675
Segment profit (loss)	19,197,542	(1,459,917)	474,236,826	(171,009,471)	320,964,980

29 SEGMENT INFORMATION (continued)

The following table presents segment assets of the Group's operating segments as at 31 December:

	Automobile	*Contracting*	*Investment and real estate*	*Others*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*
Segment assets					
At 31 December 2009	**621,000,897**	**414,775,194**	**2,486,627,094**	**597,746,939**	**4,120,150,124**
At 31 December 2008	627,626,886	313,014,074	2,398,812,289	806,839,417	4,146,292,666

30 COMPARATIVE INFORMATION

Investments in joint ventures amount of QR 2,550,000 previously reported under amounts due from related parties has been reclassified to investments in joint ventures.

These reclassifications have been made to improve the quality of information presented.

Almana Group W.L.L.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA GROUP W.L.L.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Almana Group W.L.L. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2010 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group. as of 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA GROUP W.L.L. (CONTINUED)

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and, we are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or on its financial position as of 31 December 2010.

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date : 14 March 2011
Doha

Almana Group W.L.L.

CONSOLIDATED INCOME STATEMENT
Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
Revenue	3	**863,048,393**	908,244,665
Direct costs		**(619,620,538)**	(641,298,661)
GROSS PROFIT		**243,427,855**	266,946,004
Other income	4	**6,872,341**	6,541,479
Investment income	5	**83,672,423**	40,323,175
Administrative expenses	6	**(119,235,721)**	(118,580,241)
Depreciation	8	**(17,797,324)**	(13,002,798)
Net fair value gain (loss) on investment properties	9	**30,062,552**	(62,898,450)
Amortisation of land lease rights	10	**(3,905,035)**	(2,526,785)
Impairment on available-for-sale investments	12	**-**	(535,693)
Reversal (provision) for anticipated future losses		**5,090,728**	(6,595,092)
OPERATING PROFIT		**228,187,819**	109,671,599
Finance costs		**(160,246,213)**	(110,163,629)
Share of result of joint venture entities	11	**925,124**	1,380,158
PROFIT FOR THE YEAR	7	**68,866,730**	888,128
Attributable to:			
Owners of the parent		**60,057,251**	(9,524,897)
Non-controlling interests		**8,809,479**	10,413,025
		68,866,730	888,128

The attached notes 1 to 29 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2010

	2010	*2009*
	QR	*QR*
Profit for the year	**68,866,730**	888,128
Other comprehensive income		
Available-for-sale investments		
Unrealised gains arising during the year	**128,217,017**	2,002,287
Realised loss upon disposal on investments	**813,254**	3,475,850
Transferred to income statement on impairment	**-**	535,693
Other comprehensive income for the year	**129,030,271**	6,013,830
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**197,897,001**	6,901,958
Attributable to:		
Owners of the parent	**189,087,522**	(3,511,067)
Non-controlling interests	**8,809,479**	10,413,025
	197,897,001	6,901,958

The attached notes 1 to 29 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	***2010 QR***	*2009 QR*
ASSETS			
Non-current assets			
Property, plant and equipment	8	**913,868,600**	910,231,418
Investment properties	9	**1,716,630,151**	1,663,178,866
Land lease rights	10	**156,201,370**	160,106,405
Investment in joint ventures	11	**7,956,452**	9,056,087
Available-for-sale investments	12	**611,401,759**	391,289,314
		3,406,058,332	3,133,862,090
Current assets			
Inventories	13	**187,835,593**	203,134,456
Contract work in progress	14	**103,185,298**	91,457,105
Available-for-sale investments	12	**167,795,360**	268,807,686
Accounts receivable and prepayments	15	**406,995,460**	377,003,642
Bank balances and cash	16	**82,871,037**	45,885,145
		948,682,748	986,288,034
TOTAL ASSETS		**4,354,741,080**	4,120,150,124
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**1,000,000,000**	1,000,000,000
Legal reserve	18	**152,767,043**	146,761,318
Revaluation reserve	19	**27,837,628**	28,220,931
Retained earnings		**789,549,866**	735,115,037
Shareholders' current accounts		**14,957,148**	24,938,993
Cumulative changes in fair values		**155,951,066**	26,920,795
Equity attributable to owners of the parent		**2,141,062,751**	1,961,957,074
Non-controlling interests		**18,095,041**	15,900,562
Total Equity		**2,159,157,792**	1,977,857,636
Non-current liabilities			
Interest bearing loans and borrowings	20	**1,531,212,389**	1,277,977,462
Employees' end of service benefits	21	**15,884,010**	12,884,891
		1,547,096,399	1,290,862,353
Current liabilities			
Accounts payable and accruals	22	**144,484,638**	184,195,631
Bank overdrafts	16	**48,635,235**	54,826,883
Interest bearing loans and borrowings	20	**455,367,016**	612,407,621
		648,486,889	851,430,135
Total liabilities		**2,195,583,288**	2,142,292,488
TOTAL EQUITY AND LIABILITIES		**4,354,741,080**	4,120,150,124

....	....
Omar H. Almana	Tariq O. Almana
Chairman	Director

The attached notes 1 to 29 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
OPERATING ACTIVITIES			
Profit for the year		**68,866,730**	888,128
Adjustments for:			
Share of results of joint venture entities	11	**(925,124)**	(1,380,158)
Loss (gain) on disposal of property, plant and equipment	4	**2,067,959**	(1,321,499)
Depreciation	8	**65,553,272**	50,967,900
Amortisation of land lease rights	10	**3,905,035**	2,526,785
Provision for slow moving inventories	13	**224,743**	1,361,295
Provision for impairment of receivables	15	**434,346**	2,936,960
Finance costs		**160,246,213**	110,163,629
Provision for employees' end of service benefits	21	**5,160,696**	4,350,659
Write-off of property, plant and equipment	8	**-**	595,982
(Profit) loss on disposal of available-for-sale investments	5	**(1,926,060)**	10,498,101
Impairment loss on available-for-sale investments	12	**-**	535,693
Dividend and interest income	4&5	**(52,287,697)**	(51,544,336)
Profit on disposal of investment properties	5	**(30,372,833)**	-
Net fair value (gain) loss on investment properties	9	**(30,062,552)**	62,898,450
		190,884,728	193,477,589
Working capital changes:			
Inventories		**15,074,120**	47,522,972
Contract work in progress		**(11,728,193)**	(6,226,911)
Accounts receivable and prepayments		**(30,426,164)**	197,468,259
Accounts payable and accruals		**(39,710,993)**	16,366,108
Cash from operations		**124,093,498**	448,608,017
Employees' end of service benefits paid	21	**(2,161,577)**	(1,139,480)
Finance costs paid		**(160,246,213)**	(110,163,629)
Net cash (used in) from operating activities		**(38,314,292)**	337,304,908
INVESTING ACTIVITIES			
Additions to property, plant and equipment	8	**(117,703,123)**	(302,586,142)
Proceeds from disposal of property, plant and equipment		**46,444,710**	22,925,524
Proceeds from disposal of investment properties		**34,724,100**	-
Purchase of investment properties	9	**(27,740,000)**	-
Proceeds from disposal of investment in joint ventures		**2,024,759**	-
Additional investments in joint ventures		**-**	(1,693,200)
Purchases of available-for-sale investments		**(30,220,595)**	(107,357,645)
Proceeds from disposal of available-for-sale investments		**42,076,807**	125,700,674
Dividend and interest income received		**52,287,697**	51,544,336
Net cash flows from (used in) investing activities		**1,894,355**	(211,466,453)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**96,194,322**	(34,674,520)
Net movement in shareholders' current accounts		**(9,981,845)**	(58,978,326)
Dividend paid to non-controlling interests		**(6,615,000)**	(10,535,000)
Net cash flows from (used in) financing activities		**79,597,477**	(104,187,846)
NET INCREASE IN BANK BALANCES AND CASH		**43,177,540**	21,650,609
Bank balances and cash at 1 January		**(8,941,738)**	(30,592,347)
BANK BALANCES AND CASH AT 31 DECEMBER	16	**34,235,802**	(8,941,738)

The attached notes 1 to 29 form part of these financial statements.

Almana Group W.L.L.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2010

	Attributable to equity holders of the parent								
	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Retained earnings QR*	*Shareholders' current accounts QR*	*Cumulative changes in fair values QR*	*Total QR*	*Non-controlling interests QR*	*Total equity QR*
Balance at 1 January 2009	1,000,000,000	146,761,318	28,604,234	744,256,631	27,409,069	20,906,965	1,967,938,217	16,022,537	1,983,960,754
Profit for the year	-	-	-	(9,524,897)	-	-	(9,524,897)	10,413,025	888,128
Other comprehensive income	-	-	-	-	-	6,013,830	6,013,830	-	6,013,830
Dividends paid	-	-	-	-	-	-	-	(10,535,000)	(10,535,000)
Transfer to retained earnings	-	-	(383,303)	383,303	-	-	-	-	-
Net movement in shareholders' current accounts	-	-	-	-	(2,470,076)	-	(2,470,076)	-	(2,470,076)
Balance at 31 December 2009	1,000,000,000	146,761,318	28,220,931	735,115,037	24,938,993	26,920,795	1,961,957,074	15,900,562	1,977,857,636
Profit for the year	-	-	-	60,057,251	-	-	60,057,251	8,809,479	68,866,730
Other comprehensive income	-	-	-	-	-	129,030,271	129,030,271	-	129,030,271
Transfer to legal reserve	-	6,005,725	-	(6,005,725)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(6,615,000)	(6,615,000)
Transfer to retained earnings	-	-	(383,303)	383,303	-	-	-	-	-
Net movement in shareholders' current accounts	-	-	-	-	(9,981,845)	-	(9,981,845)	-	(9,981,845)
Balance at 31 December 2010	**1,000,000,000**	**152,767,043**	**27,837,628**	**789,549,866**	**14,957,148**	**155,951,066**	**2,141,062,751**	**18,095,041**	**2,159,157,792**

The attached notes 1 to 29 form part of these financial statements.

1 ACTIVITIES

Almana Group W.L.L. is a limited liability company (the "Company") registered in the State of Qatar. The registered office of the Company is located in Doha, State of Qatar. The Company and its subsidiaries, as set out in Note 2.3 below are engaged in the following activities:

Fabrication and erection of steel structures and related activities; operation of a travel agency; trading in furniture and interior decorations; operation of an exchange house, real estate, general trading and contracting activities; purchase and sale of vehicles and related spare parts and automobile distributorship; hire of motor vehicles; trading in steel items; sale of IBM personal computers and providing hardware and software support services; and investment in shares.

The consolidated financial statements of Almana Group W.L.L. for the year ended 31 December 2010 were authorised for issue in accordance with the resolution of the Directors on 14 March 2011.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investments properties, certain land and buildings and available-for-sale investments that have been measured at fair value. The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentation currency.

2.2 Statement of compliance

The consolidated financial statements of Almana Group W.L.L and all its subsidiaries ("the Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Qatar Commercial Companies Law No.5 of 2002.

2.3 Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of Almana Group W.L.L. and its subsidiaries (together referred to as the "Group"). These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent company.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

Basis of consolidation prior to 1 January 2010
Some of the above-mentioned requirements were applied on a prospective basis. However the following differences, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these losses. Losses prior to 1 January 2010 were not reallocated between non-controlling interests and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying values of such investments at 1 January 2010 have not been restated.

The consolidated financial statements comprise the financial statements of Almana Group W.L.L and its subsidiaries listed below as at 31 December 2010.

	Ownership interest %	
	2010	*2009*
• Almana Trading Company W.L.L.	**100%**	100%
• Almana Motors Company W.L.L.	**100%**	100%
• Almana Maples W.L.L.	**100%**	100%
• Almana Steel Structures W.L.L.	**100%**	100%
• Skyline Travel W.L.L.	**100%**	100%
• Almana Rent A Car-Hertz	**100%**	100%
• Almana Exchange W.L.L.	**100%**	100%
• United Cars Almana	**100%**	100%
• Almana Fleet W.L.L.	**100%**	100%
• Almana Computer Service W.L.L.	**100%**	100%
• Manco International for General Contracting W.L.L.	**100%**	100%
• Insulation Engineering Co.	**100%**	100%
• Qatar Galvanizing Company W.L.L.	**51%**	51%
• Almana Used Cars (i)	**-**	100%

(i) As at 1 January 2010, the shareholders in their personal capacity have resolved to take over the activities of Almana Used Cars at their carrying values from the Group. The assets and liabilities as at the date of derecognition was QR 3,732,594 and QR 5,176,906 respectively resulting in a net liability of QR 1,093,853 which was transferred to the shareholders' current account.

(ii) The shareholdings in the above companies are held in the name of Almana family members as nominees for Almana Group W.L.L.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

Special purpose entities
The Group has established Almana Sukuk Limited (a limited liability company incorporated in the Cayman Island) as a special purpose entity ("SPE") for the issue of Sukuk Certificates. These certificates are listed on the NASDAQ Dubai. The Group does not have any direct or indirect shareholding in this entity. An SPE is consolidated based on an evaluation of the substance of its relationship with the Group and based on the SPE's risks and rewards, the Group concludes that it controls the SPE. The SPE controlled by the Group was established under the terms that impose strict limitations on the decision-making powers of the SPE's management and that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IFRS and IFRIC interpretations effective as of 1 January 2010. The following amendments and interpretations became effective in 2010:

Standard/ Interpretation	***Content***
IFRS 2	Share-based Payment
IFRS 3	Business combinations
IAS 39	Financial instruments: Recognition and measurement – eligible hedged items
IFRIC 17	Distribution of non-cash assets to owners

The principal effects of these changes are as follows:

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of 1 January 2010. It did not have an impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
The Group applies the revised standards from 1 January 2010. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Changes in accounting policies and disclosures (continued)

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17 Distribution of Non-cash Assets to Owners
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation had no effect on the financial position or performance of the Group.

The change in accounting policies were applied prospectively and did not have any impact on the financial position of the Group.

Improvements to IFRSs
In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of those amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

IAS 17 (amendment)
Based on IAS 17 (amendment) made during 2009 which is effective from 1 January 2010, the standard now requires an entity to classify leases over land as finance or operating leases.

IFRS 8 *Operating Segment Information*:
Clarifies that segment assets and liabilities need to be reported only when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker reviews segment assets and liabilities, the Group has continued to disclose this information in Note 29.

IAS 7 *Statement of Cash Flows:* States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact amongst others, the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.

IAS 36 *Impairment of Assets*:
The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Changes in accounting policies and disclosures (continued)

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

Standard/ Interpretation	*Content*
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IAS 1	Presentation of Financial Statements
IAS 17	Leases
IAS 34	Interim Financial Reporting
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 16	Hedge of a Net Investment in a Foreign Operation

2.5 IASB standards and interpretations issued not yet effective

The following standards, amendments and interpretations have been issued but are mandatory for the accounting periods beginning on or after 1 January 2011 or later periods and are expected to be relevant to the Group:

Standard/ Interpretation	*Content*	*Effective date*
IAS 24	Related Party Disclosures (Amendment)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013
IFRIC 14	Prepayments of a minimum funding requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
Improvements to IFRSs	Issued in May 2010	1 January 2011

The Group is considering the implications of the above standards, the impact on the Group and the timing of its adoption by the Group. The Group did not early adopt any new or amended standards or interpretations in 2010.

2.6 Summary of significant accounting policies

Interest in joint venture

The Group has interest in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the joint venture using equity method of accounting.

Under the equity method, investments in joint ventures are carried in the statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated income statement reflects the Group's share of the results of operation of the joint ventures. When there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in shareholders' equity.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture.

The reporting dates of the joint venture and the Group are identical and the joint venture's accounting policies conform to those used by the Group for like transactions and events in similar circumstance.

Revenue recognition
The Group recognises revenue on the following basis:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Contract income
Contract income consists of the invoice value of work carried out as at the reporting date.

Commission income
Commission income is recognised when the right to earn revenue is established as per the terms of the contract entered with customers.

Rental income and income from vehicle hire
Rental income from investment properties and lease rentals from vehicles are accounted for on a time proportion basis.

Interest income
Interest income is recognised as the interest accrues using the effective interest rate method.

Dividend income
Revenue is recognised when the shareholders' right to receive the payment is established.

Property, plant and equipment
With the exception of the workshop buildings and land, property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of property, plant and equipment when the cost is incurred and the recognition criteria are met.

Workshop buildings are measured at the revalued amounts less depreciation and impairment losses subsequent to the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the revalued assets do not materially differ from its carrying amounts. Freehold land is not depreciated.

Any revaluation surplus is credited to the revaluation reserve included in the equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated income statement, in which case the increase is recognised in the consolidated income statement. A revaluation deficit is recognised in the consolidated income statement, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is provided on all property, plant and equipment, other than freehold land and capital work in progress, at rates calculated to write off the cost, less estimated recoverable value based on prices prevailing at the date of acquisition, of each asset over its expected useful lives. Motor vehicles on hire are estimated to have a residual value of 25% - 35% of their original cost. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Leasehold land	Over the lease term (41 years)
Buildings	25 years
Building partitions	5 years
Machinery, tools and equipment	4 - 8 years
Furniture and fittings	4 years
Motor vehicles	4 - 8 years
Office decoration	4 years
Computer hardware and software	3-8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Transfers are made to investment property when and only when there is a change in use.

Properties under development, included under property, plant and equipment, will be transferred to investment properties when substantially all the activities necessary to prepare an investment property for its intended use is completed.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognised.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Impairment and uncollectibility of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Impairment of non financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had not impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increase in its recoverable amount.

The following criteria is applied in assessing impairment of following specific assets:

Lease rights
Lease rights are amortised over the useful economic life and assessed for impairment whenever there is an indication that the lease rights may be impaired. The amortisation expense on the lease rights is recognised in the consolidated income statement in the expense category consistent with the function of the asset.

Joint venture
After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group investment in its joint ventures The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the fair value of the joint venture and the acquisition cost and recognises the amount in the consolidated income statement.

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated income statement in the year of retirement or disposal.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Investment properties (continued)

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. When the Group completes the construction or development of self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated income statement.

Available-for-sale investments
All available-for-sale investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

After initial recognition, available-for-sale investments which have a quoted market price and whose fair value can be reliably measured, are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity under other comprehensive income until the investment is sold, collected or otherwise disposed off, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement for the year.

Due to the uncertain nature of cash flows arising from certain of Group’s unquoted equity instruments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost less any impairment losses.

Land lease rights
Premiums paid to acquire the lease rights in land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Contract work in progress
Contract work in progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. Attributable profit is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made for contingencies and any anticipated future losses.

Inventories
Inventories are valued at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition on purchase cost for items which can be identified with the cost and on first-in, first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectable. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Bank balances and cash
For the purpose of the consolidated statement of cash flows, bank balances and cash s include cash on hand, bank balances and short term deposits, net of any outstanding bank overdrafts.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

Interest bearing loans and borrowings
Interest bearing loans and borrowings are recognised initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest method, with any differences between the cost and final settlement values being recognised in the consolidated income statement over the period of borrowings. Instalments due within one period at amortised cost are shown as a current liability.

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction or production of an asset that necessarily takes a substantial period of time for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of the specific asset or assets or the arrangement conveys a right to use the asset.

Group as lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases, initial costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2004, the Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

De-recognition of financial assets and liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability (or part of a financial liability) is derecognised when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged or expires.

3 REVENUE

	2010 ***QR***	*2009* *QR*
Sales	**341,327,170**	416,678,190
Contract income	**353,778,690**	318,335,271
Commission income	**55,743,781**	75,778,791
Income from vehicle hire	**70,088,005**	71,507,184
Rental income	**42,110,747**	25,945,229
	863,048,393	908,244,665

4 OTHER INCOME

	2010 ***QR***	*2009* *QR*
Gain on exchange	**1,301,021**	964,163
(Loss) gain on disposal of property plant and equipment	**(2,067,959)**	1,321,499
Interest income	**914,167**	723,060
Miscellaneous income	**6,725,112**	3,532,757
	6,872,341	6,541,479

5 INVESTMENT INCOME

	2010	*2009*
	QR	*QR*
Dividend income	**51,373,530**	50,821,276
Profit (loss) on disposal of available-for-sale investments	**1,926,060**	(10,498,101)
Profit on disposal of investment properties	**30,372,833**	-
	83,672,423	40,323,175

6 ADMINISTRATIVE EXPENSES

	2010	*2009*
	QR	*QR*
Salaries and related expenses	**49,357,893**	48,137,119
Rent	**14,783,047**	14,982,417
Repair and maintenance expenses	**8,379,383**	8,188,653
Visa and immigration charges	**5,625,031**	4,535,817
Utilities	**5,232,665**	4,934,580
Bank charges	**4,824,538**	6,604,361
Travelling expenses	**4,074,660**	2,603,142
Advertising and promotion	**3,251,715**	4,948,230
Telephone, telex and postage	**2,783,114**	2,168,571
Professional fees	**1,997,520**	1,358,544
Insurance expenses	**1,828,442**	1,409,556
Printing and stationery	**677,169**	640,748
Allowance for impairment of receivables (Note 15)	**434,346**	2,936,960
Provision for slow-moving inventories (Note 13)	**224,743**	1,361,295
Write-off of property, plant and equipment (Note 8)	**-**	595,982
Miscellaneous	**15,761,455**	13,174,266
	119,235,721	118,580,241

7 PROFIT FOR THE YEAR

The net profit for the year is stated after charging staff cost in the amount of QR 157,467,100 (2009: QR 128,544,306) and inventories recognised as expense amounting to QR 312,744,351 (2009: QR 389,403,566).

8 PROPERTY, PLANT AND EQUIPMENT

	Land *QR*	*Buildings* *QR*	*Workshop buildings* *QR*	*Machinery, tools and equipment* *QR*	*Furniture and fittings* *QR*	*Motor vehicles* *QR*	*Computer hardware and software* *QR*	*Office decoration* *QR*	*Capital work-in-progress* *QR*	*Total* *QR*
At cost or revaluation:										
At 1 January 2010	430,108,000	56,374,471	21,251,049	77,917,815	23,640,445	315,870,154	3,615,461	899,799	145,677,637	1,075,354,831
Additions	-	539,301	244,300	17,093,623	4,214,416	50,536,329	116,420	3,750	44,954,984	117,703,123
Transfers	-	14,293,325	-	-	-	-	10,519,108	204,156	(25,016,589)	-
Disposals / write offs	(5,205,492)	(1,008,687)	-	(316,472)	(587,444)	(97,743,394)	(253,311)	-	-	(105,114,800)
At 31 December 2010	424,902,508	70,198,410	21,495,349	94,694,966	27,267,417	268,663,089	13,997,678	1,107,705	165,616,032	1,087,943,154
Depreciation:										
At 1 January 2010	-	13,392,010	4,864,901	33,475,638	15,786,510	96,120,466	901,141	582,747	-	165,123,413
Charge for the year	1,524,659	3,349,234	1,322,704	9,833,062	3,666,351	43,936,839	1,756,939	163,484	-	65,553,272
Disposals / write offs	-	(980,727)	-	(184,126)	(256,381)	(55,180,897)	-	-	-	(56,602,131)
At 31 December 2010	1,524,659	15,760,517	6,187,605	43,124,574	19,196,480	84,876,408	2,658,080	746,231	-	174,074,554
Net carrying amount:										
At 31 December 2010	**423,377,849**	**54,437,893**	**15,307,744**	**51,570,392**	**8,070,937**	**183,786,681**	**11,339,598**	**361,474**	**165,616,032**	**913,868,600**

8 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	*Buildings*	*Workshop buildings*	*Building partitions*	*Machinery, tools and equipment*	*Furniture and fittings*	*Motor vehicles*	*Computer hardware and software*	*Office decoration*	*Capital work-in-progress*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
At cost or revaluation:											
At 1 January 2009	331,556,900	32,862,884	21,206,049	450,959	64,444,158	19,410,822	246,936,313	612,388	1,562,791	442,217,343	1,161,260,607
Transfer from investment properties (Note 9)	62,511,000	-	-	-	-	-	-		-	-	62,511,000
Additions	37,406,000	2,445,711	45,000	-	18,219,574	4,484,450	106,428,746	3,003,073	196,734	130,356,854	302,586,142
Transfers	-	21,065,876	-	(450,959)	1,697,776	(246,317)	(73,139)	-	(859,726)	(21,133,511)	-
Write-off	-	-	-	-	-	-	-	-	-	(595,982)	(595,982)
Disposals	(1,365,900)	-	-	-	(6,443,693)	(8,510)	(37,421,766)	-	-	(3,410,662)	(48,650,531)
Transfer to investment properties (Note 9)	-	-	-	-	-	-	-	-	-	(401,756,405)	(401,756,405)
At 31 December 2009	430,108,000	56,374,471	21,251,049	-	77,917,815	23,640,445	315,870,154	3,615,461	899,799	145,677,637	1,075,354,831
Depreciation:											
At 1 January 2009	-	10,448,916	3,693,516	220,826	28,078,477	13,161,345	83,862,317	493,275	1,243,347	-	141,202,019
Depreciation charge for the year	-	2,943,094	1,171,385	-	7,406,388	2,559,838	36,375,339	407,866	103,990	-	50,967,900
Transfers	-	-	-	(220,826)	941,590	73,137	(29,311)	-	(764,590)	-	-
Disposals	-	-	-	-	(2,950,817)	(7,810)	(24,087,879)	-	-	-	(27,046,506)
At 31 December 2009	-	13,392,010	4,864,901	-	33,475,638	15,786,510	96,120,466	901,141	582,747	-	165,123,413
Net carrying amount:											
At 31 December 2009	430,108,000	42,982,461	16,386,148	-	44,442,177	7,853,935	219,749,688	2,714,320	317,052	145,677,637	910,231,418

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) Land includes property interests at a net carrying amount of QR 60,986,341 (2009: QR 62,511,000) on finance lease.

(ii) Freehold land with a cost of QR 54,896,000 (2009: QR 54,896,000) is registered in the name of the shareholders' who have confirmed that they hold the title deeds as trustees on behalf of the Group who is the beneficial owner of the land.

(iii) Land amounting to QR 215,887,600 (2009: QR 128,922,100) are mortgaged to Banks against facilities granted to the Group.

(iv) Motor vehicles include fleet vehicles leased out under operating leases of which vehicles with a carrying value of QR 130,336,500 (2009: QR 136,208,157) are mortgaged to banks as security against loans given to companies within the Group. These vehicles are registered jointly in the name of the bank and are relating to two of the companies within the Group namely Almana Fleet W.L.L. and Almana Rent-A-Car- Hertz.

(v) Capital work-in-progress include capitalised borrowing cost amounting to QR 52,309,383 (2009: QR 32,465,955)

(vi) Workshop buildings are recorded using the revaluation model. If the workshop buildings were measured using the cost model, the carrying amount would be as follows:

	2010	*2009*
	QR	*QR*
Cost	**14,055,712**	13,811,412
Accumulated depreciation	**(5,982,727)**	(5,706,007)
Net carrying amount	**8,072,985**	8,105,405

(vii) The depreciation charge has been included in the consolidated income statement as follows:

	2010	*2009*
	QR	*QR*
Direct costs	**47,755,948**	37,965,102
Depreciation	**17,797,324**	13,002,798
	65,553,272	50,967,900

9 INVESTMENT PROPERTIES

	2010	*2009*
	QR	*QR*
At 1 January	**1,663,178,866**	1,386,831,911
Transfer from property, plant and equipment (ii) (Note 8)	**-**	401,756,405
Transfer to property, plant and equipment (iii) (Note 8)	**-**	(62,511,000)
Net fair value gain (loss) recognised in the consolidated income statement	**30,062,552**	(62,898,450)
Additions	**27,740,000**	-
Disposals	**(4,351,267)**	-
At 31 December	**1,716,630,151**	1,663,178,866
Investment properties:		
At cost	**581,083,829**	557,695,096
Net gain from fair value adjustment	**1,135,546,322**	1,105,483,770
At 31 December	**1,716,630,151**	1,663,178,866
Investment properties:		
Wholly owned land	**48,394,036**	48,394,036
Group's share in co-owned land	**878,772,295**	878,358,625
Other investment properties	**789,463,820**	736,426,205
At 31 December	**1,716,630,151**	1,663,178,866

Notes:

(i) The fair value of the wholly owned land amounting to QR 48,394,036 is based on valuations carried out on 22 January 2008 by Mr. Ahmed Oadyaat, an external valuer based in Beirut. There were no revaluations made during the year. Management believes that this approximates the fair value as at 31 December 2010.

(ii) On 31 December 2009, the Group has completed construction of 124 Villa Compound and transferred these properties amounting to QR 401,756,405 from property, plant and equipment to investment properties.

(iii) As at 31 December 2009, a piece of land with a fair value of QR 62,511,000 originally leased by the shareholders from the municipality with the intention to be leased out after further development is classified under investment property. At 31 December 2009, the Group commenced its own occupation on this land and hence the land has been transferred from investment property to property, plant and equipment.

(iv) The fair value of the remaining investment properties amounting to QR 1,668,236,115 (2009: QR 1,213,028,425) is based on valuations carried out during the year by Al- Maslmani Real Estate Investment & Development Co. and DTZ Qatar (DTZ), independent valuers based in the State of Qatar.

(v) Certain investment properties are registered in the name of the shareholder who holds such properties in trust on behalf of the Group. The financial statements have been prepared on the basis that the beneficial interest of these assets resides with the Group.

(vi) The Group has mortgaged investment properties with a fair value of QR 672,210,000 (2009: QR 593,713,800) against credit facilities granted by local banks.

10 LAND LEASE RIGHTS

	2010 *QR*	*2009* *QR*
Cost:		
At 1 January	**165,159,975**	108,651,725
Additions	**-**	56,508,250
At 31 December	**165,159,975**	165,159,975
Accumulated amortisation:		
At 1 January	**5,053,570**	2,526,785
Amortization during the year	**3,905,035**	2,526,785
At 31 December	**8,958,605**	5,053,570
Net carrying amount:		
At 31 December	**156,201,370**	160,106,405

Land lease rights represents premiums paid to the shareholders for acquiring the land use rights originally leased by the shareholders from the Municipality. The premium is amortised over the period ranging from 30 to 43 years commencing from 1 January 2009 and 1 January 2010.

11 INVESTMENT IN JOINT VENTURES

	2010 *QR*	*2009* *QR*
Investment in Coca-Cola Almana W.L.L.	**6,293,731**	4,384,578
Investment in Qatar Gratings and Road Barriers W.L.L.	**1,662,721**	1,029,243
Investment in Chiyoda Almana Engineering W.L.L. (i)	**-**	2,926,052
Investment in Almana Trading Metal One L.L.C. (ii)	**-**	716,214
	7,956,452	9,056,087

Name of entity	*Country of incorporation*	*Ownership*	*Nature of operations*
Coca-Cola Almana W.L.L	*Qatar*	*51%*	*Distribution and sale of beverage products*
Chiyoda Almana Engineering	*Qatar*	*51%*	*Maintenance of Liquefied Natural Gas(LNG) plant*
Qatar Gratings and Road Barriers W.L.L.	*Qatar*	*51%*	*Selling grating panels and barricades*
Almana Trading Metal One L.L.C.	*Qatar*	*51%*	*Buying and selling steel pipes*

(i) At 1 January 2010, the Company has derecognised the investment in Chiyoda Almana Engineering W.L.L. this investment has been disposed to the shareholders' at their carrying values.

(ii) Investments in Almana Trading Metal One L.L.C. have incurred lossess over the carrying value of the investment.

11 INVESTMENT IN JOINT VENTURES (continued)

The following table illustrates summarised information of the Group's investments in joint ventures:

	2010	*2009*
	QR	*QR*
Share of statement of financial position:		
Current assets	**6,303,798**	31,870,009
Non-current assets	**9,736,724**	7,089,242
Current liabilities	**(1,364,480)**	(28,747,079)
Non-current liabilities	**(6,719,590)**	(1,156,085)
Net assets	**7,956,452**	9,056,087
Share of joint venture entities' revenues and results:		
Revenues	**48,071,752**	79,278,652
Results	**925,124**	1,380,158

12 AVAILABLE-FOR-SALE INVESTMENTS

	2010	*2009*
	QR	*QR*
Quoted equity investments	**718,208,574**	597,072,055
Unquoted equity investments	**60,988,545**	63,024,945
	779,197,119	660,097,000
Presented in the statement of financial position as follows:		
Current	**167,795,360**	268,807,686
Non-current	**611,401,759**	391,289,314
	779,197,119	660,097,000

Notes:

(i) Available-for-sale investments with a fair value of QR 646,967,493 (2009: 444,046,146) have been pledged with banks against credit facilities granted by local banks.

(ii) Available-for-sale investments with a fair value of QR 263,834,050 (2009: 217,719,868) are registered in the name of shareholders, who hold these investments in trust on behalf of the Group, who is the beneficial owner of the investments.

(iii) During the year, no impairment loss for available-for-sale investments was made (2009: QR 535,693). In the opinion of the management, based on the currently available information, there is no evidence of impairment in the value of available-for-sale investments.

(iv) Due to the uncertain nature of cash flows arising from certain of Group's unquoted equity instruments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost less any impairment losses.

13 INVENTORIES

	2010	*2009*
	QR	*QR*
Goods for resale	**183,126,659**	213,110,275
Goods in transit	**15,387,107**	1,768,068
	198,513,766	214,878,343
Less: Provision for slow moving inventories	**(10,678,173)**	(11,743,887)
	187,835,593	203,134,456

Movements in the provision for slow moving inventories were as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**11,743,887**	12,313,214
Charge for the year (Note 6)	**224,743**	1,361,295
Amounts written off	**(1,290,457)**	(1,930,622)
At 31 December	**10,678,173**	11,743,887

14 CONTRACT WORK IN PROGRESS

	2010	*2009*
	QR	*QR*
Cost plus attributable profits	**870,067,071**	788,271,712
Less: Progress billing received	**(766,881,773)**	(696,814,607)
	103,185,298	91,457,105

15 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010	*2009*
	QR	*QR*
Trade accounts receivable	**157,624,663**	159,663,131
Prepaid expenses	**29,295,415**	28,892,286
Amounts due from related parties (Note 24)	**49,827,947**	23,558,259
Retention receivable	**31,717,312**	18,891,442
Advances to suppliers	**5,990,687**	15,797,011
Other receivables	**132,539,436**	130,201,513
	406,995,460	377,003,642

15 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

As at 31 December 2010, trade accounts receivable and other receivables at nominal value of QR 13,825,933 (2009: QR 14,104,034) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2010 ***QR***	*2009* *QR*
At 1 January	**14,104,034**	13,314,463
Charge for the year (Note 6)	**434,346**	2,936,960
Amounts written-off	**(712,447)**	(2,147,389)
At 1 December	**13,825,933**	14,104,034

As at 31 December, the ageing of unimpaired trade accounts receivables are as follows:

			Past due but not impaired				
	Total *QR*	*Neither past due nor impaired* *QR*	*< 30 days* *QR*	*30 – 60 days* *QR*	*60 – 90 days* *QR*	*90 – 120 days* *QR*	*>120 days* *QR*
2010	**157,624,663**	**62,089,865**	**13,496,853**	**20,858,933**	**13,001,820**	**3,085,422**	**45,091,770**
2009	159,663,131	71,034,928	27,406,473	10,588,706	7,752,274	6,795,012	36,085,738

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

16 BANK BALANCES AND CASH

For the purpose of the consolidated statement of cash flows, bank balances and cash shown are reconciled to the related items in the statement of financial position as follows:

	2010 ***QR***	*2009* *QR*
Bank balances and cash	**82,871,037**	45,885,145
Bank overdrafts	**(48,635,235)**	(54,826,883)
	34,235,802	(8,941,738)

17 SHARE CAPITAL

	2010 ***QR***	*2009* *QR*
Authorised, issued and paid up		
1,000,000 shares of QR 1,000 each	**1,000,000,000**	1,000,000,000

18 LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No. 5 of 2002, 10% of the profit for the year has been transferred to the legal reserve. The Group may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

19 REVALUATION RESERVE

The revaluation reserve had arisen as a result of the revaluation of the workshop buildings by an external valuer. A transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset original cost.

The amount included in the consolidated statement of changes in equity comprise of the following amounts:

	2010	*2009*
	QR	*QR*
Gain on revaluation of workshop land and buildings:		
Almana Motors Company W.L.L.	**1,945,141**	2,107,221
United Cars Almana	**16,146,775**	16,367,998
Gain on revaluation of owner occupied property transferred to investment properties:		
Almana Trading Company W.L.L.	**9,745,712**	9,745,712
	27,837,628	28,220,931

20 INTEREST BEARING LOANS AND BORROWINGS

	2010	*2009*
	QR	*QR*
Interest bearing loans and borrowings	**1,392,280,605**	1,296,086,283
Sukuk trust certificates	**594,298,800**	594,298,800
	1,986,579,405	1,890,385,083
Presented in the consolidated statement of financial position as follows:		
Current portion	**455,367,016**	612,407,621
Non current portion	**1,531,212,389**	1,277,977,462
	1,986,579,405	1,890,385,083

Notes:

(i) Interest bearing loans and borrowings represent vehicle loans, working capital loans, project finance loans and other loans taken from local and offshore banks. These loans are secured by personal guarantees of the shareholders, corporate guarantees, mortgage of vehicles and certain properties, assignment of fleet revenue and rental income from properties and project proceeds.

20 INTEREST BEARING LOANS AND BORROWINGS (continued)

(ii) These loans and borrowings carry interest at commercial rates and are repayable over periods varying from 1 to 7 years.

(iii) In May 2008, the Group issued a Trust Certificates ("the Sukuk") of AED 600,000,000 equivalent to QR 594,298,800 listed under Almana Sukuk Limited on the NASDAQ Dubai. The Sukuk matures in the year 2013 and profit computed based on EIBOR to be paid quarterly.

21 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2010 ***QR***	*2009* *QR*
At 1 January	**12,884,891**	9,673,712
Provided during the year	**5,160,696**	4,350,659
End of service benefits paid	**(2,161,577)**	(1,139,480)
At 31 December	**15,884,010**	12,884,891

22 ACCOUNTS PAYABLE AND ACCRUALS

	2010 ***QR***	*2009* *QR*
Trade accounts payable	**62,496,024**	67,339,079
Accrued expenses	**38,689,406**	37,092,818
Advances from customers	**13,468,618**	36,994,320
Provision for anticipated future losses	**1,504,364**	6,595,092
Bills payable	**1,050,755**	2,202,480
Retention payable	**2,105,290**	1,670,706
Other payables	**25,170,181**	32,301,136
	144,484,638	184,195,631

23 EXPENDITURE COMMITMENTS

	2010 ***QR***	*2009* *QR*
Capital expenditure commitments		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Various real estate projects	**120,000,000**	21,376,390

All of the above commitments are expected to be settled within one year.

24 RELATED PARTY DISCLOSURES

Related party transactions
Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the consolidated financial statements are as follows:

	2010 ***QR***	*2009* *QR*
Transfer of investment property from a shareholder	**27,740,000**	-
Transfer of land lease rights from a shareholder	**-**	56,508,250

Related party balances
The amounts due from related parties (non-collateralised and with no fixed repayment terms) is disclosed in Note 15.

	2010 ***QR***	*2009* *QR*
Affiliate companies	**49,827,947**	23,558,259

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

	2010 ***QR***	*2009* *QR*
Short term benefits	**2,232,000**	2,232,000
End of service benefits	**28,000**	28,000
	2,260,000	2,260,000

25 CONTINGENT LIABILITIES

At 31 December 2010, the Group's banks have issued letters of guarantees and performance bonds from which it anticipates that no material liabilities will arise amounting to QR 144,982,634 (2009: QR 117,553,391).

26 FINANCIAL RISK MANAGEMENT

Objective and policies
The Group's principal financial liabilities comprise interest bearing loans and borrowing and overdrafts and trade accounts payable, retention payables, bills payables and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as available-for-sale investments, trade accounts receivable, retention receivables, amounts due from related parties, bank balances and other receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity risk. The directors review and agree on policies for managing each of these risks which are summarised below.

26 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial liabilities held at 31 December 2010. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

There is no impact on the Group's equity.

	Increase in basis points	*Effect on profit for the year QR*
2010 QR	**+25**	**(5,088,037)**
2009 QR	+25	(4,863,030)

Foreign currency risk
Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

Trade accounts payable and accrued expenses due in foreign currencies, mainly US Dollars. As Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk to the Group.

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in equity price 2010	***Effect on equity 2010 QR***	*Change in equity price 2009*	*Effect on equity 2009 QR*
Qatar Exchange	**+5%**	**35,868,809**	+5%	29,804,855
Abu Dhabi Securities Exchange	**+5%**	**41,620**	+5%	48,748

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

26 FINANCIAL RISK MANAGEMENT (continued)

The Group sells its product and services to a large number of customers in Qatar. No single customer accounts for more than 10% of outstanding accounts receivable at 31 December 2010.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

	Less than 6 months QR	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
At 31 December 2010				
Bank overdrafts	**48,635,235**	-	-	**48,635,235**
Trade accounts payable	**62,496,024**	-	-	**62,496,024**
Bills payable	**1,050,755**	-	-	**1,050,755**
Retention payable	**2,105,290**	-	-	**2,105,290**
Interest bearing loans and borrowings	**373,228,694**	**259,408,673**	**1,636,179,482**	**2,268,816,849**
	487,515,998	**259,408,673**	**1,636,179,482**	**2,383,104,153**

	Less than 6 months QR	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
At 31 December 2009				
Bank overdrafts	54,826,883	-	-	54,826,883
Trade accounts payable	67,339,079	-	-	67,339,079
Bills payable	2,202,480	-	-	2,202,480
Retention payable	1,670,706	-	-	1,670,706
Interest bearing loans and borrowings	309,131,503	331,008,823	1,536,606,656	2,176,746,982
	435,170,651	331,008,823	1,536,606,656	2,302,786,130

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year end 31 December 2010 and 31 December 2009. Capital includes equity attributable to the equity holders less any unrealised revaluation reserves and cumulative changes in fair values and is measured at QR 1,957,274,057 as at 31 December 2010 (2009: QR 1,906,815,348).

27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities

Financial assets consist of available-for-sale investments, trade accounts receivable, retention receivables, amounts due from related parties, bank balances and other receivables. Financial liabilities consist of interest bearing loans and borrowing and overdrafts and trade accounts payable, bills payables, retention payables and other payables.

Except for unquoted available-for-sale equity investments carried at cost, the fair values of financial instruments are not materially different from their carrying values.

The following methods and assumptions were used to estimate the fair values of financial instruments:

- Bank balances and cash, trade, retention and other receivables and trade, bills and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair vales of available-for-sale financial assets are derived from quoted market prices in active market.
- Interest bearing loan and borrowings are estimated based on discounted cash flows using interest rate for items with similar terms and characteristics.

Fair value hierarchy
As at 31 December 2010, the Group held the following financial instruments measured at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

At 31 December 2010	***Total***	***Level 1***	***Level 2***	***Level 3***
	QR	***QR***	***QR***	***QR***
Financial assets				
Available-for-sale investments	**718,208,574**	**718,208,574**	**-**	**-**

At 31 December 2009	*Total*	*Level 1*	*Level 2*	*Level 3*
	QR	*QR*	*QR*	*QR*
Financial assets				
Available-for-sale investments	597,072,055	597,072,055	-	-

During the year ending 31 December 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements

28 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Operating Lease Commitments – Group as Lessor
The Group has entered into commercial property leases on some of its investment property portfolio. The Group's automotive activities include the leasing of motor vehicles. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains majority of the significant risks and rewards of ownership of these properties and motor vehicles and so accounts for the contracts as operating leases.

Estimations and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated income statement.

Impairment of available-for-sale financial investments
The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20-30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Fair value of investment properties
Investment properties are stated at fair value. The Group used external, independent evaluators to determine the fair value of the investment properties. The fair values are based on market values, being the estimated amounts for which a property could be exchanged on a date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

28 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Classification of investment securities
On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. All investments are classified as "available-for-sale".

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Going concern
The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

29 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on business lines and has three reportable segments as follows:

- Automobile - which comprise of sales and rental of vehicles.
- Contracting - which comprise of electromechanical contracts, insulation contracts, fabrication and furnishing contracts.
- Investment and real estate – which comprise of real estate activities and investments.

Others include airline ticketing, money exchange, real estate, computers and galvanizing plant.

Management monitors the operating results of these business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss of these segments.

The revenues are generated and the noncurrent assets are located primarily in Qatar except investment property with a fair value of QR 48,394,036 (2009: QR 48,394,036) located in Beirut

The following table presents revenue and profit information regarding the Group’s operating segments for the years ended 31 December 2010 and 2009.

Year Ended 31 December 2010	*Automobile QR*	*Contracting QR*	*Investment and real estate QR*	*Others QR*	*Total QR*
Segment revenue	**269,255,745**	**389,655,094**	**105,651,230**	**98,486,324**	**863,048,393**
Depreciation	**42,190,237**	**17,753,167**	**3,884,871**	**1,724,997**	**65,553,272**
Segment profit (loss)	**11,028,161**	**11,770,037**	**87,637,472**	**(41,568,940)**	**68,866,730**

29 SEGMENT INFORMATION (continued)

Year Ended 31 December 2009	*Automobile*	*Contracting*	*Investment and real estate*	*Others*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*
Segment revenue	349,968,590	322,531,897	110,515,222	125,228,956	908,244,665
Depreciation	34,182,122	10,404,058	2,693,414	3,688,306	50,967,900
Segment profit (loss)	(2,523,027)	(1,474,161)	22,264,510	(17,379,194)	888,128

The following table presents segment assets of the Group's operating segments as at 31 December:

	Automobile	*Contracting*	*Investment and real estate*	*Others*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*
Segment assets					
At 31 December 2010	**625,925,285**	**497,803,274**	**2,893,684,984**	**337,327,537**	**4,354,741,080**
At 31 December 2009	621,000,897	414,775,194	2,486,627,094	597,746,939	4,120,150,124

Almana Motors Company W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA MOTORS COMPANY W.L.L.

Report on the financial statements
We have audited the accompanying financial statements of Almana Motors Company W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements
Furthermore, in our opinion proper books of account have been kept by the company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the company or on its financial position as of 31 December 2009.

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 17 April 2010

Doha

Almana Motors Company W.L.L.

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2009

	Notes	***2009*** ***QR***	*2008* *QR*
Revenue		**176,508,900**	147,802,668
Cost of sales		**(135,109,769)**	(113,907,594)
GROSS PROFIT		**41,399,131**	33,895,074
Other income	3	**1,658,017**	1,644,834
Selling and promotional costs		**(2,099,099)**	(2,831,756)
Administrative expenses	4	**(13,776,739)**	(13,374,516)
Amortisation of land lease rights	7	**(1,516,070)**	(1,516,070)
Profit (loss) on disposal of property, plant and equipment		**45,754**	(1,885)
Gain on exchange		**119,980**	222,388
Finance costs	5	**(17,184,891)**	(13,466,432)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5	**8,646,083**	4,571,637

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Notes	*2009* *QR*	*2008* *QR*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**67,619,954**	70,178,149
Land lease rights	7	**62,158,860**	63,674,930
		129,778,814	133,853,079
Current assets			
Inventories	8	**80,895,405**	111,127,031
Accounts receivable and prepayments	9	**26,696,004**	66,799,315
Bank balances and cash	10	**26,616,090**	2,543,049
		134,207,499	180,469,395
TOTAL ASSETS		**263,986,313**	314,322,474
LIABILITIES AND EQUITY			
Equity			
Share capital	11	**50,000,000**	50,000,000
Legal reserve	12	**22,560,331**	20,398,810
Revaluation reserve	12	**2,107,221**	2,269,301
Retained earnings		**29,686,261**	23,039,619
Total Equity		**104,353,813**	95,707,730
Non-current liabilities			
Interest bearing loans and borrowings	13	**34,631,886**	67,794,579
Employees' end of service benefits	14	**1,185,616**	958,981
		35,817,502	68,753,560
Current liabilities			
Accounts payable and accruals	15	**21,567,684**	12,117,730
Bank overdrafts	10	**547,842**	2,132,040
Interest bearing loans and borrowings	13	**101,699,472**	135,611,414
		123,814,998	149,861,184
Total liabilities		**159,632,500**	218,614,744
TOTAL LIABILITIES AND EQUITY		**263,986,313**	314,322,474

…………………………..
Omar H. Almana (Chairman)

…………………………..
Tariq O. Almana (Director)

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF CASH FLOWS
Year Ended 31 December 2009

	Notes	***2009 QR***	*2008 QR*
OPERATING ACTIVITIES			
Profit for the year		**8,646,083**	4,571,637
Adjustments for:			
Depreciation	6	**1,791,773**	1,772,944
Provision for employees' end of service benefits	14	**322,293**	363,902
Interest income on installment credit sales	3	**(195,590)**	(233,420)
Finance costs	5	**17,184,891**	13,466,432
Amortisation of land lease rights	7	**1,516,070**	1,516,070
Provision for obsolete and slow moving inventories	8	**250,000**	225,000
(Profit) loss on disposal of plant and equipment		**(45,754)**	1,886
		29,469,766	21,684,451
Working capital changes:			
Inventories		**29,981,626**	(72,865,629)
Accounts receivables and prepayments		**40,103,311**	(41,199,504)
Accounts payables and accruals		**9,449,954**	(4,936,952)
Cash from (used in) operations		**109,004,657**	(97,317,634)
Interest costs paid	5	**(17,184,891)**	(13,466,432)
Employees' end of service benefits paid	14	**(95,658)**	(40,802)
Net cash from (used in) operating activities		**91,724,108**	(110,824,868)
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	**(3,015,179)**	(3,448,636)
Proceeds from disposal of property, plant and equipment		**3,827,355**	64,800
Interest income received on installment credit sales	3	**195,590**	233,420
Net cash from (used in) investing activities		**1,007,766**	(3,150,416)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**(67,074,635)**	113,669,797
Net cash (used in) from financing activities		**(67,074,635)**	113,669,797
INCREASE (DECREASE) IN BANK BALANCES AND CASH		**25,657,239**	(305,487)
Bank balances and cash at 1 January		**411,009**	716,496
BANK BALANCES AND CASH AT 31 DECEMBER	10	**26,068,248**	411,009

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2009

	Share capital *QR*	*Legal reserve* *QR*	*Revaluation reserve* *QR*	*Retained earnings* *QR*	*Total* *QR*
Balance at 1 January 2008	50,000,000	19,255,900	2,431,381	19,448,812	91,136,093
Total comprehensive income for the year	-	-	-	4,571,637	4,571,637
Transfer to legal reserve	-	1,142,910	-	(1,142,910)	-
Transfer to retained earnings	-	-	(162,080)	162,080	-
Balance at 31 December 2008	50,000,000	20,398,810	2,269,301	23,039,619	95,707,730
Total comprehensive income for the year	-	-	-	8,646,083	8,646,083
Transfer to legal reserve	-	2,161,521	-	(2,161,521)	-
Transfer to retained earnings	-	-	(162,080)	162,080	-
Balance at 31 December 2009	**50,000,000**	**22,560,331**	**2,107,221**	**29,686,261**	**104,353,813**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

Almana Motors Company W.L.L., a limited liability company, registered and incorporated in the State of Qatar. The Company holds the agency for Ford and Peugeot and is engaged in the trading of Ford and Peugeot cars and related spares parts and services. The registered of the Company is located in Doha, Qatar.

The accompanying financial statements have been prepared to reflect the operation of Almana Motors Company W.L.L. and do not include the assets, liabilities, and the results of other divisions/ branches of Almana Motors Company W.L.L.

The financial statements of Almana Motors Company W.L.L.for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Directors on 17 April 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation:
The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the revaluation of workshop building.

Changes in accounting policies
The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2008, except for the adoption of new and amended standards as of 1 January 2009 as noted below :

IAS 1 Presentation of Financial Statements (Revised)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Company has elected to present single statement. Adoption of the revised standard did not have any effect on the financial performance or position of the Company.

IAS 23 (Revised) Borrowing Costs
The standard has been revised to require capitalisation of borrowing costs when such costs relate to qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Company does not have borrowings on qualifying assets and hence adoption of this standard did not have any effect on the financial performance or position of the Company.

Improvements to IFRSs (May 2008)
In May 2008, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of there amendments resulted in rewording or corrections to accounting policies but did not have any impact on the financial position or performance of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

New and amended standards and interpretations issued as 31 December 2009, but not applied
The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The management has set out below only those which shall be considered in future periods and also believes that the adoption of these new and amended standards may not have any material impact on the future periods financial statements.

- Improvements to IFRSs (April 2009) (Applicable to 31 December 2010 year end)
- IFRIC 17 Distribution on Non-Cash Assets to Owners (Applicable to 31 December 2010 year end)
- IFRS 9 Financial Instruments (Applicable subsequent to 31 December 2010 year end)
- IAS 24 Related Party Disclosures (Revised) (Applicable subsequent to 31 December 2010 year end)

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered during the year.

Interest received from customers under installment credit sales agreements is taken to income on a time proportion basis.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Following the initial recognition at cost, the workshop building is carried at revalued amounts, which is the fair value at the date of revaluation less subsequent accumulated depreciation and impairment. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amounts. Land is not depreciated.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the reporting , except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve. The relevant portion of revaluation reserve would be transferred to retained earnings as the revalued assets are depreciated, with the balance being transferred upon ultimate disposal.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Buildings	25 years
Computer software	8 years
Furniture and fixtures	3 years
Machinery and equipment	3 years
Motor vehicles	4 years
Tools	3 years
Display materials and equipment	3 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of Equipment, software and furniture that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
An item of furniture and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Lease rights
Premiums paid for the leasehold land is amortised on a straight line basis over the life of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Spare parts	-	cost on weighted average basis
Motor vehicles	-	cost on specific identification basis

Net realisable value is based on estimated selling price less any further cost expected to be incurred on completion and disposal.

Accounts receivable
Accounts receivable are stated at original invoice amount less provision for any uncollectible amount. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash in hand, bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Notes payable
Notes payable are recognised when issued. Installments due within one year are shown as a current liability. Interest on the notes is recognised as an expense on an accruals basis with unpaid amounts included under accounts payable and accruals. Notes denominated in a foreign currency are translated into Qatar Riyals at the rate prevailing at the reporting date.

Interest bearing loans and borrowings
The term loans are carried on the statement of financial position at the amortized cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in “accounts payable and accruals”.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions
Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Fair values
The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

Fair value of revalued building is based on valuation carried out by an external valuer.

3 OTHER INCOME

	2009	*2008*
	QR	*QR*
Rental income	**1,317,800**	1,249,500
Interest on installment credit sales	**195,590**	233,420
Miscellaneous income	**144,627**	161,914
	1,658,017	1,644,834

4 ADMINISTRATIVE EXPENSES

	2009	*2008*
	QR	*QR*
Salaries, wages and other benefits	**8,905,857**	8,340,800
Depreciation (Note 6)	**1,791,773**	1,772,944
Repair and maintenance	**601,729**	892,416
Rent	**351,713**	380,653
Telephone, postage and fax	**293,214**	358,343
Provision of obsolete and slow moving inventory (Note 8)	**250,000**	225,000
Printing and stationary	**147,550**	138,008
Transport and conveyance	**133,419**	246,288
Professional charges	**87,256**	66,000
Bank charges	**22,254**	110,242
Miscellaneous expenses	**1,191,974**	843,822
	13,776,739	13,374,516

5 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2009	*2008*
	QR	*QR*
Cost of inventories recognised in cost of sales	**133,879,198**	113,421,128
Finance costs:		
Overdraft interest	**188,045**	287,349
Interest charges	**16,996,846**	13,179,083
	17,184,891	13,466,432

Almana Motors Company W.L.L.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2009

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold land QR	*Buildings QR*	*Furniture and fixtures QR*	*Machinery and equipment QR*	*Motor vehicles QR*	*Tools QR*	*Display materials and equipment QR*	*Computer software QR*	*Capital work-in-progress QR*	*Total QR*
Cost or revaluation:										
At 1 January 2009	53,476,500	13,168,448	1,815,113	1,432,420	3,506,618	121,578	189,915	-	3,579,912	77,290,504
Additions	-	45,000	251,206	35,000	1,505,006	10,056	52,000	976,861	140,050	3,015,179
Disposals	-	-	-	-	(1,151,139)	-	-	-	(3,410,662)	(4,561,801)
At 31 December 2009	53,476,500	13,213,448	2,066,319	1,467,420	3,860,485	131,634	241,915	976,861	309,300	75,743,882
Depreciation:										
At 1 January 2009	-	2,156,916	1,257,415	1,062,948	2,383,904	82,545	168,627	-	-	7,112,355
Depreciation charge for the year	-	698,585	285,022	83,573	568,828	16,859	26,974	111,932	-	1,791,773
Disposals	-	-	-	-	(780,200)	-	-	-	-	(780,200)
At 31 December 2009	-	2,855,501	1,542,437	1,146,521	2,172,532	99,404	195,601	111,932	-	8,123,928
Net Book Value:										
At 31 December 2009	**53,476,500**	**10,357,947**	**523,882**	**320,899**	**1,687,953**	**32,230**	**46,314**	**864,929**	**309,300**	**67,619,954**

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land QR	*Buildings QR*	*Furniture and fixtures QR*	*Machinery and equipment QR*	*Motor vehicles QR*	*Tools QR*	*Display materials and equipment QR*	*Capital work-in-progress QR*	*Total QR*
Cost or revaluation:									
At 1 January 2008	53,476,500	12,943,894	1,470,470	1,326,060	3,525,618	121,578	189,915	881,833	73,935,868
Additions	-	224,554	344,643	106,360	75,000	-	-	2,698,079	3,448,636
Disposals	-	-	-	-	(94,000)	-	-	-	(94,000)
At 31 December 2008	53,476,500	13,168,448	1,815,113	1,432,420	3,506,618	121,578	189,915	3,579,912	77,290,504
Depreciation:									
At 1 January 2008	-	1,469,219	860,870	990,578	1,837,665	61,544	146,850	-	5,366,726
Depreciation charge for the year	-	687,697	396,545	72,370	573,554	21,001	21,777	-	1,772,944
Disposals	-	-	-	-	(27,315)	-	-	-	(27,315)
At 31 December 2008	-	2,156,916	1,257,415	1,062,948	2,383,904	82,545	168,627	-	7,112,355
Net Book Value:									
At 31 December 2008	53,476,500	11,011,532	557,698	369,472	1,122,714	39,033	21,288	3,579,912	70,178,149

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) The workshop buildings were constructed on a piece of land leased from the Ministry of Municipality.

(ii) The Company engaged Al Maslmani Real Estates Co., an independent valuer to determine the fair value of its workshop building. The date of the revaluation was 11 October 2005.

(iii) If the workshop buildings were measured using the cost model, the carrying amount would be as follows:

	2009	*2008*
	QR	*QR*
Cost	**5,773,812**	5,773,812
Accumulated depreciation:	**(2,276,648)**	(2,045,695)
Net carrying amount	**3,497,164**	3,728,117

7 LAND LEASE RIGHTS

	2009	*2008*
	QR	*QR*
Cost:		
At 1 January	**65,191,000**	65,191,000
At 31 December	**65,191,000**	65,191,000
Accumulated amortisation:		
At 1 January	**1,516,070**	-
Amortisation for the year	**1,516,070**	1,516,070
At 31 December	**3,032,140**	1,516,070
Net carrying amounts:		
At 31 December	**62,158,860**	63,674,930

The Company acquired rights to use the land from the shareholder, which was leased from the Municipality. This premium is amortised over the period of 43 years commencing from 1 January 2008.

8 INVENTORIES

	2009	*2008*
	QR	*QR*
Motor vehicles	**60,301,057**	86,465,190
Spare parts and consumables	**21,468,391**	21,375,885
Work in progress	**1,863,459**	1,359,757
Goods in transit	**1,637,498**	6,051,199
	85,270,405	115,252,031
Less: Provision for slow moving items	**(4,375,000)**	(4,125,000)
	80,895,405	111,127,031

8 INVENTORIES (continued)

Movement in the provision for obsolete and slow moving inventories is as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**4,125,000**	3,900,000
Provision for the year (Note 4)	**250,000**	225,000
At 31 December	**4,375,000**	4,125,000

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009	*2008*
	QR	*QR*
Trade accounts receivable	**22,489,430**	33,670,553
Amounts due from related parties. (Note 16)	**-**	28,290,875
Advances to suppliers	**3,261,499**	3,521,890
Prepaid expenses	**2,082,311**	1,997,293
Other receivables	**1,447,167**	1,903,107
	29,280,407	69,383,718
Less: Allowance for impaired receivables	**(2,584,403)**	(2,584,403)
	26,696,004	66,799,315

As at 31 December 2009, trade accounts receivables at nominal value of QR 2,584,403 (2008: QR 2,584,403) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**2,584,403**	2,584,403
Charge for the year	**-**	-
At 31 December	**2,584,403**	2,584,403

As at 31 December, the ageing of unimpaired trade accounts receivables is as follows:

			Past due but not impaired				
	Total	*Neither past due nor impaired*	*< 30 days*	*30 – 60 days*	*60 – 90 days*	*90 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2009	**19,905,027**	**6,915,912**	**593,871**	**551,412**	**105,028**	**298,622**	**11,440,182**
2008	31,086,150	17,334,073	1,729,217	681,779	1,402,986	953,507	8,984,588

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2009	*2008*
	QR	*QR*
Bank balances and cash	**26,616,090**	2,543,049
Bank overdrafts	**(547,842)**	(2,132,040)
	26,068,248	411,009

11 SHARE CAPITAL

	2009	*2008*
	QR	*QR*
Authorised, issued and fully paid:		
50,000 shares of QR 1,000 each	**50,000,000**	50,000,000

12 RESERVES

(a) Legal reserve

As required by the Company's Articles of Association, 25% of the profit for the year has been transferred to the legal reserve. The Company may resolve to discontinue such annual transfers when the reserve equals the issued share capital. The reserve is not normally available for distribution, except in the circumstances stipulated by the Commercial Companies' Law No. 5 of 2002.

(b) Revaluation reserve

The revaluation reserve is as a result of revaluation of building by an external appraiser. An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset original cost.

13 INTEREST BEARING LOANS AND BORROWINGS

	2009	*2008*
	QR	*QR*
Interest bearing loans and borrowings	**136,331,358**	203,405,993
Presented in the statement of financial position as follows:		
Current portion	**101,699,472**	135,611,414
Non-current portion	**34,631,886**	67,794,579
	136,331,358	203,405,993

The above loans are secured by mortgage of a property of another group company, personal guarantees of the shareholders and corporate guarantees of Almana Group W.L.L. The loans carry interest at commercial rates.

14 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2009 *QR*	*2008* *QR*
At 1 January	**958,981**	635,881
Provided during the year	**322,293**	363,902
End of service benefits paid	**(95,658)**	(40,802)
At 31 December	**1,185,616**	958,981

15 ACCOUNTS PAYABLE AND ACCRUALS

	2009 *QR*	*2008* *QR*
Trade accounts payable	**3,111,785**	2,991,183
Notes payable	**1,797,267**	2,155,072
Amounts due to related parties (Note 16)	**11,170,367**	-
Accrued expenses	**4,008,263**	5,767,112
Advances from customers	**261,512**	436,878
Other payables	**1,218,490**	767,485
	21,567,684	12,117,730

16 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

	Year ended 31 December 2009			*Year ended 31 December 2008*		
	Sales QR	***Rent charges QR***	***Other services QR***	*Sales QR*	*Rent charges QR*	*Other services QR*
Associated companies	**84,660,083**	**1,206,250**	**689,090**	56,399,835	1,072,850	1,162,897

Related party balances

The amounts due to/ due from related parties (non-collateralised and with no fixed repayment terms) disclosed in Notes 9 and 15 respectively.

16 RELATED PARTY TRANSACTIONS (continued)

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

	2009	*2008*
	QR	*QR*
Short term benefits	**817,237**	705,558
Employees' end of service benefits	**16,099**	14,019
	833,336	719,577

The ultimate parent company of Almana Motors Company is Almana Group W.L.L.

17 COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has an agreement with Mowasalat, a customer, to buy back the vehicles sold at the option of the customer within a specified period. Management believes that the prices and terms at which these vehicles will be purchased are favourable to the Company.

(b) Contingencies

At 31 December 2009 the Company had contingent liabilities in respect of bank and other guarantee and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise amounting to QR 282,836 (2008: QR Nil)

18 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise of trade payables, amounts due to related parties and term loan. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as bank balances and cash, and accounts receivable which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Directors review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (term loan and bank over drafts).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2009.

18 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)
There is no impact on the Company's equity.

	Increase/ decrease in basis points	*Effect on profit for the year QR*
2009		
QR	**+25**	**(342,198)**
QR	**- 25**	**342,198**
2008	+25	(513,845)
QR	- 25	513,845
QR		

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis. The Company is engaged in the trading of cars and related spare parts and services to a large number of private companies and individuals in Qatar. Its five largest customers account for 44% of the outstanding accounts receivable (2008: 52%).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available. With the exception of instalment credit sales, all other sales are required to be settled within normal credit period. The credit terms of instalment credit sales vary with each instalment sales agreement with maximum up to 48 months. Trade payables are normally settled within 2 months of the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2009, based on contractual payment dates and current market interest rates.

Year ended 31 December 2009	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Accounts payables	**3,111,785**			**3,111,785**
Bank overdraft	**547,842**			**547,842**
Notes payable	**1,797,267**			**1,797,267**
Interest bearing loans and borrowings	**95,423,147**	**6,276,325**	**34,631,886**	**136,331,358**
Total	**100,880,041**	**6,276,325**	**34,631,886**	**141,788,252**

18 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Year ended 31 December 2008	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Accounts payables	2,991,183	-	-	2,991,183
Bank overdraft	2,132,040	-	-	2,132,040
Notes payable	2,155,072	-	-	2,155,072
Interest bearing loans and borrowings	101,121,240	34,490,174	67,794,579	203,405,993
Total	108,399,535	34,490,174	67,794,579	210,684,288

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency denominated payables as of reporting date is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2009 and 2008. Capital comprises share capital and retained earnings and is measured at QR 79,686,261 as at 31 December 2009 (2008: QR 73,039,619).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts, term loans and accounts payables.

The fair values of financial instruments are not materially different from their carrying values.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts receivable were QR 22,489,430 (2008: QR 33,670,553), and the provision for doubtful debts was QR 2,584,403 (2008: QR 2,584,403). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross materials were QR 85,270,405 (2008: QR 115,252,031), with provisions for old and obsolete inventories of QR 4,375,000 (2008: QR 4,125,000). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Useful lives of furniture and equipment

The Company's management determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Almana Motors Company W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA MOTORS COMPANY W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Almana Motors Company W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2010 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Almana Motors Company W.L.L. as of 31 December 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion proper books of account have been kept by the company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the company or on its financial position as of 31 December 2010.

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 28 February 2011
Doha

Almana Motors Company W.L.L.

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
Revenue		**119,953,937**	176,508,900
Cost of sales		**(90,105,718)**	(135,109,769)
GROSS PROFIT		**29,848,219**	41,399,131
Other income	3	**1,879,891**	1,660,067
Selling and promotional costs		**(1,046,599)**	(2,099,099)
Administrative expenses	4	**(14,274,501)**	(13,776,739)
Amortisation of land lease rights	7	**(1,516,070)**	(1,516,070)
Gain on disposal of property, plant and equipment		**87,181**	45,754
Gain on foreign exchange		**151,609**	119,980
Finance costs	5	**(13,031,235)**	(17,186,941)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5	**2,098,495**	8,646,083

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	***2010 QR***	*2009 QR*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**67,054,485**	67,619,954
Land lease rights	7	**60,642,790**	62,158,860
		127,697,275	129,778,814
Current assets			
Inventories	8	**66,299,612**	80,895,405
Accounts receivable and prepayments	9	**48,104,404**	26,696,004
Bank balances and cash	10	**3,506,856**	26,616,090
		117,910,872	134,207,499
TOTAL ASSETS		**245,608,147**	263,986,313
LIABILITIES AND EQUITY			
Equity			
Share capital	11	**50,000,000**	50,000,000
Legal reserve	12	**23,084,955**	22,560,331
Revaluation reserve	12	**1,945,141**	2,107,221
Retained earnings		**31,422,212**	29,686,261
Total equity		**106,452,308**	104,353,813
Non-current liabilities			
Interest bearing loans and borrowings	13	**50,191,956**	34,631,886
Employees' end of service benefits	14	**1,445,934**	1,185,616
		51,637,890	35,817,502
Current liabilities			
Accounts payable and accruals	15	**12,373,144**	21,567,684
Bank overdrafts	10	**86,259**	547,842
Interest bearing loans and borrowings	13	**75,058,546**	101,699,472
		87,517,949	123,814,998
Total liabilities		**139,155,839**	159,632,500
TOTAL LIABILITIES AND EQUITY		**245,608,147**	263,986,313

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Omar H. Almana
Chairman

……………………………..
Tariq O. Almana
Director

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF CASH FLOWS
Year Ended 31 December 2010

	Notes	2010 QR	2009 QR
OPERATING ACTIVITIES			
Profit for the year		**2,098,495**	8,646,083
Adjustments for:			
Depreciation	6	**2,141,582**	1,791,773
Provision for employees' end of service benefits	14	**385,995**	322,293
Interest income	3	**(515,878)**	(338,279)
Finance costs	5	**13,031,235**	17,186,941
Amortisation of land lease rights	7	**1,516,070**	1,516,070
Provision for obsolete and slow-moving inventories	8	**-**	250,000
Gain on disposal of property, plant and equipment		**(87,181)**	(45,754)
		18,570,318	29,329,127
Working capital changes:			
Inventories		**14,595,793**	29,981,626
Accounts receivables and prepayments		**(21,408,400)**	40,103,311
Accounts payables and accruals		**(9,194,540)**	9,449,954
Cash flow from operations		**2,563,171**	108,864,018
Employees' end of service benefits paid	14	**(125,677)**	(95,658)
Net cash flows from operating activities		**2,437,494**	108,768,360
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	**(1,789,432)**	(3,015,179)
Proceeds from disposal of property, plant and equipment		**300,500**	3,827,355
Interest income		**515,878**	338,279
Net cash flows (used in) from investing activities		**(973,054)**	1,150,455
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**(11,080,856)**	(67,074,635)
Finance costs paid		**(13,031,235)**	(17,186,941)
Net cash flows used in financing activities		**(24,112,091)**	(84,261,576)
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH		**(22,647,651)**	25,657,239
Bank balances and cash at 1 January		**26,068,248**	411,009
BANK BALANCES AND CASH AT 31 DECEMBER	10	**3,420,597**	26,068,248

The attached notes 1 to 20 form part of these financial statements.

Almana Motors Company W.L.L.

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2010

	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2009	50,000,000	20,398,810	2,269,301	23,039,619	95,707,730
Profit and total comprehensive income for the year	-	-	-	8,646,083	8,646,083
Transfer to legal reserve	-	2,161,521	-	(2,161,521)	-
Transfer to retained earnings	-	-	(162,080)	162,080	-
Balance at 31 December 2009	50,000,000	22,560,331	2,107,221	29,686,261	104,353,813
Profit and total comprehensive income for the year	-	-	-	2,098,495	2,098,495
Transfer to legal reserve	-	524,624		(524,624)	-
Transfer to retained earnings	-	-	(162,080)	162,080	-
Balance at 31 December 2010	**50,000,000**	**23,084,955**	**1,945,141**	**31,422,212**	**106,452,308**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

Almana Motors Company W.L.L., a limited liability company, registered and incorporated in the State of Qatar. The Company holds the agency for Ford and Peugeot and is engaged in the trading of Ford and Peugeot cars and related spares parts and services. The registered of the Company is located in Doha, Qatar.

The accompanying financial statements have been prepared to reflect the operation of Almana Motors Company W.L.L. and do not include the assets, liabilities, and the results of other divisions/ branches of Almana Motors Company W.L.L.

The financial statements of Almana Motors Company W.L.L.for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors on 28 February 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the revaluation of workshop building.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments and interpretations became effective in 2010, but were not relevant to the Company's operations:

Standard/Interpretation	*Content*
IFRS 2	Share-based Payment (Revised)
IFRIC 17	Distributions of Non-cash Assets to Owners
IAS 19	Employee Benefits
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of those amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

2.3 Standards, amendments and interpretations issued but not adopted

The following standard, amendment and interpretation have been issued but are mandatory for accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Company:

Standard/ Interpretation	Content	Effective date
IFRIC 14	Prepayments of a minimum funding requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
IAS 24	Related Party Disclosures (Revised)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013

The Company did not early adopt new or amended standards in 2010.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered during the year.

Interest received from customers under installment credit sales agreements is taken to income on a time proportion basis.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Following the initial recognition at cost, the workshop building is carried at revalued amounts, which is the fair value at the date of revaluation less subsequent accumulated depreciation and impairment. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amounts. Land is not depreciated.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the reporting , except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in the statement of comprehensive income. A revaluation deficit is recognised in the statement of comprehensive income, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve. The relevant portion of revaluation reserve would be transferred to retained earnings as the revalued assets are depreciated, with the balance being transferred upon ultimate disposal.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Buildings	25 years
Furniture and fixtures	3 years
Machinery and equipment	3 years
Motor vehicles	4 years
Tools	3 years
Display materials and equipment	3 years
Computer hardware and software	3-8 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies (continued)

Property, plant and equipment (continued)
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Lease rights
Premiums paid for the leasehold land is amortised on a straight line basis over the life of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Spare parts	-	cost on weighted average basis
Motor vehicles	-	cost on specific identification basis

Net realisable value is based on estimated selling price less any further cost expected to be incurred on completion and disposal.

Accounts receivable
Accounts receivable are stated at original invoice amount less provision for any uncollectible amount. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Bank balances and cash
For the purpose of the Statement of Cash Flows, bank balances and cash consist of cash in hand, bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Notes payable
Notes payable are recognised when issued. Installments due within one year are shown as a current liability. Interest on the notes is recognised as an expense on an accruals basis with unpaid amounts included under accounts payable and accruals. Notes denominated in a foreign currency are translated into Qatar Riyals at the rate prevailing at the reporting date.

Interest bearing loans and borrowings
The term loans are carried on the statement of financial position at amortized cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in “accounts payable and accruals”.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies (continued)

Provisions
Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Fair values
The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

Fair value of revalued building is based on valuation carried out by an external valuer.

3 OTHER INCOME

	2010 ***QR***	*2009* *QR*
Rental income	**861,900**	1,317,800
Interest on installment credit sales	**515,878**	338,279
Miscellaneous income	**502,113**	3,988
	1,879,891	1,660,067

4 ADMINISTRATIVE EXPENSES

	2010 ***QR***	*2009* *QR*
Salaries, wages and other benefits	**9,136,686**	8,905,857
Depreciation (Note 6)	**2,141,582**	1,791,773
Repair and maintenance	**776,226**	601,729
Insurance	**433,948**	305,321
Rent	**359,866**	351,713
Telephone, postage and fax	**300,678**	293,214
Memberships and publications	**140,040**	130,126
Utilities	**108,387**	94,691
Printing and stationary	**105,626**	147,550
Transport and conveyance	**85,532**	131,682
Professional charges	**78,221**	87,256
Bank charges	**65,515**	22,254
Provision of obsolete and slow moving inventory (Note 8)	**-**	250,000
Miscellaneous expenses	**542,194**	663,573
	14,274,501	13,776,739

5 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2010	*2009*
	QR	*QR*
Cost of inventories recognised in cost of sales	**88,338,643**	133,879,198
Finance costs:		
Overdraft interest	**206,041**	188,045
Interest charges	**12,825,194**	16,998,896
	13,031,235	17,186,941

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold land QR	*Buildings QR*	*Furniture and fixtures QR*	*Machinery and equipment QR*	*Motor vehicles QR*	*Tools QR*	*Display materials and equipment QR*	*Computer hardware and software QR*	*Capital work-in-progress QR*	*Total QR*
Cost or revaluation:										
At 1 January 2010	53,476,500	13,213,448	2,066,319	1,467,420	3,860,485	131,634	241,915	976,861	309,300	75,743,882
Additions	-	244,300	659,203	165,000	437,180	6,334	3,750	145,633	128,032	1,789,432
Disposals	-	-	-	-	(710,742)	-	-	-	-	(710,742)
At 31 December 2010	53,476,500	13,457,748	2,725,522	1,632,420	3,586,923	137,968	245,665	1,122,494	437,332	76,822,572
Depreciation:										
At 1 January 2010	-	2,855,501	1,542,437	1,146,521	2,172,532	99,404	195,601	111,932	-	8,123,928
Charge for the year	-	707,838	414,701	91,573	722,367	18,303	20,692	166,108	-	2,141,582
Disposals	-	-	-	-	(497,423)	-	-	-	-	(497,423)
At 31 December 2010	-	3,563,339	1,957,138	1,238,094	2,397,476	117,707	216,293	278,040	-	9,768,087
Net carrying amount:										
At 31 December 2010	**53,476,500**	**9,894,409**	**768,384**	**394,326**	**1,189,447**	**20,261**	**29,372**	**844,454**	**437,332**	**67,054,485**

Almana Motors Company W.L.L.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2010

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land QR	*Buildings QR*	*Furniture and fixtures QR*	*Machinery and equipment QR*	*Motor vehicles QR*	*Tools QR*	*Display materials and equipment QR*	*Computer hardware and software QR*	*Capital work-in-progress QR*	*Total QR*
Cost or revaluation:										
At 1 January 2009	53,476,500	13,168,448	1,815,113	1,432,420	3,506,618	121,578	189,915	-	3,579,912	77,290,504
Additions	-	45,000	251,206	35,000	1,505,006	10,056	52,000	976,861	140,050	3,015,179
Disposals	-	-	-	-	(1,151,139)	-	-	-	(3,410,662)	(4,561,801)
At 31 December 2009	53,476,500	13,213,448	2,066,319	1,467,420	3,860,485	131,634	241,915	976,861	309,300	75,743,882
Depreciation:										
At 1 January 2009	-	2,156,916	1,257,415	1,062,948	2,383,904	82,545	168,627	-	-	7,112,355
Charge for the year	-	698,585	285,022	83,573	568,828	16,859	26,974	111,932	-	1,791,773
Disposals	-	-	-	-	(780,200)	-	-	-	-	(780,200)
At 31 December 2009	-	2,855,501	1,542,437	1,146,521	2,172,532	99,404	195,601	111,932	-	8,123,928
Net carrying amount:										
At 31 December 2009	53,476,500	10,357,947	523,882	320,899	1,687,953	32,230	46,314	864,929	309,300	67,619,954

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) The workshop buildings were constructed on a piece of land leased from the Ministry of Municipality.

(ii) The Company engaged Al Maslmani Real Estates Co., an independent valuer to determine the fair value of its workshop building. The date of the revaluation was 11 October 2005.

(iii) If the workshop buildings were measured using the cost model, the carrying amount would be as follows:

	2010 ***QR***	*2009* *QR*
Cost	**9,619,607**	9,619,607
Accumulated depreciation:	**(2,476,642)**	(1,842,810)
Net carrying amount	**7,142,965**	7,776,797

7 LAND LEASE RIGHTS

	2010 ***QR***	*2009* *QR*
Cost:		
At 1 January	**65,191,000**	65,191,000
At 31 December	**65,191,000**	65,191,000
Accumulated amortisation:		
At 1 January	**3,032,140**	1,516,070
Amortisation for the year	**1,516,070**	1,516,070
At 31 December	**4,548,210**	3,032,140
Net carrying amounts:		
At 31 December	**60,642,790**	62,158,860

The Company acquired rights to use the land from a shareholder, which was leased from the Municipality. This premium is amortised over the period of 43 years commencing from 1 January 2009.

8 INVENTORIES

	2010 ***QR***	*2009* *QR*
Motor vehicles	**41,676,319**	60,301,057
Spare parts and consumables	**19,881,472**	21,468,391
Work-in-progress	**1,230,803**	1,863,459
Goods-in-transit	**7,886,018**	1,637,498
	70,674,612	85,270,405
Less: Provision for slow-moving items	**(4,375,000)**	(4,375,000)
	66,299,612	80,895,405

8 INVENTORIES (continued)

Movement in the provision for obsolete and slow-moving inventories is as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**4,375,000**	4,125,000
Provision for the year (Note 4)	**-**	250,000
At 31 December	**4,375,000**	4,375,000

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010	*2009*
	QR	*QR*
Trade accounts receivable	**24,567,363**	19,905,027
Amounts due from related parties (Note 16)	**19,852,642**	-
Advances to suppliers	**36,960**	3,298,459
Prepaid expenses	**2,078,608**	2,045,351
Other receivables	**1,568,831**	1,447,167
	48,104,404	26,696,004

As at 31 December 2010, trade accounts receivables at nominal value of QR 2,584,403 (2009: QR 2,584,403) were impaired.

As at 31 December, the ageing of unimpaired trade accounts receivables is as follows:

			Past due but not impaired				
	Total	*Neither past due nor impaired*	*< 30 days*	*30 – 60 days*	*60 – 90 days*	*90 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2010	**24,567,363**	**9,623,037**	**633,338**	**665,236**	**409,252**	**-**	**13,236,500**
2009	19,905,027	6,915,912	593,871	551,412	105,028	298,622	11,440,182

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

10 BANK BALANCES AND CASH

Bank balances and cash shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2010	*2009*
	QR	*QR*
Bank balances and cash	**3,506,856**	26,616,090
Bank overdrafts	**(86,259)**	(547,842)
	3,420,597	26,068,248

11 SHARE CAPITAL

	2010	*2009*
	QR	*QR*
Authorised, issued and fully paid:		
50,000 shares of QR 1,000 each	**50,000,000**	50,000,000

12 RESERVES

(a) Legal reserve

As required by the Company's Articles of Association, 25% of the profit for the year has been transferred to the legal reserve. The Company may resolve to discontinue such annual transfers when the reserve equals the issued share capital. The reserve is not normally available for distribution, except in the circumstances stipulated by the Commercial Companies' Law No. 5 of 2002.

(b) Revaluation reserve

The revaluation reserve is as a result of revaluation of building by an external appraiser. An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset original cost.

13 INTEREST BEARING LOANS AND BORROWINGS

	2010	*2009*
	QR	*QR*
Interest bearing loans and borrowings	**125,250,502**	136,331,358
Presented in the statement of financial position as follows:		
Current portion	**75,058,546**	101,699,472
Non-current portion	**50,191,956**	34,631,886
	125,250,502	136,331,358

The above loans are secured by mortgage of a property of another group company, personal guarantees of the shareholders and corporate guarantees of Almana Group W.L.L. The loans carry interest at commercial rates.

14 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2010 ***QR***	*2009* *QR*
At 1 January	**1,185,616**	958,981
Provided during the year	**385,995**	322,293
End of service benefits paid	**(125,677)**	(95,658)
At 31 December	**1,445,934**	1,185,616

15 ACCOUNTS PAYABLE AND ACCRUALS

	2010 ***QR***	*2009* *QR*
Trade accounts payable	**7,504,090**	3,111,785
Notes payable	**1,050,755**	1,797,267
Amounts due to related parties (Note 16)	**-**	11,170,367
Accrued expenses	**2,628,615**	4,008,263
Advances from customers	**4,600**	261,512
Other payables	**1,185,084**	1,218,490
	12,373,144	21,567,684

16 RELATED PARTY DISCLOSURES

Related party transactions
Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

	Sales		***Purchases***		***Rental expense***	
	2010 ***QR***	*2009* *QR*	***2010*** ***QR***	*2009* *QR*	***2010*** ***QR***	*2009* *QR*
Parent Company						
Almana Group W.L.L.	**923,622**	526,049	**-**	-	**1,225,502**	1,206,250
Affiliate companies	**44,864,083**	91,556,643	**937,736**	689,090	**-**	-
	45,787,705	92,082,692	**937,736**	689,090	**1,225,502**	1,206,250

16 RELATED PARTY TRANSACTIONS (continued)

Related party balances
The amounts due to and due from related party (non-collateralised and with no fixed repayment terms) are disclosed in Notes 9 and 15 respectively.

	Amounts due from related party		*Amounts due to related party*	
	2010	*2009*	***2010***	*2009*
	QR	*QR*	***QR***	*QR*
Parent Company				
Almana Group W.L.L.	**19,852,642**	-	**-**	11,170,367

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

	2010	*2009*
	QR	*QR*
Short term benefits	**496,013**	817,237
Employees' end of service benefits	**11,228**	16,099
	507,241	833,336

17 COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company has an agreement with Mowasalat, a customer, to buy back the vehicles sold at the option of the customer within a specified period. Management believes that the prices and terms at which these vehicles will be purchased are favorable to the Company.

(b) Contingencies

At 31 December 2010 the Company had contingent liabilities in respect of bank and other guarantee and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise amounting to QR 43,943,765 (2009: QR 282,836).

18 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise of trade payables, amounts due to related parties, interest bearing loans and borrowings and bank overdrafts. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as bank balances and cash, and accounts receivable which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Directors review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (term loan and bank over drafts).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2010.

There is no impact on the Company's equity.

	Increase/ decrease in basis points	*Effect on profit for the year QR*
2010		
QR	**+25**	**(313,341)**
QR	**- 25**	**313,341**
2009	+25	(342,198)
QR	- 25	342,198
QR		

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis. The Company is engaged in the trading of cars and related spare parts and services to a large number of private companies and individuals in Qatar. Its five largest customers account for 43% of the outstanding accounts receivable (2009: 44%).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

18 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available. With the exception of instalment credit sales, all other sales are required to be settled within normal credit period. The credit terms of instalment credit sales vary with each instalment sales agreement with maximum up to 48 months. Trade payables are normally settled within 2 months of the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2010, based on contractual payment dates and current market interest rates.

At 31 December 2010	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Bank overdrafts	**86,259**	-	-	**86,259**
Trade accounts payables	**7,504,090**	-	-	**7,504,090**
Notes payable	**1,050,755**	-	-	**1,050,755**
Interest bearing loans and borrowings	**72,933,409**	**7,036,552**	**52,199,534**	**132,169,495**
Total	**81,574,513**	**7,036,552**	**52,199,534**	**140,810,599**

At 31 December 2009	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Bank overdrafts	547,842	-	-	547,842
Trade accounts payables	3,111,785	-	-	3,111,785
Amount due to related parties	11,170,367			11,170,367
Notes payable	1,797,267	-	-	1,797,267
Interest bearing loans and borrowings	97,570,168	6,699,977	37,748,756	142,018,901
Total	114,197,429	6,699,977	37,748,756	158,646,162

Currency risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency denominated payables as of reporting date is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2010 and 2009. Capital comprises share capital and retained earnings and is measured at QR 81,422,212 as at 31 December 2010 (2009: QR 79,686,261).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts, accounts payables, amounts due to related parties, other payables and interest bearing loans and borrowings.

The fair values of financial instruments are not materially different from their carrying values.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts receivable were QR 27,151,766 (2009: QR 22,489,430), and the provision for doubtful debts was QR 2,584,403 (2009: QR 2,584,403). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(b) Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross inventories were QR 70,614,612 (2009: QR 85,270,405), with provisions for obsolete and slow moving inventories of QR 4,375,000 (2009: QR 4,375,000). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(c) Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(d) Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Almana Trading Company W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA TRADING COMPANY W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Almana Trading Company W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2009 and the statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Company or on its financial position as of 31 December 2009.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 26 April 2010
Doha

STATEMENT OF INCOME

Year ended 31 December 2009

	Notes	*2009* *QR*	*2008* *QR*
Revenue	3	**341,272,950**	283,844,842
Direct costs	4	**(198,657,443)**	(134,214,364)
GROSS PROFIT		**142,615,507**	149,630,478
Investment income	5	**46,332,463**	42,603,383
Other income	6	**624,492**	2,360,186
Administrative expenses	7	**(42,449,622)**	(36,243,776)
Impairment loss on available for sale investments	13	**(535,693)**	(174,062,136)
Fair value (loss) gain on investment properties	11	**(55,426,050)**	530,562,725
OPERATING PROFIT		**91,161,097**	514,850,860
Finance costs		**(52,025,332)**	(26,606,634)
Share of results of joint ventures	12	**1,380,158**	70,132
PROFIT FOR THE YEAR	8	**40,515,923**	488,314,358

The attached notes 1 to 30 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	2009	*2008*
	QR	***QR***
Profit for the year	**40,515,923**	488,314,358
Other comprehensive income (expense)		
Unrealised losses on available for sale investments	**(1,011,187)**	(19,779,422)
Transfer to income statement on impairment	**535,693**	174,062,136
Reclassification adjustments for loss (profit) included in the income statement	**24,511,812**	(263,203,255)
Other comprehensive income (expense) for the year	**24,036,318**	(108,920,541)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**64,552,241**	379,393,817

The attached notes 1 to 30 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF FINANCIAL POSITION
At 31 December 2009

	Notes	*2009* QR	*2008* QR
ASSETS			
Non-current assets			
Property, plant and equipment	9	**515,767,545**	746,785,273
Land lease rights	10	**56,508,250**	-
Investment properties	11	**1,626,261,666**	1,279,931,311
Investment in joint ventures	12	**9,056,087**	5,982,729
Available for sale investments	13	**291,173,646**	268,565,157
		2,498,767,194	2,301,264,470
Current assets			
Contract work in progress	14	**54,968,730**	40,030,140
Inventories	15	**56,689,055**	59,961,331
Accounts receivable and prepayments	16	**159,582,733**	117,056,736
Available-for-sale investments	13	**197,416,836**	185,798,600
Bank balances and cash	17	**4,498,623**	17,260,126
		473,155,977	420,106,933
TOTAL ASSETS		**2,971,923,171**	2,721,371,403
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**250,000,000**	250,000,000
Legal reserve	19	**125,000,000**	125,000,000
Revaluation reserve	20	**9,745,712**	9,745,712
Cumulative changes in fair values	20	**47,843,685**	23,807,367
Retained earnings		**1,380,011,705**	1,339,495,782
Total equity		**1,812,601,102**	1,748,048,861
Non current liabilities			
Interest bearing loans and borrowings	21	**472,019,850**	478,869,696
Employees' end of service benefits	22	**5,225,352**	3,920,790
		477,245,202	482,790,486
Current liabilities			
Bank overdrafts	17	**31,062,910**	28,562,681
Interest bearing loans and borrowings	21	**286,697,140**	196,770,242
Accounts payable and accruals	23	**364,316,817**	265,199,133
		682,076,867	490,532,056
Total liabilities		**1,159,322,069**	973,322,542
TOTAL EQUITY AND LIABILITIES		**2,971,923,171**	2,721,371,403

………………………………………………………… ……………………………………………………………

Omar H. Almana (Chairman) Tariq O. Almana (Director)

The attached notes 1 to 30 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	Notes	*2009* *QR*	*2008* *QR*
OPERATING ACTIVITIES			
Profit for the year		**40,515,923**	488,314,358
Adjustments for:			
Depreciation	9	**9,623,959**	7,873,910
Provision for employees' end of service benefits	22	**2,041,822**	1,972,398
Finance costs		**52,025,332**	26,606,634
Gain on disposal of plant and equipment	6	**(386,428)**	(869,555)
Gain on disposal of available-for-sale investments	5	**(1,011,187)**	(19,779,422)
Impairment loss on available-for sale investments	13	**535,693**	174,062,136
Share of results of a joint venture	12	**(1,380,158)**	(70,132)
Provision for slow moving inventories	15	**20,061**	200,000
Provision for impairment of receivables	7	**-**	1,248,208
Dividend and interest income	5&6	**(45,381,500)**	(22,869,234)
Fair value loss (gain) on investment properties	11	**55,426,050**	(530,562,725)
		112,029,567	126,126,576
Working capital changes:			
Contract work in progress		**(14,938,590)**	(12,783,338)
Inventories		**3,252,215**	(17,828,116)
Accounts receivable and prepayments		**(42,525,997)**	(44,372,353)
Accounts payables and accruals		**99,117,684**	(65,533,933)
Cash from (used in) from operations		**156,934,879**	(14,391,164)
Finance costs		**(52,025,332)**	(26,606,634)
Employees' end of service benefits paid	22	**(737,260)**	(149,165)
Net cash from (used in) from operating activities		**104,172,287**	(41,146,963)
INVESTING ACTIVITIES			
Dividend and interest income	5&6	**45,381,500**	22,869,234
Investment in joint venture		**(1,693,200)**	(2,550,000)
Purchase of property, plant and equipment	9	**(186,011,428)**	(199,438,264)
Proceeds from disposal of property, plant and equipment		**6,035,220**	2,905,125
Purchase of land lease rights	10	**(56,508,250)**	-
Purchase of available-for-sale investments		**(107,357,645)**	(347,102,846)
Proceeds from disposal of available for sale investments		**97,642,732**	261,514,210
Net cash used in investing activities		**(202,511,071)**	(261,802,541)
FINANCING ACTIVITY			
Net movement in term loans		**83,077,052**	298,819,793
Net cash from financing activity		**83,077,052**	298,819,793
DECREASE IN BANK BALANCE AND CASH		**(15,261,732)**	(4,129,711)
Bank balance and Cash at 1 January		**(11,302,555)**	(7,172,844)
BANK BALANCE AND CASH AT 31 DECEMBER	17	**(26,564,287)**	(11,302,555)

The attached notes 1 to 30 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2009

	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Cumulative changes in fair values QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2008	250,000,000	125,000,000	9,745,712	132,727,908	851,181,424	1,368,655,044
Profit for the year	-	-	-		488,314,358	488,314,358
Other comprehensive income	-	-	-	(108,920,541)	-	(108,920,541)
Total comprehensive income for the year	-	-	-	(108,920,541)	488,314,358	379,393,817
Balance at 31 December 2008	250,000,000	125,000,000	9,745,712	23,807,367	1,339,495,782	1,748,048,861
Profit for the year	-	-	-		40,515,923	40,515,923
Other comprehensive income	-	-	-	24,036,318	-	24,036,318
Total comprehensive income for the year	-	-	-	24,036,318	40,515,923	64,552,241
Balance at 31 December 2009	**250,000,000**	**125,000,000**	**9,745,712**	**47,843,685**	**1,380,011,705**	**1,812,601,102**

The attached notes 1 to 30 form part of these financial statements.

1 ACTIVITIES

Almana Trading Company W.L.L. is a limited liability company registered in the State of Qatar under Commercial Registration No. 8501. It is engaged in rental of real estate, investment and supply of electrical and mechanical equipment and providing materials and installation services for thermal, cryogenic and acoustic insulation, refractory lining, industrial fire proofing services, scaffolding and corrosion protection. Also, the Company receives commission from activities that include sponsorship of foreign companies operating in Qatar and provision of support services to these companies. The registered office of the Company is located in Doha, Qatar.

These financial statements have been prepared to reflect the operations of the real estate, trading and insulation engineering divisions of Almana Trading Company W.L.L. (the "Company") and do not include other divisions of the Company included in the commercial registration and representing sponsored companies.

The financial statements of Almana Trading Company W.L.L. for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Directors on 26 April 2010.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Qatar Commercial Companies' Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments and investment properties.

2.2 Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2008, except for the adoption of new and amended standards as of 1 January 2009 as noted below:

IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 28 The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 27.

IAS 1 Presentation of Financial Statements (Revised)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Company has elected to present two linked statements. Adoption of the revised standard did not have any effect on the financial position or performance of the Company.

IAS 23 (Revised) Borrowing Costs
The standard has been revised to require capitalisation of borrowing costs when such costs relate to qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Company already has a policy of capitalising borrowing costs on qualifying assets (Note 9) and

hence adoption of this Standard did not have any effect on the financial performance or position of the Company.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

Improvements to IFRSs (May 2008)
In May 2008, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of there amendments resulted in rewording or corrections to accounting policies but did not have any impact on the financial position or performance of the Company.

2.3 New and amended standards and interpretations issued as 31 December 2009, but not applied

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The management has set our below only those which shall be considered in future periods and also believes that the adoption of these new and amended standards may not have any material impact on the future periods financial statements.

- Improvements to IFRSs (April 2009) (Applicable to 31 December 2010 year end)
- IAS 27 (Revised) "Consolidated and Separate Financial Statements" (Applicable to 31 December 2010 year end)
- IFRS 3 (Revised) "Business Combinations" (Applicable to 31 December 2010 year end)
- IFRS 9 Financial Instruments (Applicable subsequent to 31 December 2010 year end)
- IAS 24 Related Party Disclosures (Revised) (Applicable Subsequent to 31 December 2010 year end)

2.4 Summary of significant accounting policies

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered by the Company during the year.

Contract revenue is recognised on the basis of work completed. The percentage of work completed is calculated based on the actual cost of projects proportional to the estimated overall cost of projects at the end of the reporting period.

Rental revenue is accounted for on a time proportion basis and commission income is accounted for on the basis of credit notes and/or receipts.

Interest revenue is recognised as the interest accrues using effective interest rate method.

Dividend revenue is accounted when right to receive dividend is established.

Commission income is recognised as and when it is received.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and capital work in progress are not depreciated.

Depreciation is calculated on a straight line basis over the estimate useful lives of the assets as follows:

Buildings and partitions	25 years
Furniture, fixtures and equipment	3 - 4 years
Motor vehicles	4 - 8 years
Machinery and equipment	4 - 8 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of income as the expense is incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income in the year the asset is derecognised.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific assets or assets of the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c) There is a changes in the determination of whether the fulfilment is dependent on a specified asset; or
d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

Company as a lessee
Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the leased term.

Company as a lessor
Leases where the Company transfer substantially all the risks and benefits and ownership of the assets are classified as finance leases and are presented as receivables at an amount equal to the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. Income finance leases in which the Company is a lessor is recognised based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the finance lease. Contingent rents are recognised as revenue in the period in which they are earned.

Interest in joint venture
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company recognises its interest in the joint venture using equity method of accounting.

Under the equity method, investment in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture. The statement of income reflects the share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the company and the joint venture are eliminated to the extent of the interest in the joint venture.

The end of the reporting periods of the joint venture and the Company are identical and the joint venture's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

Impairment and uncollectibility of financial assets
An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.
For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. When the Company completes the construction or development of self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of income.

Lease rights
Premiums paid to acquire the lease rights on land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

Available-for-sale investments
All available-for-sale investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

After initial recognition, available for sale investments which have a quoted market price and whose fair value can be reliably measured, are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of shareholders' funds until the investment is sold, collected or otherwise disposed off, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for the year.

Available for sale investments in equity instruments that do not have quoted market price in an active market and where fair value cannot be reliably measured are measured at cost after regular impairment assessment.

Contract work in progress
Contract work in progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. Attributable profit is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made for contingencies and any anticipated future losses.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs represent the purchase costs incurred in bringing goods for resale and in transit to its present location and condition, on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectable. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
Cash and cash equivalents are defined as cash and bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the Company has an obligation arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

Interest bearing loans and borrowings

Interest bearing loans and borrowings are recognised initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest method, with any differences between the cost and final settlement values being recognised in the statement of income over the period of borrowings. Installments due within one period at amortised cost are shown as a current liability.

Gains or losses are recognized in the statement of income when the liabilities are derecognised.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction or production of an asset that necessarily takes a substantial period of time for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of income.

Fair values

The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

Available-for-sale investments

For investments actively traded in organised financial markets fair value is determined by reference to the quoted market bid prices.

Due to the nature of cash flows arising from the Company’s investments in unquoted companies, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less provision for any impairment losses.

Investment properties

The fair value of investment properties is based on a valuation carried out by an external valuer. The bases used in determining the fair value reflect actual market state and circumstances as of the end of the reporting period.

3 REVENUE

	2009	*2008*
	QR	*QR*
Sales	**6,898,951**	7,194,375
Contract revenue	**237,558,043**	163,852,160
Rental revenue	**22,384,029**	19,105,679
Commission revenue	**74,431,927**	93,692,628
	341,272,950	283,844,842

4 DIRECT COSTS

	2009	*2008*
	QR	*QR*
Cost of sales	**6,019,493**	6,551,408
Contract direct costs	**187,860,467**	124,854,510
Real estate operating expenses	**4,777,483**	2,808,446
	198,657,443	134,214,364

5 INVESTMENT INCOME

	2009	*2008*
	QR	*QR*
Gain on disposal of available-for-sale investments	**1,011,187**	19,779,422
Dividend income	**45,321,276**	22,823,961
	46,332,463	42,603,383

6 OTHER INCOME

	2009	*2008*
	QR	*QR*
Interest income	**60,224**	45,273
Gain on disposal of plant and equipment	**386,428**	869,555
Gain on foreign exchange	**-**	376,833
Other income	**177,840**	1,068,525
	624,492	2,360,186

7 ADMINISTRATIVE EXPENSES

	2009	*2008*
	QR	*QR*
Salaries, wages and other benefits	**10,679,353**	11,495,517
Rent	**5,328,916**	4,890,667
Bank charges	**5,158,733**	942,537
Depreciation (Note 9)	**4,975,686**	3,983,173
Electricity and water	**4,361,578**	3,158,071
Visa and immigration charges	**2,820,310**	2,104,679
Repair and maintenance	**1,018,850**	573,976
Travelling	**700,356**	1,006,141
Rates, taxes and insurance	**644,695**	569,958
Telephone, fax and postage	**507,109**	349,550
Loss on foreign exchange	**381,759**	-
Professional fees	**173,500**	89,500
Printing and stationary	**169,065**	94,115
Allowance for impairment of receivables (Note 16)	**-**	1,248,208
Miscellaneous	**5,529,712**	5,737,684
	42,449,622	36,243,776

8 PROFIT FOR THE YEAR

The profit for the year is stated after charging staff costs in the amount of QR 42,557,836 (2008: QR 33,986,203).

Almana Trading Company W.L.L.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2009

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land QR	*Buildings QR*	*Almana building partitions QR*	*Furniture, fixtures and equipment QR*	*Motor vehicles QR*	*Machinery and equipment QR*	*Capital work-in-progress QR*	*Total QR*
Cost:								
At 1 January 2009	278,080,400	24,137,813	450,959	7,494,092	12,667,120	29,152,246	413,079,597	765,062,227
Additions	37,406,000	2,082,818	-	2,858,049	2,427,000	16,790,375	124,447,186	186,011,428
Transfers	-	4,823,800	-	-	-	-	(4,823,800)	-
Reclassification	-	-	(450,959)	(324,591)	-	775,550	-	-
Transfer to investment property	-	-	-	-	-	-	(401,756,405)	(401,756,405)
Disposals	(1,365,900)	-	-	(4,110)	(1,516,349)	(4,959,835)	-	(7,846,194)
At 31 December 2009	314,120,500	31,044,431	-	10,023,440	13,577,771	41,758,336	130,946,578	541,471,056
Depreciation:								
At 1 January 2009	-	3,603,168	220,826	3,491,766	4,728,913	6,232,281	-	18,276,954
Charge for the year	-	1,949,187	-	1,359,172	2,347,922	3,967,678	-	9,623,959
Reclassification	-	-	(220,826)	212,350	-	8,476	-	-
Relating to disposals	-	-	-	(4,109)	(688,235)	(1,505,058)	-	(2,197,402)
At 31 December 2009	-	5,552,355	-	5,059,179	6,388,600	8,703,377	-	25,703,511
Net carrying amounts:								
At 31 December 2009	**314,120,500**	**25,492,076**	**-**	**4,964,261**	**7,189,171**	**33,054,959**	**130,946,578**	**515,767,545**

9 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land QR	*Buildings QR*	*Almana building partitions QR*	*Furniture, fixtures and equipment QR*	*Motor vehicles QR*	*Machinery and equipment QR*	*Capital work-in-progress QR*	*Total QR*
Cost:								
At 1 January 2008	191,114,900	24,103,413	450,959	5,581,603	9,939,424	22,683,967	314,328,767	568,203,033
Additions	86,965,500	34,400	-	1,912,489	3,124,000	8,651,045	98,750,830	199,438,264
Disposals	-	-	-	-	(396,304)	(2,182,766)	-	(2,579,070)
At 31 December 2008	278,080,400	24,137,813	450,959	7,494,092	12,667,120	29,152,246	413,079,597	765,062,227
Depreciation:								
At 1 January 2008	-	1,926,980	128,271	2,366,264	3,166,703	3,358,326	-	10,946,544
Charge for the year	-	1,676,188	92,555	1,125,502	1,942,821	3,036,844	-	7,873,910
Relating to disposals	-	-	-	-	(380,611)	(162,889)	-	(543,500)
At 31 December 2008	-	3,603,168	220,826	3,491,766	4,728,913	6,232,281	-	18,276,954
Net carrying amount:								
At 31 December 2008	278,080,400	20,534,645	230,133	4,002,326	7,938,207	22,919,965	413,079,597	746,785,273

9 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) The cost of the building includes QR 19,040,900 (2008: QR 15,155,378) in respect of construction of buildings and improvements on land leased from the Municipality of Doha, State of Qatar.

(ii) Freehold land with a cost of QR 54,896,000 (2008: QR 54,896,000) is registered in the name of shareholders', who have confirmed that they holds the title deeds as trustee on behalf of the Company, who is the beneficial owner of the land.

(iii) Capital work in progress includes capitalised borrowing cost amounts to QR 32,465,955 (2008: 19,843,428).

(iv) The depreciation charge has been allocated in the income statement as follows:

	2009 ***QR***	*2008* *QR*
Direct costs	**4,648,273**	3,890,737
Administrative expenses (Note 7)	**4,975,686**	3,983,173
	9,623,959	7,873,910

10 LAND LEASE RIGHTS

The Company acquired rights to use a certain land which was leased from the Municipality. The premium is amortised over the period of 30 years commencing from 1 January 2010.

11 INVESTMENT PROPERTIES

	2009 ***QR***	*2008* *QR*
At 1 January	**1,279,931,311**	749,368,586
Transfers from capital work-in-progress (Note 9)	**401,756,405**	-
Net (loss) gain from fair value adjustment included in the statement of income	**(55,426,050)**	530,562,725
At 31 December	**1,626,261,666**	1,279,931,311
Investment properties:		
At cost	**526,382,196**	124,625,791
Net gain from fair value adjustment	**1,099,879,470**	1,155,305,520
At 31 December	**1,626,261,666**	1,279,931,311
Investment properties:		
Wholly owned land	**48,394,036**	48,394,036
Company's share in co-owned land	**878,358,625**	879,737,525
Other investment properties	**699,509,005**	351,799,750
At 31 December	**1,626,261,666**	1,279,931,311

11 INVESTMENT PROPERTIES (continued)

Notes:

(i) The fair value of wholly owned land amounting to QR 48,394,036 is based on valuations carried out on 22 January 2008 by Mr. Ahmed Oadyaat, an external valuer based in Beirut. There were no valuations made during the year. Management believes that this approximates the fair value as at 31 December 2009.

(ii) On 31 December 2009, the Company has completed construction of 124 Villa Compound and transferred these properties amounting to QR 401,756,405 from property, plant and equipment to investment properties. The management believes that this approximates the fair value as at 31 December 2009.

(iii) The fair value of the remaining investment properties amounting to QR 1,176,111,225 (2008: QR 1,231,537,27) is based on valuations carried out during 2009 Al-Maslmani Real Estate Investment & Development Co. and Bin Hamda Real Estates, independent valuers based in the State of Qatar. Management believes that the valuations approximate the fair values of the investment properties as at 31 December 2009.

(vi) Investment properties are registered in the name of the shareholder who holds such properties in trust on behalf of the Company, who has the beneficial interest of the properties.

(v) The Company has mortgaged investment properties with a fair value of QR 556,796,600 (2008: QR 240,100,550) with local banks against credit facilities granted by the banks to the various Almana Group companies.

12 INVESTMENTS IN JOINT VENTURES

	2009	*2008*
	QR	*QR*
(a) Investment in joint ventures		
Investment in Coca-Cola Almana W.L.L	**4,384,578**	3,432,729
Investment in Chiyoda Almana Engineering W.L.L.	**2,926,052**	2,295,000
Investment in Almana Trading Metal One L.L.C.	**716,214**	-
Investment in Qatar Gratings and Road Barriers W.L.L.	**1,029,243**	255,000
	9,056,087	5,982,729

	Country of incorporation	***Ownership***	***Nature of operations***
Investment in Coca-Cola Almana W.L.L	*Qatar*	*51%*	*Distribution and sale of soft drink products*
Investment in Chiyoda Almana Engineering W.L.L.	*Qatar*	*51%*	*Maintenance of Liquified Natural Gas(LNG) plant*
Investment in Almana Trading Metal One L.L.C.	*Qatar*	*51%*	*Buying and selling steel pipes*
Investment in Qatar Grating and Road Barriers W.L.L.	*Qatar*	*51%*	*Selling grating panels and barricades*

12 INVESTMENTS IN JOINT VENTURES (continued)

The following table illustrates summarised information of the Company's investments in joint ventures:

	2009	*2008*
	QR	*QR*
Share of statement of financial position:		
Current assets	**31,870,009**	9,942,366
Non-current assets	**7,089,242**	5,477,832
Current liabilities	**(28,747,079)**	(8,514,288)
Non-current liabilities	**(1,156,085)**	(923,181)
Net assets	**9,056,087**	5,982,729
Share of joint venture entities' revenues and results:		
Revenues	**79,278,652**	36,495,454
Results	**1,380,158**	70,132

13 AVAILABLE FOR SALE INVESTMENTS

	2009	*2008*
	QR	*QR*
Quoted equity investments	**460,253,203**	424,226,682
Unquoted equity investments	**28,337,279**	30,137,075
	488,590,482	454,363,757
Investments:		
At cost	**466,423,936**	629,759,973
Impairment loss on available-for-sale investments	**(535,693)**	(174,062,136)
Net (loss) gain from fair value adjustment	**22,702,239**	(1,334,080)
	488,590,482	454,363,757
Presented in the statement of financial position as follows:		
Current assets	**197,416,836**	185,798,600
Non-current assets	**291,173,646**	268,565,157
	488,590,482	454,363,757

The above investments are held in trust in the names of the shareholders and group on behalf of the Company, which is the beneficial owner of these investments.

14 CONTRACT WORK IN PROGRESS

	2009	*2008*
	QR	*QR*
Contracts valued at cost plus attributable profit	**355,794,928**	200,924,123
Less: Progress Billing	**(300,826,198)**	(160,893,983)
	54,968,730	40,030,140

15 INVENTORIES

	2009 *QR*	*2008* *QR*
Insulation materials	**54,938,757**	57,500,176
Goods for resale	**2,003,013**	1,899,199
Goods in transit	**15,981**	810,591
	56,957,751	60,209,966
Provision for slow moving inventories	**(268,696)**	(248,635)
	56,689,055	59,961,331

Movement in the provision for obsolete and slow moving inventories is as follows:

	2009 *QR*	*2008* *QR*
At 1 January	**248,635**	52,302
Provided during the year	**20,061**	200,000
Write-off	**-**	(3,667)
At 31 December	**268,696**	248,635

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 *QR*	*2008* *QR*
Trade accounts receivable	**28,165,661**	31,093,647
Contract accounts receivable	**54,913,406**	44,404,866
Retention receivable	**15,279,166**	9,739,171
Deposits	**8,443,443**	6,614,367
Prepayments	**19,149,578**	15,412,699
Other receivables	**35,685,847**	11,846,354
	161,637,101	119,111,104
Allowance for impairment of receivables	**(2,054,368)**	(2,054,368)
	159,582,733	117,056,736

As at 31 December 2009, trade accounts receivables and contract accounts receivable at nominal value of QR 2,054,368 (2008: QR 2,054,368) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2009 *QR*	*2008* *QR*
At 1 January	2,054,368	842,232
Charge for the year (Note 7)	**-**	1,248,208
Amounts written off	**-**	(36,072)
At 31 December	**2,054,368**	2,054,368

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

As at 31 December, the ageing of unimpaired trade accounts and contract account receivables are as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			< 30 days	*30 – 60 days*	*61 – 90 days*	*91 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2009	**81,024,699**	**39,040,071**	**18,356,267**	**2,860,092**	**2,808,033**	**3,228,526**	**14,731,710**
2008	73,444,145	42,559,761	-	15,643,776	4,305,845	7,676,405	3,258,358

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents shown in the statement of cash flows include the following statement of financial position amounts:

	2009 ***QR***	*2008* *QR*
Bank balances and cash	**4,498,623**	17,260,126
Bank overdrafts	**(31,062,910)**	(28,562,681)
	(26,564,287)	(11,302,555)

18 SHARE CAPITAL

	2009 ***QR***	*2008* *QR*
Authorised, issued and fully paid:		
250,000 shares of QR 1,000 each	**250,000,000**	250,000,000

19 LEGAL RESERVE

In accordance with the Companies' Law No. 5 of 2002 and the Company's Articles of Association, 25% of the net profit for the year is to be transferred to a legal reserve. The Company has resolved to discontinue such annual transfer as the legal reserve equals 50% of the issued share capital. This reserve is not available for distribution except in the manner stated in Qatar Commercial Companies' Law.

20 OTHER RESERVES

Revaluation reserve

The revaluation reserve had arisen as a result of revaluation of a freehold land in accordance with IAS 40 included in property, plant and equipment which was subsequently transferred to investment properties. The valuation was carried out by an external appraiser based in Beirut. The revaluation reserve will be transferred to retained earnings upon disposal of land.

21 INTEREST BEARING LOANS AND BORROWINGS

	2009	*2008*
	QR	*QR*
Interest bearing loans and borrowings	**758,716,990**	675,639,938
Classified as:		
Current portion	**286,697,140**	196,770,242
Non-current portion	**472,019,850**	478,869,696
	758,716,990	675,639,938

Interest bearing loans and borrowing comprise of various loans taken from different banks. These loans are secured by certain assets of the Company and personal guarantee of the shareholders. These loans carry interest at commercial rates and have different maturity periods. The loans falling due after one year have been classified as long term loans.

22 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**3,920,790**	2,097,557
Provided during the year	**2,041,822**	1,972,398
End of service benefits paid	**(737,260)**	(149,165)
At 31 December	**5,225,352**	3,920,790

23 ACCOUNTS PAYABLE AND ACCRUALS

	2009	*2008*
	QR	*QR*
Amounts due to related parties (Note 25)	**272,978,554**	196,431,242
Advances from customers	**19,726,163**	24,351,710
Trade accounts payable	**25,246,598**	13,444,608
Bills payable	**405,213**	2,329,247
Accrued expenses	**19,031,756**	20,164,757
Other payables	**26,928,533**	8,477,569
	364,316,817	265,199,133

24 EXPENDITURE COMMITMENTS

	2009	*2008*
	QR	*QR*
Capital expenditure commitments		
Estimated capital expenditure contracted for at the end of the reporting period but not provided for:		
Various real estate projects	**20,000,000**	55,000,000

25 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the financial statements are as follows:

	Year ended 31 December 2009			*Year ended 31 December 2008*		
	Purchases QR	***Rent charges QR***	***Purchases/ sales of assets from/to shareholders' QR***	*Purchases QR*	*Rent charges QR*	*Purchases/ sales of assets from/to shareholders' QR*
Associated companies	**2,549,723**	**4,463,700**	**36,040,100**	519,247	3,344,700	86,965,500

Related party balances
The amounts due to related parties disclosed in Note 23.

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2009	*2008*
	QR	*QR*
Short-term benefits	**972,000**	972,000

The ultimate parent company of Almana Trading Company W.L.L. is Almana Group W.L.L.

26 CONTINGENCIES

At 31 December 2009, the Company had contingent liabilities in respect of bank and other guarantees amounting to QR 67,815,328 (2008: QR 70,351,761).

27 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise interest bearing loan, bank overdrafts, other payables, trade accounts and bills payable. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade accounts, contract and retention receivable, and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Directors review and agree on policies for managing each of these risks which are summarised below.

27 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk
The Company is exposed to interest rate risk on its interest bearing bank overdrafts and term loans.

The following table demonstrates the sensitivity of the statement of income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial liabilities held at 31 December 2009. The effect of decreases in interest rate is expected to be equal and opposite of the increases shown.

There is no impact on the Company's equity.

	Increase/decrease in basis points	*Effect on profit for the year QR*
2009		
QR	**+25**	**(1,974,450)**
2008		
QR	+25	(1,760,506)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables. The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis.

The Company sells its products and services to a large number of government and corporate customers in the State of Qatar. Its single largest customer accounts for 59% of outstanding trade and contract accounts receivable at 31 December 2009 (2008: 68%).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Change in equity price 2009	***Effect on equity statement 2009***	*Change in equity price 2008*	*Effect on equity statement 2008*
Quoted shares	**+10%**	**46,025,320**	+10%	42,422,669

27 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of sales require amounts to be paid within 30-90 days of the date of sale.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2009, based on contractual payment dates.

Year ended 31 December 2009	***Less than 6 months QR***	***6 to 12 months QR***	***More than 1 year QR***	***Total QR***
Trade accounts and bills payable	**25,651,811**	**-**	**-**	**25,651,811**
Bank overdraft	**31,062,910**	**-**	**-**	**31,062,910**
Term loans	**116,304,799**	**170,392,341**	**472,019,850**	**758,716,990**
Total	**173,019,520**	**170,392,341**	**472,019,850**	**815,431,711**

Year ended 31 December 2008	*Less than 6 months QR*	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
Trade accounts and bills payables	15,773,855	-	-	15,773,855
Bank overdraft	28,562,681	-	-	28,562,681
Term loans	101,252,209	95,518,033	478,869,696	675,639,938
Total	145,588,745	95,518,033	478,869,696	719,976,474

Currency risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency denominated payables as of end of the reporting period is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2009 and 2008. Capital comprises share capital and retained earnings and is measured at QR 1,630,011,705 as at 31 December 2009 (2008: QR 1,589,495,782).

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair values:

- Bank balance and cash, trade, contract, retention and other receivables and trade, bills and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair vales of available-for-sale financial assets are derived from quoted market prices in active market.
- Interest bearing loan is estimated based on discounted cash flows using interest rate for items with similar terms and characteristics.

28 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
As at 31 December 2009, the Company held the following financial instruments measured at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

31 December 2009	***Total***	***Level 1***	***Level 2***	***Level 3***
	QR '000	***QR '000***	***QR '000***	***QR '000***
Financial assets				
Available for sale investments	**460,253,203**	**460,253,203**	**-**	**-**

During the year ending 31 December 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements

29 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the end of the reporting period, gross trade accounts and contract receivable were QR 83,079,067 (2008: QR 75,498,513), and the allowance for impairment of receivables was QR 2,054,368 (2008: QR 2,054,368). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of income.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the end of the reporting period, gross materials were QR 56,957,751 (2008: QR 60,209,966), with provisions for old and obsolete inventories of QR 268,696 (2008: QR 248,635). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of income.

Contract work in progress
Contract work in progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses.

29 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of equity investments

For available for sale investments, the Company assess at each statement of financial position date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income.

At the statement of financial position date, the fair value of available for sale investments were QR 488,590,482 (2008: QR 454,363,757) with an impairment charge of QR 535,693 (2008: QR 174,062,136). Impairment losses on equity investments are not reversed through the statement of comprehensive income; increases in fair value after impairment are recognised directly in equity.

Useful lives of furniture and equipment

The Company's management determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

30 COMPARATIVE INFORMATION

Investments in joint ventures amount of QR 2,550,000 previously reported under amounts due to related parties has been reclassified to investments in joint ventures.

These reclassifications have been made to improve the quality of information presented.

Almana Trading Company W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA TRADING COMPANY W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Almana Trading Company W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2010 and the statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Almana Trading Company W.L.L. as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion proper books of account have been kept by the company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Company or on its financial position as of 31 December 2010.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 10 March 2011
Doha

Almana Trading Company W.L.L.

STATEMENT OF INCOME
Year ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
Revenue	3	**351,301,611**	341,272,950
Direct costs	4	**(218,336,133)**	(198,657,443)
GROSS PROFIT		**132,965,478**	142,615,507
Investment income	5	**76,672,423**	46,332,463
Other income	6	**1,056,057**	624,492
Administrative expenses	7	**(45,450,065)**	(42,449,622)
Impairment loss on available-for-sale investments	13	**-**	(535,693)
Fair value gain (loss) on investment properties	11	**8,739,752**	(55,426,050)
OPERATING PROFIT		**173,983,645**	91,161,097
Finance costs		**(78,592,701)**	(52,025,332)
Share of results of joint ventures	12	**925,124**	1,380,158
PROFIT FOR THE YEAR	8	**96,316,068**	40,515,923

The attached notes 1 to 29 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2010

	2010	*2009*
	QR	*QR*
Profit for the year	**96,316,068**	40,515,923
Other comprehensive income (expense)		
Realised loss (gains) on disposal of available-for-sale investments	**813,254**	(1,011,187)
Transfer to income statement on impairment of available-for-sale investments	**-**	535,693
Unrealised gains on available-for-sale investments	**97,336,957**	24,511,812
Other comprehensive income for the year	**98,150,211**	24,036,318
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**194,466,279**	64,552,241

The attached notes 1 to 29 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	*2010* QR	*2009* QR
ASSETS			
Non-current assets			
Property, plant and equipment	9	**552,171,846**	515,767,545
Land lease rights	10	**55,130,000**	56,508,250
Investment properties	11	**1,658,390,151**	1,626,261,666
Investment in joint ventures	12	**7,956,452**	9,056,087
Available-for-sale investments	13	**499,301,217**	291,173,646
		2,772,949,666	2,498,767,194
Current assets			
Contract work-in-progress	14	**69,842,544**	54,968,730
Inventories	15	**65,121,592**	56,689,055
Accounts receivable and prepayments	16	**164,511,537**	159,582,733
Available-for-sale investments	13	**77,509,323**	197,416,836
Bank balances and cash	17	**27,441,214**	4,498,623
		404,426,210	473,155,977
TOTAL ASSETS		**3,177,375,876**	2,971,923,171
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**250,000,000**	250,000,000
Legal reserve	19	**125,000,000**	125,000,000
Revaluation reserve	20	**9,745,712**	9,745,712
Cumulative changes in fair values	20	**145,993,896**	47,843,685
Retained earnings		**1,476,327,773**	1,380,011,705
Total equity		**2,007,067,381**	1,812,601,102
Non-current liabilities			
Interest bearing loans and borrowings	21	**568,000,000**	472,019,850
Employees' end of service benefits	22	**6,278,514**	5,225,352
		574,278,514	477,245,202
Current liabilities			
Bank overdrafts	17	**28,302,461**	31,062,910
Interest bearing loans and borrowings	21	**149,408,068**	286,697,140
Accounts payable and accruals	23	**418,319,452**	364,316,817
		596,029,981	682,076,867
Total liabilities		**1,170,308,495**	1,159,322,069
TOTAL EQUITY AND LIABILITIES		**3,177,375,876**	2,971,923,171

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Omar H. Almana — Tariq O. Almana

Chairman — Director

The attached notes 1 to 29 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF CASH FLOWS
Year ended 31 December 2010

	Notes	*2010* QR	*2009* QR
OPERATING ACTIVITIES			
Profit for the year		**96,316,068**	40,515,923
Adjustments for:			
Depreciation	9	**13,874,830**	9,623,959
Amortisation of land lease rights	10	**1,378,250**	-
Provision for employees' end of service benefits	22	**2,183,615**	2,041,822
Finance costs		**78,592,701**	52,025,332
Loss (gain) on disposal of property, plant and equipment	6&7	**1,463,619**	(386,428)
Profit on disposal of available-for-sale investments	5	**(1,926,060)**	(1,011,187)
Profit on disposal of investment properties	5	**(30,372,833)**	-
Impairment loss on available-for sale investments	13	**-**	535,693
Share of results of a joint venture	12	**(925,124)**	(1,380,158)
Provision for obsolete and slow-moving inventories	7	**-**	20,061
Allowance for impairment of receivables	7	**292,132**	-
Dividend and interest income	5&6	**(44,437,898)**	(45,381,500)
Fair value (gain) loss on investment properties	11	**(8,739,752)**	55,426,050
		107,699,548	112,029,567
Working capital changes:			
Contract work-in-progress		**(14,873,814)**	(14,938,590)
Inventories		**(8,432,537)**	3,252,215
Accounts receivable and prepayments		**(5,220,936)**	(42,525,997)
Accounts payables and accruals		**60,443,873**	99,117,684
Cash from operations		**139,616,134**	156,934,879
Finance costs paid		**(78,592,701)**	(52,025,332)
Employees' end of service benefits paid	22	**(1,130,453)**	(737,260)
Net cash flows from operating activities		**59,892,980**	104,172,287
INVESTING ACTIVITIES			
Dividend and interest income	5&6	**44,437,898**	45,381,500
Net movement in investment in joint venture		**2,024,759**	**-**
Additional investment in joint ventures		**-**	(1,693,200)
Purchase of property, plant and equipment	9	**(62,890,024)**	(186,011,428)
Proceeds from disposal of property, plant and equipment		**4,706,036**	6,035,220
Purchase of land lease rights	10	**-**	(56,508,250)
Purchase of investment properties	11	**(27,740,000)**	-
Purchase of available-for-sale investments		**(30,220,595)**	(107,357,645)
Proceeds from disposal of investment properties		**34,724,100**	-
Proceeds from disposal of available-for-sale investments		**42,076,808**	97,642,732
Net cash flows from (used in) investing activities		**7,118,982**	(202,511,071)
FINANCING ACTIVITY			
Net movement in interest bearing loans and borrowings		**(41,308,922)**	83,077,052
Net cash flows (used in) from financing activity		**(41,308,922)**	83,077,052
NET INCREASE (DECREASE) IN BANK BALANCE AND CASH		**25,703,040**	(15,261,732)
Bank balance and cash at 1 January		**(26,564,287)**	(11,302,555)
BANK BALANCE AND CASH AT 31 DECEMBER	17	**(861,247)**	(26,564,287)

The attached notes 1 to 29 form part of these financial statements.

Almana Trading Company W.L.L.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2010

	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Cumulative changes in fair values QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2009	250,000,000	125,000,000	9,745,712	23,807,367	1,339,495,782	1,748,048,861
Profit for the year	-	-	-	-	40,515,923	40,515,923
Other comprehensive income	-	-	-	24,036,318	-	24,036,318
Total comprehensive income for the year	-	-	-	24,036,318	40,515,923	64,552,241
Balance at 31 December 2009	250,000,000	125,000,000	9,745,712	47,843,685	1,380,011,705	1,812,601,102
Profit for the year	-	-	-	-	96,316,068	96,316,068
Other comprehensive income	-	-	-	98,150,211	-	98,150,211
Total comprehensive income for the year	-	-	-	98,150,211	96,316,068	194,466,279
Balance at 31 December 2010	**250,000,000**	**125,000,000**	**9,745,712**	**145,993,896**	**1,476,327,773**	**2,007,067,381**

The attached notes 1 to 29 form part of these financial statements.

1 ACTIVITIES

Almana Trading Company W.L.L. is a limited liability company registered in the State of Qatar under Commercial Registration No. 8501. It is engaged in rental of real estate, investment and supply of electrical and mechanical equipment and providing materials and installation services for thermal, cryogenic and acoustic insulation, refractory lining, industrial fire proofing services, scaffolding and corrosion protection. Also, the Company receives commission from activities that include sponsorship of foreign companies operating in Qatar and provision of support services to these companies. The registered office of the Company is located in Doha, Qatar.

These financial statements have been prepared to reflect the operations of the real estate, trading and insulation engineering divisions of Almana Trading Company W.L.L. (the “Company”) and do not include other divisions of the Company included in the commercial registration and representing sponsored companies.

The financial statements of Almana Trading Company W.L.L. for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors on 10 March 2011.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Qatar Commercial Companies' Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals, which is the Company’s functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments and investment properties.

2.2 Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2009, except for the adoption of new and amended standards as of 1 January 2010 as noted below:

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments and interpretations became effective in 2010, but were not relevant to the Company’s operations:

Standard/Interpretation	*Content*
IFRS 2	Share-based Payment (Revised)
IFRIC 17	Distributions of Non-cash Assets to Owners
IAS 19	Employee Benefits
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items

Improvements to IFRSs
In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of those amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New and amended standards and interpretations issued as 31 December 2010, but not applied

The following standard, amendment and interpretation have been issued but are mandatory for accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Company:

Standard/ Interpretation	Content	Effective date
IFRIC 14	Prepayments of a minimum funding requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
IAS 24	Related Party Disclosures (Revised)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013

The Company did not early adopt new or amended standards in 2010.

2.4 Summary of significant accounting policies

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered by the Company during the year.

Contract revenue is recognised on the basis of work completed. The percentage of work completed is calculated based on the actual cost of projects proportional to the estimated overall cost of projects at the end of the reporting period.

Rental revenue is accounted for on a time proportion basis and commission income is accounted for on the basis of credit notes and/or receipts.

Interest revenue is recognised on an accrual basis using the effective interest rate method.

Dividend revenue is accounted when the Company's right to receive dividend is established.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and capital work-in-progress are not depreciated.

Depreciation is calculated on a straight line basis over the estimate useful lives of the assets as follows:

Buildings and partitions	25 years
Furniture, fixtures and equipment	3 - 4 years
Computer hardware and software	3-8 years
Motor vehicles	4 - 8 years
Machinery and equipment	4 - 8 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of income as the expense is incurred.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income in the year the asset is derecognised.

Interest in joint venture
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company recognises its interest in the joint venture using equity method of accounting.

Under the equity method, investment in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture. The statement of income reflects the share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the company and the joint venture are eliminated to the extent of the interest in the joint venture.

The end of the reporting periods of the joint venture and the Company are identical and the joint venture's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

Impairment and uncollectibility of financial assets
An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

Investment properties (continued)
For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. When the Company completes the construction or development of self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of income.

Lease rights
Premiums paid to acquire the lease rights on land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Available-for-sale investments
All available-for-sale investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

After initial recognition, available-for-sale investments which have a quoted market price and whose fair value can be reliably measured, are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of shareholders' funds until the investment is sold, collected or otherwise disposed off, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for the year.

Available-for-sale investments in equity instruments that do not have quoted market price in an active market and where fair value cannot be reliably measured are measured at cost after regular impairment assessment.

Contract work-in-progress
Contract work-in-progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. Attributable profit is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made for contingencies and any anticipated future losses.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs represent the purchase costs incurred in bringing goods for resale and in transit to its present location and condition, on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectible. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Bank balances and cash
For the purpose of statement of cash flows, bank balances and cash consists of cash in hand, bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the Company has an obligation arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Interest bearing loans and borrowings
Interest bearing loans and borrowings are recognised initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest method, with any differences between the cost and final settlement values being recognised in the statement of income over the period of borrowings. Installments due within one period at amortised cost are shown as a current liability.

Gains or losses are recognized in the statement of income when the liabilities are derecognised.

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction or production of an asset that necessarily takes a substantial period of time for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of income.

Fair values
The fair value is the estimated amount for which assets could reasonably be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the buyer and seller has each acted knowledgeably, prudently and without compulsion.

Available-for-sale investments
For investments actively traded in organised financial markets fair value is determined by reference to the quoted market bid prices.

Due to the nature of cash flows arising from the Company's investments in unquoted companies, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less provision for any impairment losses.

Investment properties
The fair value of investment properties is based on a valuation carried out by an external valuer. The bases used in determining the fair value reflect actual market state and circumstances as of the end of the reporting period.

3 REVENUE

	2010	*2009*
	QR	*QR*
Sales	**4,669,007**	6,898,951
Contract revenue	**253,516,885**	237,558,043
Rental revenue	**38,755,847**	22,384,029
Commission revenue	**54,359,872**	74,431,927
	351,301,611	341,272,950

4 DIRECT COSTS

	2010	*2009*
	QR	*QR*
Cost of sales	**4,512,951**	6,019,493
Contract direct costs	**206,468,263**	187,860,467
Real estate operating expenses	**7,354,919**	4,777,483
	218,336,133	198,657,443

5 INVESTMENT INCOME

	2010	*2009*
	QR	*QR*
Profit on disposal of available-for-sale investments	**1,926,060**	1,011,187
Profit on disposal of investment properties	**30,372,833**	-
Dividend income	**44,373,530**	45,321,276
	76,672,423	46,332,463

6 OTHER INCOME

	2010	*2009*
	QR	*QR*
Interest income	**64,368**	60,224
Gain on disposal of property, plant and equipment	**-**	386,428
Gain on foreign exchange	**169,236**	-
Other income	**822,453**	177,840
	1,056,057	624,492

7 ADMINISTRATIVE EXPENSES

	2010	*2009*
	QR	*QR*
Salaries, wages and other benefits	**8,703,606**	10,679,353
Depreciation (Note 9)	**6,667,830**	4,975,686
Rent	**6,287,255**	5,328,916
Electricity and water	**4,743,466**	4,361,578
Visa and immigration charges	**3,855,597**	2,820,310
Bank charges	**3,125,883**	5,158,733
Loss on disposal of property, plant and equipment	**1,463,619**	-
Amortisation of land lease rights (Note 10)	**1,378,250**	-
Repair and maintenance	**1,090,972**	1,018,850
Business travel	**811,652**	700,356
Rates, taxes and insurance	**726,569**	644,695
Telephone, fax and postage	**522,148**	507,109
Allowance for impairment of receivables (Note 16)	**292,132**	-
Printing and stationary	**220,942**	169,065
Loss on foreign exchange	**-**	381,759
Professional fees	**94,000**	173,500
Provision for obsolete and slow-moving inventories (Note 15)	**-**	20,061
Miscellaneous	**5,466,144**	5,509,651
	45,450,065	42,449,622

8 PROFIT FOR THE YEAR

The profit for the year is stated after charging staff costs in the amount of QR 53,747,816 (2009: QR 42,557,836).

Almana Trading Company W.L.L.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2010

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land QR	*Buildings QR*	*Furniture, fixtures and equipment QR*	*Computer hardware and software QR*	*Motor vehicles QR*	*Machinery and equipment QR*	*Capital work-in-progress QR*	*Total QR*
Cost:								
At 1 January 2010	314,120,500	31,044,431	10,023,440	-	13,577,771	41,758,336	130,946,578	541,471,056
Additions	-	108,300	2,046,609	-	957,486	16,356,921	43,420,708	62,890,024
Transfers	-	-	-	10,519,107	-	-	(10,519,107)	-
Disposals/Transfers	(5,205,492)	(34,400)	(45,393)	(6,301,590)	(1,173,880)	(209,425)	(429,424)	(13,399,604)
At 31 December 2010	308,915,008	31,118,331	12,024,656	4,217,517	13,361,377	57,905,832	163,418,755	590,961,476
Depreciation:								
At 1 January 2010	-	5,552,355	5,059,179	-	6,388,600	8,703,377	-	25,703,511
Charge for the year	-	2,206,571	2,186,385	527,190	2,468,728	6,485,956	-	13,874,830
Relating to disposals	-	(6,440)	(25,842)	-	(651,569)	(104,860)	-	(788,711)
At 31 December 2010	-	7,752,486	7,219,722	527,190	8,205,759	15,084,473	-	38,789,630
Net carrying amounts:								
At 31 December 2010	**308,915,008**	**23,365,845**	**4,804,934**	**3,690,327**	**5,155,618**	**42,821,359**	**163,418,755**	**552,171,846**

Almana Trading Company W.L.L.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2010

9 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land QR	*Buildings QR*	*Partitions QR*	*Furniture, fixtures and equipment QR*	*Motor vehicles QR*	*Machinery and equipment QR*	*Capital work-in-progress QR*	*Total QR*
Cost:								
At 1 January 2009	278,080,400	24,137,813	450,959	7,494,092	12,667,120	29,152,246	413,079,597	765,062,227
Additions	37,406,000	2,082,818	-	2,858,049	2,427,000	16,790,375	124,447,186	186,011,428
Transfers	-	4,823,800	-	-	-	-	(4,823,800)	-
Reclassification	-	-	(450,959)	(324,591)	-	775,550	-	-
Transfer to investment property (Note 11)	-	-	-	-	-	-	(401,756,405)	(401,756,405)
Disposals	(1,365,900)	-	-	(4,110)	(1,516,349)	(4,959,835)	-	(7,846,194)
At 31 December 2009	314,120,500	31,044,431	-	10,023,440	13,577,771	41,758,336	130,946,578	541,471,056
Depreciation:								
At 1 January 2009	-	3,603,168	220,826	3,491,766	4,728,913	6,232,281	-	18,276,954
Charge for the year	-	1,949,187	-	1,359,172	2,347,922	3,967,678	-	9,623,959
Reclassification	-	-	(220,826)	212,350	-	8,476	-	-
Relating to disposals	-	-	-	(4,109)	(688,235)	(1,505,058)	-	(2,197,402)
At 31 December 2009	-	5,552,355	-	5,059,179	6,388,600	8,703,377	-	25,703,511
Net carrying amounts:								
At 31 December 2009	314,120,500	25,492,076	-	4,964,261	7,189,171	33,054,959	130,946,578	515,767,545

9 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) The cost of the building includes QR 19,001,000 (2009: QR 19,040,900) in respect of construction of buildings and improvements on land leased from the Municipality of Doha, State of Qatar.

(ii) Freehold land with a cost of QR 54,896,000 (2009: QR 54,896,000) is registered in the name of shareholders', who have confirmed that they holds the title deeds as trustee on behalf of the Company, who is the beneficial owner of the land.

(iii) Land amounting to QR 162,411,100 (2009: 75,445,600) is mortgaged against credit facilities granted by local bank.

(iv) Capital work-in-progress includes capitalised borrowing cost amounts QR 52,309,383 (2009: 32,465,955).

(v) The depreciation charge has been allocated in the income statement as follows:

	2010 ***QR***	*2009* *QR*
Direct costs	**7,207,000**	4,648,273
Administrative expenses (Note 7)	**6,667,830**	4,975,686
	13,874,830	9,623,959

10 LAND LEASE RIGHTS

	2010 ***QR***	*2009* *QR*
Cost:		
At 1 January	**56,508,250**	-
Additions	**-**	56,508,250
At 31 December	**56,508,250**	56,508,250
Accumulated amortisation:		
At 1 January	-	-
Amortisation during the year	**1,378,250**	-
At 31 December	**1,378,250**	-
Net carrying amount At 31 December	**55,130,000**	56,208,250

The Company acquired rights to use a certain land which was leased from the Municipality. The premium is amortised over the period of 41 years commencing from 1 January 2010.

11 INVESTMENT PROPERTIES

	2010 *QR*	*2009* *QR*
At 1 January	**1,626,261,666**	1,279,931,311
Additions	**27,740,000**	-
Disposals	**(4,351,267)**	-
Transfers from capital work-in-progress (Note 9)	**-**	401,756,405
Net gain (loss) from fair value adjustment included in the statement of income	**8,739,752**	(55,426,050)
At 31 December	**1,658,390,151**	1,626,261,666

Investment properties:

At cost	**551,890,067**	526,382,196
Net gain from fair value adjustment	**1,106,500,084**	1,099,879,470
At 31 December	**1,658,390,151**	1,626,261,666

Investment properties:

Wholly-owned land	**48,394,036**	48,394,036
Company’s share in co-owned land	**878,772,295**	878,358,625
Other investment properties	**731,223,820**	699,509,005
At 31 December	**1,658,390,151**	1,626,261,666

Notes:

(i) The fair value of wholly owned land amounting to QR 48,394,036 is based on valuations carried out on 22 January 2008 by Mr. Ahmed Oadyaat, an external valuer based in Beirut. There were no valuations made during the year. Management believes that this approximates the fair value as at 31 December 2010.

(ii) The fair value of the remaining investment properties amounting to QR 1,609,996,115 (2009: QR 1,577,867,630) is based on valuations carried out by Al-Maslmani Real Estate Investment & Development Co. and DTZ Qatar (DTZ) independent valuers based in the State of Qatar and JM Properties, independent valuers based in the Lebanon. Management believes that the valuations approximate the fair values of the investment properties as at 31 December 2010.

(vi) Certain investment properties are registered in the name of the shareholder, who holds such properties in trust on behalf of the Company, who has the beneficial interest of the properties.

(v) The Company has mortgaged investment properties with a fair value of QR 563,853,400 (2009: QR 556,796,600) against credit facilities granted by local banks to the various Almana Group companies.

12 INVESTMENTS IN JOINT VENTURES

	2010 ***QR***	*2009* *QR*
Investment in Coca-Cola Almana W.L.L	**6,293,731**	4,384,578
Investment in Qatar Gratings and Road Barriers W.L.L.	**1,662,721**	1,029,243
Investment in Chiyoda Almana Engineering W.L.L.	**-**	2,926,052
Investment in Almana Trading Metal One L.L.C.	**-**	716,214
	7,956,452	9,056,087

Name of joint ventures	***Country of incorporation***	***Ownership***	***Nature of operations***
Coca-Cola Almana W.L.L	*Qatar*	*51%*	*Distribution and sale of soft drink products*
Chiyoda Almana Engineering W.L.L.	*Qatar*	*51%*	*Maintenance of Liquified Natural Gas(LNG) plant*
Almana Trading Metal One L.L.C.	*Qatar*	*51%*	*Buying and selling steel pipes*
Qatar Grating and Road Barriers W.L.L.	*Qatar*	*51%*	*Selling grating panels and barricades*

At 1 January 2010, the Company has derecognised investments in Chiyoda Almana Engineering W.L.L. as this investment has been disposed to the shareholders' at their carrying values.

The following table illustrates summarised information of the Company's investments in joint ventures:

	2010 ***QR***	*2009* *QR*
Share of statement of financial position:		
Current assets	**6,303,798**	31,870,009
Non-current assets	**9,736,724**	7,089,242
Current liabilities	**(1,364,480)**	(28,747,079)
Non-current liabilities	**(6,719,590)**	(1,156,085)
Net assets	**7,956,452**	9,056,087
Share of joint venture entities' revenues and results:		
Revenues	**48,071,752**	79,278,652
Results	**925,124**	1,380,158

13 AVAILABLE-FOR-SALE INVESTMENTS

	2010	*2009*
	QR	*QR*
Quoted equity investments	**550,509,661**	460,253,203
Unquoted equity investments	**26,300,879**	28,337,279
	576,810,540	488,590,482
Investments:		
At cost	**455,958,091**	466,423,936
Impairment loss on available-for-sale investments	**-**	(535,693)
Net gain from fair value adjustment	**120,852,449**	22,702,239
	576,810,540	488,590,482
Presented in the statement of financial position as follows:		
Current assets	**77,509,323**	197,416,836
Non-current assets	**499,301,217**	291,173,646
	576,810,540	488,590,482

Notes:

(i) Certain available-for-sale investments with a fair value of QR 483.457,637 (2009: 444,046,146) have been pledged with banks against credit facilities granted by local banks.

(ii) Certain available-for-sale investments with a fair value of QR 258,457,348 (2009: 213,053,716) are registered in the name of shareholders, who hold these investments in trust on behalf of the Company, who is the beneficial owner of the investments.

14 CONTRACT WORK-IN-PROGRESS

	2010	*2009*
	QR	*QR*
Contracts valued at cost plus attributable profit	**574,080,987**	355,794,928
Less: Progress billings	**(504,238,443)**	(300,826,198)
	69,842,544	54,968,730

15 INVENTORIES

	2010	*2009*
	QR	*QR*
Insulation materials	**63,331,268**	54,938,757
Goods for resale	**2,035,105**	2,003,013
Goods-in-transit	**22,982**	15,981
	65,389,355	56,957,751
Less: Provision for obsolete and slow-moving inventories	**(267,763)**	(268,696)
	65,121,592	56,689,055

Movement in the provision for obsolete and slow-moving inventories is as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**268,696**	248,635
Provided during the year (Note 7)	**-**	20,061
Write-off	**(933)**	-
At 31 December	**267,763**	268,696

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010	*2009*
	QR	*QR*
Trade accounts receivable	**19,901,667**	28,165,661
Contract accounts receivable	**53,055,749**	52,859,038
Retention receivables	**24,852,997**	15,279,166
Deposits	**4,250,571**	8,443,443
Prepayments	**19,026,602**	19,149,578
Other receivables	**43,423,951**	35,685,847
	164,511,537	159,582,733

As at 31 December 2010, trade accounts receivables and contract accounts receivable at nominal value of QR 2,336,040 (2009: QR 2,054,368) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**2,054,368**	2,054,368
Charge for the year (Note 7)	**292,132**	-
Amounts written-off	**(10,460)**	-
At 31 December	**2,336,040**	2,054,368

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

As at 31 December, the ageing of unimpaired trade and contract accounts receivable are as follows:

			Past due but not impaired				
	Total	*Neither past due nor impaired*	*< 30 days*	*30 – 60 days*	*61 – 90 days*	*91 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2010	**72,957,416**	**26,861,619**	**5,907,540**	**10,669,662**	**8,458,242**	**140,196**	**20,920,157**
2009	81,024,699	39,040,071	18,356,267	2,860,092	2,808,033	3,228,526	14,731,710

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

17 BANK BALANCES AND CASH

Bank balances and cash shown in the statement of cash flows include the following statement of financial position amounts:

	2010	*2009*
	QR	*QR*
Bank balances and cash	**27,441,214**	4,498,623
Bank overdrafts	**(28,302,461)**	(31,062,910)
	(861,247)	(26,564,287)

18 SHARE CAPITAL

	2010	*2009*
	QR	*QR*
Authorised, issued and fully paid:		
250,000 shares of QR 1,000 each	**250,000,000**	250,000,000

19 LEGAL RESERVE

In accordance with the Companies' Law No. 5 of 2002 and the Company’s Articles of Association, 25% of the net profit for the year is to be transferred to a legal reserve. The Company has resolved to discontinue such annual transfer as the legal reserve equals 50% of the issued share capital. This reserve is not available for distribution except in the manner stated in Qatar Commercial Companies' Law.

20 OTHER RESERVES

Revaluation reserve

The revaluation reserve had arisen as a result of revaluation of a freehold land in accordance with IAS 40, Investment property, included in property, plant and equipment which was subsequently transferred to investment properties. The valuation was carried out by an external appraiser based in Beirut. The revaluation reserve will be transferred to retained earnings upon disposal of land.

21 INTEREST BEARING LOANS AND BORROWINGS

	2010 ***QR***	*2009* *QR*
Interest bearing loans and borrowings	**717,408,068**	758,716,990
Presented in the statement of financial position as follows:		
Current portion	**149,408,068**	286,697,140
Non-current portion	**568,000,000**	472,019,850
	717,408,068	758,716,990

Interest bearing loans and borrowing comprise of various loans taken from different banks. These loans are secured by certain assets of the Company and personal guarantee of the shareholders. These loans carry interest at commercial rates and have different maturity periods. The loans falling due after one year have been classified as long term loans.

22 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2010 ***QR***	*2009* *QR*
At 1 January	**5,225,352**	3,920,790
Provided during the year	**2,183,615**	2,041,822
End of service benefits paid	**(1,130,453)**	(737,260)
At 31 December	**6,278,514**	5,225,352

23 ACCOUNTS PAYABLE AND ACCRUALS

	2010 ***QR***	*2009* *QR*
Trade accounts payable	**16,100,773**	25,246,598
Amounts due to related parties (Note 25)	**364,634,368**	272,978,554
Accrued expenses	**16,570,417**	19,031,756
Advances from customers	**4,264,212**	19,726,163
Bills payable	**-**	405,213
Other payables	**16,749,682**	26,928,533
	418,319,452	364,316,817

24 EXPENDITURE COMMITMENTS

	2010	*2009*
	QR	*QR*
Capital expenditure commitments		
Estimated capital expenditure contracted for at the end of the reporting period but not provided for:		
Various real estate projects	**120,000,000**	20,000,000

25 RELATED PARTY DISCLOSURES

Related party transactions
Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the financial statements are as follows:

	Year ended 31 December 2010			*Year ended 31 December 2009*		
	Purchases QR	***Rent charges QR***	***Purchases/ sales of assets from/to shareholders' QR***	*Purchases QR*	*Rent charges QR*	*Purchases/ sales of assets from/to shareholders' QR*
Affiliate companies	**3,265,057**	**4,646,510**	**27,740,000**	2,549,723	4,463,700	36,040,100

Related party balances
The amounts due to a related parties (non-collateralised and with no fixed repayment terms) are disclosed in Note 23.

	Amounts due to related parties	
	2010	*2009*
	QR	*QR*
Parent company		
Almana Group W.L.L.	**364,634,368**	272,978,554

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2010	*2009*
	QR	*QR*
Short-term benefits	**972,000**	972,000
End of service benefits	**-**	-
	972,000	972,000

The ultimate parent company of Almana Trading Company W.L.L. is Almana Group W.L.L.

26 CONTINGENCIES

At 31 December 2010, the Company had contingent liabilities in respect of bank and other guarantees amounting to QR 48,713,563 (2009: QR 67,815,328).

27 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise interest bearing loan, bank overdrafts, other payables, trade accounts and bills payable. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade accounts, contract and retention receivable, and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Management review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
The Company is exposed to interest rate risk on its bank overdrafts and interest bearing loans and borrowings.

The following table demonstrates the sensitivity of the statement of income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial liabilities held at 31 December 2010. The effect of decreases in interest rate is expected to be equal and opposite of the increases shown.

There is no impact on the Company's equity.

Interest rate risk (continued)

	Increase/decrease in basis points	*Effect on profit for the year QR*
2010		
QR	**+25**	**(1,864,276)**
2009		
QR	+25	(1,974,450)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables. The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis.

The Company sells its products and services to a large number of government and corporate customers in the State of Qatar. Its largest five customers accounts for 46% of outstanding trade and contract accounts receivable at 31 December 2010 (2009: 59%).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Change in equity price 2010	***Effect on equity statement 2010***	*Change in equity price 2009*	*Effect on equity statement 2009*
Qatar Exchange	**+10%**	**54,967,725**	+10%	45,927,319
Abu Dhabi Securities Exchange	**+10%**	**83,241**	+10%	98,001

27 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of sales require amounts to be paid within 30-90 days of the date of sale.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2010, based on contractual payment dates.

At 31 December 2010	***Less than 6 months QR***	***6 to 12 months QR***	***More than 1 year QR***	***Total QR***
Bank overdrafts	**28,302,461**	**-**	**-**	**28,302,461**
Trade accounts and bills payable	**16,100,773**	**-**	**-**	**16,100,773**
Interest bearing loans and borrowings	**112,100,437**	**100,243,696**	**726,848,000**	**939,192,133**
Total	**156,503,671**	**100,243,696**	**726,848,000**	**983,595,367**

At 31 December 2009	*Less than 6 months QR*	*6 to 12 months QR*	*More than 1 year QR*	*Total QR*
Bank overdrafts	31,062,910	-	-	31,062,910
Trade accounts and bills payables	25,651,811	-	-	25,651,811
Interest bearing loans and borrowings	118,321,057	181,911,629	604,111,386	904,344,072
Total	175,035,778	181,911,629	604,111,386	961,058,793

Currency risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency denominated payables as of end of the reporting period is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2010 and 2009. Capital comprises share capital and retained earnings and is measured at QR 1,726,327,773 as at 31 December 2010 (2009: QR 1,630,011,705).

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair values:

- Bank balance and cash, trade, contract, retention and other receivables and trade, bills and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair values of available-for-sale financial assets are derived from quoted market prices in active market.
- Interest bearing loans and borrowings is estimated based on discounted cash flows using interest rate for items with similar terms and characteristics.

28 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
As at 31 December 2010, the Company held the following financial instruments measured at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

31 December 2010	***Total***	***Level 1***	***Level 2***	***Level 3***
	QR '000	***QR '000***	***QR '000***	***QR '000***
Financial assets				
Available-for-sale investments - Quoted	**550,509,661**	**550,509,661**	**-**	**-**

31 December 2009	*Total*	*Level 1*	*Level 2*	*Level 3*
	QR '000	*QR '000*	*QR '000*	*QR '000*
Financial assets				
Available-for-sale investments- Quoted	460,253,203	460,253,203	-	-

During the year ending 31 December 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

29 KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At reporting date, gross trade accounts and contract receivable were QR 75,293,456 (2009: QR 83,079,067), and the allowance for impairment of receivables was QR 2,336,040 (2009: QR 2,054,368). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of income.

(b) Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At reporting date, gross materials were QR 65,389,355 (2009: QR 56,957,751), with provisions for old and obsolete inventories of QR 267,763 (2009: QR 268,696). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of income.

(c) Contract work-in-progress
Contract work-in-progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses.

29 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Impairment of equity investments

For available-for-sale investments, the Company assess at each statement of financial position date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income.

At reporting date, the fair value of investments was QR 576,810,540 (2009: QR 488,590,482) with an impairment charge of QR Nil (2009: QR 535,693). Impairment losses on equity investments are not reversed through the statement of comprehensive income; increases in fair value after impairment are recognised directly in equity.

(e) Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(f) Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

United Cars Almana

FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF UNITED CARS ALMANA

Report on the financial statements

We have audited the accompanying financial statements of United Cars Almana (the "Partnership") which comprise the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the partnership's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of 31 December 2009 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date : 17 April 2010
Doha

United Cars Almana

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2009

	Notes	**2009** **QR**	2008 QR
Revenue		**80,911,356**	102,686,755
Cost of sales		**(63,565,334)**	(80,410,968)
GROSS PROFIT		**17,346,022**	22,275,787
Other income	3	**2,617,593**	2,278,927
Fair value (loss) gain on investment properties	7	**(7,472,400)**	7,472,400
Selling and promotional expenses		**(930,245)**	(1,261,763)
General and administrative expenses	4	**(10,263,731)**	(8,983,055)
Amortization of land lease rights		**(1,010,715)**	(1,010,715)
Finance costs	5	**(11,498,867)**	(6,811,364)
(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR	5	**(11,212,343)**	13,960,217

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF FINANCIAL POSITION
At 31 December 2009

	Notes	***2009***	***2008***
ASSETS		***QR***	*QR*
Non-current assets			
Property and equipment	6	**22,872,671**	18,048,974
Investment properties	7	**36,917,200**	44,389,600
Intangible assets	8	**41,439,295**	42,450,010
		101,229,166	104,888,584
Current assets			
Inventories	9	**42,756,847**	53,149,393
Accounts receivables and prepayments	10	**30,411,203**	67,228,900
Bank balances and cash	11	**1,571,475**	256,821
		74,739,525	120,635,114
TOTAL ASSETS		**175,968,691**	225,523,698
EQUITY AND LIABILITIES			
Equity			
Capital	12	**25,000,000**	25,000,000
General reserve	13	**6,762,338**	6,762,338
Retained earnings		**11,218,690**	22,209,809
Revaluation reserve	14	**16,367,997**	16,589,220
Total equity		**59,349,025**	70,561,367
Non-current liabilities			
Interest bearing loans and borrowings	15	**22,955,726**	40,216,037
Employees' end of service benefits	16	**603,219**	450,264
		23,558,945	40,666,301
Current liabilities			
Accounts payables and accruals	17	**13,461,378**	43,315,425
Bank overdraft and other short term facilities	11	**15,893,402**	17,769,909
Interest bearing loans and borrowings	15	**63,705,941**	53,210,696
		93,060,721	114,296,030
Total liabilities		**116,619,666**	154,962,331
TOTAL EQUITY AND LIABILITIES		**175,968,691**	225,523,698

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Tariq O. Almana (Partner)

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF CASH FLOWS
Year Ended 31 December 2009

	Notes	***2009*** ***QR***	*2008* *QR*
OPERATING ACTIVITIES			
(Loss) profit for the year		**(11,212,343)**	13,960,217
Adjustments for :			
Depreciation	6	**1,053,979**	850,383
Amortization of land lease rights	8	**1,010,715**	1,010,715
Interest income	3	**(268,282)**	(202,860)
Fair value loss(gain) on investment properties	7	**7,472,400**	(7,472,400)
Gain on disposal of properties and equipment	3	**(1,000)**	(16,250)
Finance cost	5	**11,468,867**	6,811,364
Write off property and equipment	6	**595,982**	-
Provision for employees' end of service benefits	16	**172,186**	173,682
Provision for slow moving inventories	4	**400,000**	-
		10,692,504	15,114,851
Working capital changes:			
Inventories		**9,992,546**	(17,402,384)
Accounts receivables and prepayments		**36,817,697**	(35,530,079)
Account payables and accruals		**(29,854,047)**	39,732,286
Cash from operating activities		**27,648,700**	1,914,674
Finance cost	5	**(11,468,867)**	(6,811,364)
Employees' end of service benefits paid	16	**(19,231)**	(27,961)
Net cash from (used in) operating activities		**16,160,602**	(4,924,651)
INVESTING ACTIVITIES			
Additions to property and equipment	6	**(6,528,229)**	(10,721,852)
Proceeds from disposal of property and equipment		**55,572**	65,000
Interest received	3	**268,282**	202,860
Net cash used in investing activities		**(6,204,375)**	(10,453,992)
FINANCING ACTIVITIES			
Net movement in notes payable		**-**	(12,513,989)
Net movement in interest bearing loans and borrowings		**(6,765,066)**	10,328,328
Net cash used in financing activities		**(6,765,066)**	(2,185,661)
INCREASE(DECREASE) IN BANK BALANCES AND CASH		**3,191,161**	(17,564,304)
Bank balances and cash at 1 January		**(17,513,088)**	51,216
BANK BALANCES AND CASH AT 31 DECEMBER	11	**(14,321,927)**	(17,513,088)

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2009

	Partners' capital QR	*General reserve QR*	*Retained earnings QR*	*Revaluation reserve QR*	*Total QR*
Balance at 1 January 2008	25,000,000	5,366,316	9,424,392	16,810,443	56,601,151
Total comprehensive income for the year	-		13,960,217	-	13,960,217
Transfer to general reserve	-	1,396,022	(1,396,022)	-	-
Transfer to retained earnings	-	-	221,223	(221,223)	-
Balance at 31 December 2009	25,000,000	6,762,338	22,209,810	16,589,220	70,561,368
Total comprehensive loss for the year	-	-	(11,212,343)	-	(11,212,343)
Transfer to retained earnings	-	-	221,223	(221,223)	-
As at 31st December 2009	**25,000,000**	**6,762,338**	**11,218,690**	**16,367,997**	**59,349,025**

The attached notes 1 to 23 form part of these financial statements.

1 ACTIVITIES

United Cars Almana (the “Partnership”) is registered in the State of Qatar as a simple partnership between Mr. Tareq Omar Almana and Mr. Saud Omar Almana. The Partnership holds the agency for Chrysler vehicles and is engaged in the trading of Chrysler vehicles and related spare parts and services. The Partnership’s registered office is located in Doha, Qatar.

The financial statements of United Cars Almana as of and for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Partners on 17 April 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been presented in Qatari Riyals which is the Partnership’s functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of investment properties and revaluation of workshop buildings.

Changes in accounting policies
The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2008, except for the adoption of new and amended standards as of 1 January 2009 as noted below :

IAS 1 Presentation of Financial Statements (Revised)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Partnership has elected to present single statement. Adoption of the revised standard did not have any effect on the financial performance or position of the Partnership.

IAS 23 (Revised) Borrowing Costs
The standard has been revised to require capitalisation of borrowing costs when such costs relate to qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Partnership does not have borrowings on qualifying assets and hence adoption of this standard did not have any effect on the financial performance or position of the Partnership.

Improvements to IFRSs (May 2008)
In May 2008, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of there amendments resulted in rewording or corrections to accounting policies but did not have any impact on the financial position or performance of the Partnership.

New and amended standards and interpretations issued as 31 December 2009, but not applied
The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The management has set out below only those which shall be considered in future periods and also believes that the adoption of these new and amended standards may not have any material impact on the future periods financial statements.

- Improvements to IFRSs (April 2009) (Applicable to 31 December 2010 year end)
- IFRIC 17 Distribution on Non-Cash Assets to Owners (Applicable to 31 December 2010 year end)
- IFRS 9 Financial Instruments (Applicable subsequent to 31 December 2010 year end)
- IAS 24 Related Party Disclosures (Revised) (Applicable subsequent to 31 December 2010 year end)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered during the year.

Interest received from customers under instalment credit sales agreements is taken to income on a time proportion basis.

Rental income is recognised on a time proportion basis. Other income is recognised when earned.

Property and equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value. Following the initial recognition at cost, the workshop building is carried at revalued amounts, which is the fair value at the date of revaluation less subsequent accumulated depreciation and impairment. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amounts.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Building	25 years
Furniture and fixtures	3-4 years
All other assets	4 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year-end. The change in estimated useful lives of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful lives.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

Transfers are made to investment property when and only when, there is a change in use. These transfers are made at the fair value and the resultant gain or loss is treated as revaluation reserve.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the period of derecognition.

For a transfer from investment property carried at fair value to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Partnership as an owner occupied property becomes an investment property that will be carried at fair value, the Partnership accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of comprehensive income. When the Partnership completes the construction or development of a self constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of comprehensive income.

Lease rights
Premiums paid to acquire the lease rights on land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Motor vehicles	-	purchase cost on a specific identification basis
Spare parts	-	first in first out basis
Work-in-progress	-	costs of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectible. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Doubtful debts are written-off when there is no possibility of recovery.

Bank balances and cash
For the purpose of Cash Flow Statement, bank balances and cash consist of cash in hand and bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Interest bearing loans and borrowings
The Interest bearing loans and borrowings are carried on the statement of financial position at the amortised cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in “accounts payable and accruals”.

Provisions
Provisions are recognised when the Partnership has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees’ end of service benefits
Under Law No. 14 of 2008, the Partnership provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees’ final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

3 OTHER INCOME

	2009	*2008*
	QR	*QR*
Rental income	**2,243,400**	1,931,400
Interest income	**268,282**	202,860
Gain on disposal of property, plant and equipment	**1,000**	16,250
Miscellaneous income	**104,911**	128,417
	2,617,593	2,278,927

4 ADMINISTRATIVE EXPENSES

	2009	*2008*
	QR	*QR*
Staff costs	**5,345,409**	5,157,024
Rental	**1,200,000**	1,440,000
Depreciation (Note 6)	**1,053,979**	850,383
Write off property and equipment (Note 6)	**595,982**	-
Utilities	**355,185**	289,725
Insurance	**221,687**	182,806
Transportation and travel	**211,186**	201,840
Repairs and maintenance	**192,282**	265,698
Communication	**149,229**	169,152
Legal and professional fees	**103,214**	89,861
Printing and stationery	**88,014**	126,983
Entertainment	**33,254**	42,086
Miscellaneous	**314,310**	167,497
Provision for slow moving inventories (Note 4)	**400,000**	-
	10,263,731	8,983,055

5 (LOSS) PROFIT FOR THE YEAR

The (loss) profit for the year is stated after charging:

	2009	*2008*
	QR	*QR*
The (loss) profit for the year is stated after charging:		
Salaries wages and other benefits	**5,345,409**	5,157,024
Finance costs:		
Bank interest	**9,883,278**	5,921,680
Bank commission	**1,615,589**	889,684
	11,498,867	6,811,364
Inventories recognized as expenses upon sale of finished goods	**62,396,728**	78,046,265

6 PROPERTY AND EQUIPMENT

	Buildings *QR*	*Motor vehicles* *QR*	*Plant and machinery* *QR*	*Tools and equipment* *QR*	*Furniture and fixtures* *QR*	*Decoration and fittings* *QR*	*Capital work-in- progress* *QR*	*Total* *QR*
Cost or revaluation:								
At 1 January 2009	8,037,601	789,730	631,626	426,561	2,238,093	450,649	10,661,596	23,235,856
Additions	-	969,860	-	35,550	1,272,658	144,734	4,105,427	6,528,229
Write off	-	-	-	-	-	-	(595,982)	(595,982)
Transfers	-	-	-	-	5,135	62,500	(67,635)	-
Disposals	-	(112,016)	-	-	-	-	-	(112,016)
At 31 December 2009	8,037,601	1,647,574	631,626	462,111	3,515,886	657,883	14,103,406	29,056,087
Depreciation:								
At 1 January 2009	1,536,600	566,701	457,489	355,928	1,959,925	310,239	-	5,186,882
Provided during the year	472,800	163,114	44,450	31,087	265,646	76,882	-	1,053,979
Disposals	-	(57,445)	-	-	-	-	-	(57,445)
At 31 December 2009	2,009,400	672,370	501,939	387,015	2,225,571	387,121	-	6,183,416
Net carrying amount:								
At 31 December 2009	**6,028,201**	**975,204**	**129,687**	**75,096**	**1,290,315**	**270,762**	**14,103,406**	**22,872,671**

The workshop buildings are constructed on a piece of land leased from the Ministry of Municipality.

United Cars Almana

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2009

6 PROPERTY AND EQUIPMENT (continued)

	Buildings QR	*Motor vehicles QR*	*Plant and machinery QR*	*Tools and equipment QR*	*Furniture and fixtures QR*	*Decoration and fittings QR*	*Capital work-in- progress QR*	*Total QR*
Cost or revaluation:								
At 1 January 2008	8,037,601	827,730	631,626	426,561	2,141,837	450,649	128,000	12,644,004
Additions	-	92,000	-	-	96,256	-	10,533,596	10,721,852
Disposals	-	(130,000)	-	-	-	-	-	(130,000)
At 31 December 2008	8,037,601	789,730	631,626	426,561	2,238,093	450,649	10,661,596	23,235,856
Depreciation:								
At 1 January 2008	1,063,800	500,192	418,555	323,816	1,852,399	258,987	-	4,417,749
Provided during the year	472,800	147,759	38,934	32,112	107,526	51,252	-	850,383
Disposals	-	(81,250)	-	-	-	-	-	(81,250)
At 31 December 2008	1,536,600	566,701	457,489	355,928	1,959,925	310,239	-	5,186,882
Net carrying amount:								
At 31 December 2008	6,501,001	223,029	174,137	70,633	278,168	140,410	10,661,596	18,048,974

7 INVESTMENT PROPERTIES

	2009 *QR*	*2008* *QR*
At 1 January	**44,389,600**	36,917,200
Net (loss) gain from fair value adjustment	**(7,472,400)**	7,472,400
At 31 December	**36,917,200**	44,389,600
Investment properties:		
At cost	**31,312,900**	31,312,900
Net (loss) gain from fair value adjustment	**5,604,300**	13,076,700
	36,917,200	44,389,600

The fair value of these investment properties for the year ended 31 December 2009 are based on valuations carried out by Al Maslmani Real Estate Investment and Development Co., an external valuer based in Doha, Qatar.

8 LAND LEASE RIGHTS

	2009 *QR*	*2008* *QR*
Cost :		
At 1 January	**42,450,010**	43,460,725
Amortization during the year	**(1,010,715)**	(1,010,715)
At 31 December	**41,439,295**	42,450,010

The Partnership acquired rights to use the land from the Partner, which was leased from the Municipality. The premium is amortised over the period of 43 years commencing from 1 January 2008.

9 INVENTORIES

	2009 *QR*	*2008* *QR*
Motor vehicles	**34,653,850**	31,812,746
Spare Parts and consumables	**10,449,608**	9,872,375
Work in progress	**536,048**	784,271
Goods in transit	**65,192**	13,227,852
	45,704,698	55,697,244
Provision for obsolete and slow moving inventories	**(2,947,851)**	(2,547,851)
	42,756,847	53,149,393

9 INVENTORIES (continued)

Movement in the provision for obsolete and slow moving inventories is as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**2,547,851**	2,547,851
Provided during the year	**400,000**	-
At 31 December	**2,947,851**	2,547,851

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009	*2008*
	QR	*QR*
Trade accounts and notes receivables	**11,530,382**	14,379,176
Amounts due from related parties (Note 18)	**17,953,625**	50,996,363
Prepayments	**948,743**	722,591
Other receivables	**1,660,154**	2,956,471
	32,092,904	69,054,601
Allowance for impaired receivables	**(1,681,701)**	(1,681,701)
	30,411,203	67,372,900

As at 31 December 2009, trade accounts and notes receivables at nominal value of QR 1,681,701 (2008: QR 1,681,701) were impaired. Movement in the provision for obsolete and slow moving inventories is as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**1,681,701**	1,681,701
Charged during the year	-	-
As 31 December	**1,681,701**	1,681,701

As at 31 December, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired				
	Total	*Neither past due nor impaired*	*< 30 days*	*30 – 60 days*	*60 – 90 days*	*90 – 120 days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2009	**9,848,681**	**6,024,366**	**211,033**	**333,660**	**9,385**	**101,050**	**3,169,187**
2008	12,697,475	9,035,285	363,255	900,660	45,004	108,885	2,244,386

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Partnership to obtain collateral over receivables and the vast majority are, therefore, unsecured.

11 BANK BALANCES AND CASH

Bank balances and cash included in the Cash Flow Statement include the following statement of financial position amounts:

	2009	*2008*
	QR	*QR*
Bank balances and cash	**1,571,475**	256,821
Bank overdrafts and short term facilities	**(15,893,402)**	(17,769,909)
	(14,321,927)	(17,513,088)

12 CAPITAL

	2009	*2008*
	QR	*QR*
Capital contributed	**25,000,000**	25,000,000

13 GENERAL RESERVE

As required by the Partnership agreement, 10% of net profit for the year should be transferred to the general reserve. During the year, the Partnership has incurred losses, therefore, no transfers has been made.

14 REVALUATION RESERVE

The revaluation reserve is as a result of revaluation of workshop building by an external appraiser. An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset original cost.

15 INTEREST BEARING LOANS AND BORROWINGS

	2009	*2008*
	QR	*QR*
Term loans	**86,661,667**	93,426,733
Presented in the statement of financial position as follows:		
Current portion	**63,705,941**	53,210,696
Non-current portion	**22,955,726**	40,216,037
	86,661,667	93,426,733

The above loans are secured by the personal guarantee of the shareholders and bear interest at commercial rates. The installments due in 2010 have been classified under current liabilities.

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2009 ***QR***	*2008* *QR*
At 1 January	**450,264**	304,543
Provided during the year	**172,186**	173,682
Paid during the year	**(19,231)**	(27,961)
At 31 December	**603,219**	450,264

17 ACCOUNTS PAYABLE AND ACCRUALS

	2009 ***QR***	*2008* *QR*
Trade accounts payable	**8,633,744**	39,795,459
Accrued expenses	**2,472,444**	1,853801
Other payable	**2,355,190**	1,666,165
	13,461,378	43,315,425

18 RELATED PARTY TRANSACTIONS

Related parties represent Partners, directors and key management personnel of the Partnership, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Partnership's management.

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

	Year ended 31 December 2009		*Year ended 31 December 2008*	
	Sales and services ***QR***	***Purchases*** ***QR***	*Sales and services* *QR*	*Purchases* *QR*
Associated companies	**9,962,850**	**2,278,608**	17,894,500	2,027,219

Related party balances
The amounts due from related parties (non-collateralised and with no fixed repayment terms) disclosed in Notes 10.

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2009 ***QR***	*2008* *QR*
Short-term benefits	**441,932**	418,600

The ultimate parent company of United Cars Almana is Almana Group W.L.L.

19 CONTINGENT LIABILITIES

At 31 December 2009 the Partnership had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to QR 49,700 (2008: QR 49,700).

20 EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at the reporting date but not provided for:

	2009 QR	*2008 QR*
Extension and renovation works	**1,376,390**	2,756,193

21 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Partnership's principal financial liabilities comprise of trade payables, amounts due to related parties and interest bearing loans and borrowings and bank overdrafts. The main purpose of these financial liabilities is to manage the Partnership's working capital requirements. The Partnership has various financial assets such as bank balances and cash, and accounts receivable which arise directly from its operations.

The main risks arising from the Partnership's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Management reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Partnership is exposed to interest rate risk on its interest bearing assets and liabilities (interest bearing loans and borrowings, bank over drafts and short term facilities).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Partnership's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2009. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

There is no impact on the Partnership's equity.

	Increase/ decrease in basis points	*Effect on profit for the year QR*
2009 QR	+25	**(256,388)**
2008 QR	+25	(277,992)

21 FINANCIAL RISK MANAGEMENT (continued)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Partnership is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Partnership seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis. The Partnership holds agencies for motor vehicles and is engaged in the trading of vehicles to a large number of private companies and individuals in Qatar. Its five largest customers account for 24% (2008: 30%) of outstanding accounts and notes receivable at 31 December 2009.

With respect to credit risk arising from the financial assets of the Partnership, the Partnership's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Liquidity risk
The Partnership limits its liquidity risk by ensuring bank facilities are available. The Partnership's terms of sale require the amounts to be paid within 90 days of the date of invoice.

The table below summarises the maturities of the Partnership's undiscounted financial liabilities, based on contractual payment dates and current market interest rates.

Year ended 31 December 2009	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Accounts payables	**8,633,744**	**-**	**-**	**8,633,744**
Bank overdrafts and short-term facilities	**15,893,402**	**-**	**-**	**15,893,402**
Term loan	**28,316,844**	**35,389,096**	**22,955,726**	**86,661,666**
Total	**52,843,990**	**35,389,096**	**22,955,726**	**111,188,812**

Year ended 31 December 2008	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Accounts payables	39,795,459	-	-	39,795,459
Bank overdrafts and short-term facilities	17,769,909	-		17,769,909
Term loan	36,340,620	16,870,076	40,216,037	93,426,733
Total	93,905,988	16,870,076	40,216,037	150,992,101

Currency risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Partnership's foreign currency denominated payables as of reporting date is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management
The primary objective of the Partnership's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise partners' value.

The Partnership manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2009 and 2008. Capital comprises capital, general reserve and retained earnings, and is measured at QR 42,981,028 as at 31 December 2009 (2008: QR 53,972,147).

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts and short-term facilities, notes payable, interest bearing loans and borrowings and accounts payables.

The fair values of financial instruments are not materially different from their carrying values.

23 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts receivable were QR 11,530,382 (2008: QR 14,379,176), with the provision for doubtful debts of QR 1,681,701 (2008: QR 1,681,701). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

At the reporting date, gross inventories were QR 45,704,698 (2008: QR 55,697,244) with provisions for old and obsolete inventories of QR 2,947,851 (2008: QR 2,547,851). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Useful lives of property and equipment
The Partnership's management determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

United Cars Almana

FINANCIAL STATEMENTS

31 DECEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF UNITED CARS ALMANA

Report on the financial statements

We have audited the accompanying financial statements of United Cars Almana (the "Partnership") which comprise the statement of financial position as at 31 December 2010 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Cars Almana as of 31 December 2010 and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 10 March 2011
Doha

United Cars Almana

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
Revenue		**75,858,903**	80,911,356
Cost of sales		**(59,364,335)**	(63,565,334)
GROSS PROFIT		**16,494,568**	17,346,022
Other income	3	**3,383,367**	2,617,593
Fair value gain (loss) on investment properties	7	**21,322,800**	(7,472,400)
Administrative expenses	4	**(8,641,022)**	(10,263,731)
Finance costs	5	**(10,940,749)**	(11,498,867)
Amortisation of land lease rights	8	**(1,010,715)**	(1,010,715)
Selling and promotional expenses		**(750,702)**	(930,245)
PROFIT (LOSS) AND TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR	5	**19,857,547**	(11,212,343)

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	***2010*** *QR*	*2009* *QR*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**22,361,103**	22,872,671
Investment properties	7	**58,240,000**	36,917,200
Land lease rights	8	**40,428,580**	41,439,295
		121,029,683	101,229,166
Current assets			
Inventories	9	**30,660,566**	42,756,847
Accounts receivables and prepayments	10	**37,078,702**	30,411,203
Bank balances and cash	11	**754,991**	1,571,475
		68,494,259	74,739,525
TOTAL ASSETS		**189,523,942**	175,968,691
EQUITY AND LIABILITIES			
Equity			
Capital	12	**25,000,000**	25,000,000
General reserve	13	**8,748,093**	6,762,338
Retained earnings		**29,311,705**	11,218,690
Revaluation reserve	14	**16,146,774**	16,367,997
Total equity		**79,206,572**	59,349,025
Non-current liabilities			
Interest bearing loans and borrowings	15	**38,475,488**	22,955,726
Employees' end of service benefits	16	**783,647**	603,219
		39,259,135	23,558,945
Current liabilities			
Accounts payables and accruals	17	**19,067,408**	13,461,378
Bank overdraft and other short term facilities	11	**14,472,637**	15,893,402
Interest bearing loans and borrowings	15	**37,518,190**	63,705,941
		71,058,235	93,060,721
Total liabilities		**110,317,370**	116,619,666
TOTAL EQUITY AND LIABILITIES		**189,523,942**	175,968,691

…..
Tariq O. Almana
Partner

…..
Saud O. Almana
Partner

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF CASH FLOWS
Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
OPERATING ACTIVITIES			
Profit (loss)for the year		**19,857,547**	(11,212,343)
Adjustments for :			
Finance cost	5	**10,940,749**	11,498,867
Depreciation	6	**1,379,633**	1,053,979
Amortisation of land lease rights	8	**1,010,715**	1,010,715
Fair value (gain) loss on investment properties	7	**(21,322,800)**	7,472,400
Interest income	3	**(291,903)**	(268,282)
Provision for employees' end of service benefits	16	**222,187**	172,186
Gain on disposals of property, plant and equipment	3	**(500)**	(1,000)
Write-off of property, plant and equipment	6	**-**	595,982
Provision for slow-moving inventories	4	**-**	400,000
		11,795,628	10,722,504
Working capital changes:			
Inventories		**12,096,281**	9,992,546
Accounts receivables and prepayments		**(6,667,499)**	36,817,697
Account payables and accruals		**5,606,030**	(29,854,047)
Cash from operating activities		**22,830,440**	27,678,700
Employees' end of service benefits paid	16	**(41,759)**	(19,231)
Net cash flows from operating activities		**22,788,681**	27,659,469
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	**(983,249)**	(6,528,229)
Interest received		**291,903**	268,282
Proceeds from disposals of property, plant and equipment		**115,684**	55,572
Net cash flows used in investing activities		**(575,662)**	(6,204,375)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**(10,667,989)**	(6,765,066)
Interest paid	5	**(10,940,749)**	(11,498,867)
Net cash flows used in financing activities		**(21,608,738)**	(18,263,933)
NET INCREASE IN BANK BALANCES AND CASH		**604,281**	3,191,161
Bank balances and cash at 1 January		**(14,321,927)**	(17,513,088)
BANK BALANCES AND CASH AT 31 DECEMBER	11	**(13,717,646)**	(14,321,927)

The attached notes 1 to 23 form part of these financial statements.

United Cars Almana

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2010

	Partners' capital QR	*General reserve QR*	*Retained earnings QR*	*Revaluation reserve QR*	*Total QR*
Balance at 1 January 2009	25,000,000	6,762,338	22,209,810	16,589,220	70,561,368
Loss and total comprehensive expense for the year	-	-	(11,212,343)	-	(11,212,343)
Transfer to retained earnings	-	-	221,223	(221,223)	-
As at 31st December 2009	25,000,000	6,762,338	11,218,690	16,367,997	59,349,025
Profit and total comprehensive income for the year	-	-	19,857,547	-	19,857,547
Transfer to general reserve	-	1,985,755	(1,985,755)	-	-
Transfer to retained earnings	-	-	221,223	(221,223)	-
As at 31st December 2010	**25,000,000**	**8,748,093**	**29,311,705**	**16,146,774**	**79,206,572**

The attached notes 1 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2010

1 ACTIVITIES

United Cars Almana (the "Partnership") is registered in the State of Qatar as a simple partnership between Mr. Tareq Omar Almana and Mr. Saud Omar Almana. The Partnership holds the agency for Chrysler vehicles and is engaged in the trading of Chrysler vehicles and related spare parts and services. The Partnership's registered office is located in Doha, Qatar.

The financial statements of United Cars Almana as of and for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Partners on 10 March 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been presented in Qatari Riyals which is the Partnership's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of investment properties and revaluation of workshop buildings.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments and interpretations became effective in 2010, but were not relevant to the Partnership's operations:

Standard/Interpretation	*Content*
IFRS 2	Share-based Payment (Revised)
IFRIC 17	Distributions of Non-cash Assets to Owners
IAS 19	Employee Benefits
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of those amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Partnership.

2.3 Standards, amendments and interpretations issued but not adopted

The following standard, amendment and interpretation have been issued but are mandatory for accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Partnership:

Standard/ Interpretation	Content	Effective date
IFRIC 14	Prepayments of a minimum funding requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
IAS 24	Related Party Disclosures (Revised)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013

The Partnership did not early adopt new or amended standards in 2010.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies

Revenue recognition
Sales represent the invoiced value of goods supplied and services rendered during the year.

Interest received from customers under installment credit sales agreements is taken to income on a time proportion basis.

Rental income is recognised on a time proportion basis. Other income is recognised when earned.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Following the initial recognition at cost, the workshop building is carried at revalued amounts, which is the fair value at the date of revaluation less subsequent accumulated depreciation and impairment. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amounts.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income, in which case the increase is recognised in statement of comprehensive income. A revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	25 years
Motor vehicles	4 years
Plant and machinery	4 years
Tools and equipment	4 years
Furniture and fixtures	3-4 years
Decoration and fittings	4 years
Computer hardware and software	3-8 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year-end. The change in estimated useful lives of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful lives.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

Transfers are made to investment property when and only when, there is a change in use. These transfers are made at the fair value and the resultant gain or loss is treated as revaluation reserve.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies (continued)

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the period of derecognition.

For a transfer from investment property carried at fair value to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Partnership as an owner occupied property becomes an investment property that will be carried at fair value, the Partnership accounts for such property in accordance with the policy stated under Property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of comprehensive income. When the Partnership completes the construction or development of a self constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of comprehensive income.

Lease rights
Premiums paid to acquire the lease rights on land is amortised on a straight line basis over the term of the lease. It is initially recognised at cost and subsequently carried at amortised cost after regular impairment assessment.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Motor vehicles	-	purchase cost on a specific identification basis
Spare parts	-	first in first out basis
Work-in-progress	-	costs of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies (continued)

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectible. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Doubtful debts are written-off when there is no possibility of recovery.

Bank balances and cash
For the purpose of Statement of Cash Flows, bank balances and cash consist of cash in hand and bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Interest bearing loans and borrowings
Interest bearing loans and borrowings are carried on the statement of financial position at the amortised cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in "accounts payable and accruals".

Provisions
Provisions are recognised when the Partnership has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
Under Law No. 14 of 2009, the Partnership provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

3 OTHER INCOME

	2010 ***QR***	*2009* *QR*
Rental income	**2,493,000**	2,243,400
Reversal of provision for obsolete and slow moving inventories	**347,851**	-
Interest income	**291,903**	268,282
Gain on disposal of property, plant and equipment	**500**	1,000
Miscellaneous income	**250,113**	104,911
	3,383,367	2,617,593

4 ADMINISTRATIVE EXPENSES

	2010	*2009*
	QR	*QR*
Staff costs	**5,559,589**	5,345,409
Depreciation (Note 6)	**1,379,633**	1,053,979
Utilities	**379,871**	355,185
Repairs and maintenance	**356,964**	192,282
Insurance	**220,328**	221,687
Communication	**153,730**	149,229
Transportation and travel	**132,284**	211,186
Legal and professional fees	**110,517**	103,214
Printing and stationery	**52,617**	88,014
Entertainment	**44,662**	33,254
Rent	**-**	1,200,000
Write-off of property, plant and equipment (Note 6)	**-**	595,982
Provision for slow-moving inventories (Note 9)	**-**	400,000
Miscellaneous	**250,827**	314,310
	8,641,022	10,263,731

5 PROFIT (LOSS) FOR THE YEAR

The profit (loss) for the year is stated after charging:

	2010	*2009*
	QR	*QR*
The profit (loss) for the year is stated after charging:		
Staff costs	**5,559,589**	5,345,409
Finance costs:		
Bank interest	**9,658,078**	9,883,278
Bank commission	**1,282,671**	1,615,589
	10,940,749	11,498,867
Inventories recognised as expenses upon sale of finished goods	**58,251,035**	62,396,728

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2010

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings *QR*	*Motor vehicles* *QR*	*Plant and machinery* *QR*	*Tools and equipment* *QR*	*Furniture and fixtures* *QR*	*Computer hardware and software* *QR*	*Decoration and fittings* *QR*	*Capital work-in- progress* *QR*	*Total* *QR*
Cost or revaluation:									
At 1 January 2010	8,037,601	1,647,574	631,626	462,111	2,521,577	994,309	657,883	14,103,406	29,056,087
Additions	-	-	55,000	17,924	463,291	139,648	-	307,386	983,249
Transfers	14,206,636	-	-	-	-	-	204,156	(14,410,792)	-
Disposals	-	(236,540)	-	-	-	-	-	-	(236,540)
At 31 December 2010	22,244,237	1,411,034	686,626	480,035	2,984,868	1,133,957	862,039	-	29,802,796
Depreciation:									
At 1 January 2010	2,009,400	672,370	501,939	387,015	2,112,185	113,386	387,121	-	6,183,416
Provided during the year	614,866	178,314	45,596	35,827	221,948	140,290	142,792	-	1,379,633
Disposals	-	(121,356)	-	-	-	-	-	-	(121,356)
At 31 December 2010	2,624,266	729,328	547,535	422,842	2,334,133	253,676	529,913	-	7,441,693
Net carrying amount:									
At 31 December 2010	**19,619,971**	**681,706**	**139,091**	**57,193**	**650,735**	**880,281**	**332,126**	**-**	**22,361,103**

The workshop buildings are constructed on a piece of land leased from the Ministry of Municipality.

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings QR	*Motor vehicles QR*	*Plant and machinery QR*	*Tools and equipment QR*	*Furniture and fixtures QR*	*Computer hardware and software QR*	*Decoration and fittings QR*	*Capital work-in- progress QR*	*Total QR*
Cost or revaluation:									
At 1 January 2009	8,037,601	789,730	631,626	426,561	2,238,093	-	450,649	10,661,596	23,235,856
Additions	-	969,860	-	35,550	278,349	994,309	144,734	4,105,427	6,528,229
Write-off	-	-	-	-	-	-	-	(595,982)	(595,982)
Transfers	-	-	-	-	5,135	-	62,500	(67,635)	-
Disposals	-	(112,016)	-	-	-	-	-	-	(112,016)
At 31 December 2009	8,037,601	1,647,574	631,626	462,111	2,521,577	994,309	657,883	14,103,406	29,056,087
Depreciation:									
At 1 January 2009	1,536,600	566,701	457,489	355,928	1,959,925	-	310,239	-	5,186,882
Provided during the year	472,800	163,114	44,450	31,087	152,260	113,386	76,882	-	1,053,979
Disposals	-	(57,445)	-	-	-	-	-	-	(57,445)
At 31 December 2009	2,009,400	672,370	501,939	387,015	2,112,185	113,386	387,121	-	6,183,416
Net carrying amount:									
At 31 December 2009	6,028,201	975,204	129,687	75,096	409,392	880,923	270,762	14,103,406	22,872,671

7 INVESTMENT PROPERTIES

	2010	*2009*
	QR	*QR*
At 1 January	**36,917,200**	44,389,600
Net gain (loss) from fair value adjustment	**21,322,800**	(7,472,400)
At 31 December	**58,240,000**	36,917,200
Investment properties:		
At cost	**31,312,900**	31,312,900
Net gain from fair value adjustment	**26,927,100**	5,604,300
	58,240,000	36,917,200

(i) The fair value of these investment properties for the year ended 31 December 2010 are based on valuations carried out by DTZ Qatar (DTZ), an external valuer based in Doha, Qatar.

(ii) Investment properties are registered in the name of the Principal shareholder of the Group who holds such properties in trust on behalf of the Partnership, who has the beneficial interest of the properties.

8 LAND LEASE RIGHTS

	2010	*2009*
	QR	*QR*
Cost:		
At 1 January	**43,460,725**	43,460,725
At 31 December	**43,460,725**	43,460,725
Accumulated amortisation:		
At 1 January	**2,021,430**	1,010,715
Amortization during the year	**1,010,715**	1,010,715
At 31 December	**3,032,145**	2,021,430
Net carrying amount:		
At 31 December	**40,428,580**	41,439,295

The Partnership acquired rights to use the land from the Partner, which was leased from the Municipality. The premium is amortised over the period of 43 years commencing from 1 January 2008.

9 INVENTORIES

	2010	*2009*
	QR	*QR*
Motor vehicles	**13,830,203**	34,653,850
Spare parts and consumables	**11,441,488**	10,449,608
Good- in-transit	**7,478,107**	65,192
Work-in-progress	**510,768**	536,048
	33,260,566	45,704,698
Less: Provision for obsolete and slow-moving inventories	**(2,600,000)**	(2,947,851)
	30,660,566	42,756,847

9 INVENTORIES (continued)

Movement in the provision for obsolete and slow-moving inventories is as follows:

	2010 QR	*2009 QR*
At 1 January	**2,947,851**	2,547,851
Provided during the year	**-**	400,000
Reversal of provision	**(347,851)**	-
At 31 December	**2,600,000**	2,947,851

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010 QR	*2009 QR*
Trade accounts and notes receivables	**9,913,565**	9,848,681
Amounts due from a related party (Note 18)	**25,584,088**	17,953,625
Prepayments	**580,059**	948,743
Other receivables	**1,000,990**	1,660,154
	37,078,702	30,411,203

As at 31 December 2010, trade accounts and notes receivables at nominal value of QR 1,681,701 (2009: QR 1,681,701) were impaired.

As at 31 December, the ageing of unimpaired trade accounts and notes receivables is as follows:

			Past due but not impaired				
	Total QR	*Neither past due nor impaired QR*	*< 30 days QR*	*30 – 60 days QR*	*60 – 90 days QR*	*90 – 120 days QR*	*>120 days QR*
2010	**9,913,565**	**6,837,733**	**400,016**	**236,045**	**431,914**	**-**	**2,007,857**
2009	9,848,681	6,024,366	211,033	333,660	9,385	101,050	3,169,187

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Partnership to obtain collateral over receivables and the vast majority are, therefore, unsecured.

11 BANK BALANCES AND CASH

Bank balances and cash included in the Statement of Cash Flows include the following statement of financial position amounts:

	2010 QR	*2009 QR*
Bank balances and cash	**754,991**	1,571,475
Bank overdrafts and short term facilities	**(14,472,637)**	(15,893,402)
	(13,717,646)	(14,321,927)

12 CAPITAL

	2010	*2009*
	QR	*QR*
Capital contributed	**25,000,000**	25,000,000

13 GENERAL RESERVE

As required by the Partnership agreement, 10% of net profit for the year has been transferred to the general reserve.

14 REVALUATION RESERVE

The revaluation reserve is a result of the revaluation of workshop building by an external appraiser. An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of the asset.

15 INTEREST BEARING LOANS AND BORROWINGS

	2010	*2009*
	QR	*QR*
Interest bearing loans and borrowings	**75,993,678**	86,661,667
Presented in the statement of financial position as follows:		
Current portion	**37,518,190**	63,705,941
Non-current portion	**38,475,488**	22,955,726
	75,993,678	86,661,667

The above loans are secured by the personal guarantee of the Partners and bear interest at commercial rates. The installments due within 12 months have been classified under current liabilities.

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**603,219**	450,264
Provided during the year	**222,187**	172,186
Paid during the year	**(41,759)**	(19,231)
At 31 December	**783,647**	603,219

17 ACCOUNTS PAYABLE AND ACCRUALS

	2010	*2009*
	QR	*QR*
Trade accounts payable	**13,889,689**	8,633,744
Accrued expenses	**3,714,327**	2,472,444
Other payable	**1,463,392**	2,355,190
	19,067,408	13,461,378

18 RELATED PARTY TRANSACTIONS

Related party transactions
Related parties represent major shareholders, directors and key management personnel affiliates of the Partnership, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Partnership's management.

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

	Sales		***Purchases***	
	2010	*2009*	***2010***	*2009*
	QR	*QR*	***QR***	*QR*
Parent Company				
Almana Group W.L.L.	**522,662**	288,788	-	-
Affiliated companies	**7,872,562**	9,674,062	**1,547,108**	1,739,512
	8,395,224	9,962,850	**1,547,108**	1,739,512

Related party balances
Amounts due from a related part (non-collateralised and with no fixed repayment terms) is disclosed in Note 10.

	Amounts due from a related party	
	2010	*2009*
	QR	*QR*
Parent Company		
Almana Group W.L.L.	**25,584,088**	17,953,625

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2010	*2009*
	QR	*QR*
Short-term benefits	**427,463**	393,222
End of service benefits	**62,660**	48,710
	490,123	441,932

The ultimate parent company of United Cars Almana is Almana Group W.L.L.

19 CONTINGENT LIABILITIES

At 31 December 2010 the Partnership had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to QR 7,349,700 (2009: QR 49,700).

20 EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at the reporting date but not provided for:

	2010	*2009*
	QR	*QR*
Extension and renovation works	**-**	1,376,390

21 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Partnership's principal financial liabilities comprise of trade payables, interest bearing loans and borrowings, bank overdrafts and other short term liabilities. The main purpose of these financial liabilities is to manage the Partnership's working capital requirements. The Partnership has various financial assets such as bank balances and cash, trade accounts and notes receivables other receivables which arise directly from its operations.

The main risks arising from the Partnership's financial instruments are interest rate risk, liquidity risk and credit risk. The Management reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Partnership is exposed to interest rate risk on its interest bearing assets and liabilities (interest bearing loans and borrowings, bank over drafts and short term facilities).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Partnership's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2010. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

There is no impact on the Partnership's equity.

	Increase/ decrease in basis points	*Effect on profit for the year*
		QR
2010		
QR	+25	**(226,166)**
2009		
QR	+25	(256,388)

21 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Partnership is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Partnership seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis. The Partnership holds agencies for motor vehicles and is engaged in the trading of vehicles to a large number of private companies and individuals in Qatar. Its five largest customers account for 30% (2009: 24%) of outstanding accounts and notes receivable at 31 December 2010.

With respect to credit risk arising from the financial assets of the Partnership, the Partnership's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Liquidity risk

The Partnership limits its liquidity risk by ensuring bank facilities are available. The Partnership's terms of sale require the amounts to be paid within 90 days of the date of invoice.

The table below summarises the maturities of the Partnership's undiscounted financial liabilities, based on contractual payment dates and current market interest rates.

At 31 December 2010	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Bank overdrafts and short-term facilities	**14,472,637**	**-**	**-**	**14,472,637**
Accounts payables	**13,775,054**	**114,635**	**-**	**13,889,689**
Interest bearing loans and borrowings	**26,306,313**	**17,130,423**	**43,133,650**	**86,570,386**
Total	**54,554,004**	**17,245,058**	**43,133,650**	**114,932,712**

At 31 December 2009	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Bank overdrafts and short-term facilities	15,893,402	-	-	15,893,402
Accounts payables	8,633,744	-	-	8,633,744
Interest bearing loans and borrowings	28,953,973	37,777,860	25,021,742	91,753,575
Total	53,481,119	37,777,860	25,021,742	116,280,721

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Partnership's foreign currency denominated payables as of reporting date is mostly in US Dollars. Since the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Capital management

The primary objective of the Partnership's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise partners' value.

The Partnership manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2010 and 2009. Capital comprises capital and retained earnings, and is measured at QR 54,311,705 as at 31 December 2010 (2009: QR 36,218,690).

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts and short-term facilities, notes payable, interest bearing loans and borrowings and accounts payables.

The fair values of financial instruments are not materially different from their carrying values.

23 KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts and notes receivables were QR 11,595,266 (2009: QR 11,530,382), with the provision for impairment of QR 1,681,701 (2009: QR 1,681,701). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(b) Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

At the reporting date, gross inventories were QR 33,260,566 (2009: QR 45,704,698) with provisions for old and obsolete inventories of QR 2,600,000 (2009: QR 2,947,851). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(c) Useful lives of property, plant and equipment

The Partnership's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(d) Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis

Almana Maples W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA MAPLES W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Almana Maples W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2009 and the related statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements

In our opinion proper books of account have been kept by the company, an inventory count has been conducted in accordance with established principles and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the company or on its financial position as of 31 December 2009.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date : 17 April 1010
Doha

Almana Maples W.L.L.

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2009

	Notes	*2009* *QR*	*2008* *QR*
Revenue		**32,890,191**	25,555,267
Direct cost		**(21,518,642)**	(18,316,933)
GROSS PROFIT		**11,371,549**	7,238,334
Other income		**158,046**	1,070,401
Administrative expenses	3	**(6,927,293)**	(6,273,447)
Finance costs	4	**(513,892)**	(1,465,645)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4	**4,088,410**	569,643

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Notes	2009 QR	2008 QR
ASSETS			
Non-current asset			
Property, plant and equipment	5	**2,613,455**	2,685,972
Current assets			
Inventories	6	**6,927,002**	6,195,715
Contract work in progress	7	**5,594,017**	4,964,454
Accounts receivable and prepayments	8	**17,180,668**	8,050,518
Bank balances and cash	9	**5,927,790**	1,735,196
		35,629,477	20,945,883
TOTAL ASSETS		**38,242,932**	23,631,855
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**3,400,000**	3,400,000
Legal reserve	11	**1,623,711**	1,214,870
Retained earnings		**4,192,248**	512,679
Total equity		**9,215,959**	5,127,549
Non-current liabilities			
Employees' end of service benefits	13	**920,692**	720,522
Current liabilities			
Accounts payable and accruals	14	**20,951,608**	12,197,678
Advance billings	15	**1,182,049**	-
Bank overdrafts	9	**4,211,014**	5,246,912
Interest bearing loans and borrowings	12	**1,761,610**	339,194
		28,106,281	17,783,784
Total liabilities		**29,026,973**	18,504,306
TOTAL EQUITY AND LIABILITIES		**38,242,932**	23,631,855

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Omar H. Almana (Chairman) Tariq O. Almana (Director)

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF CASH FLOWS
Year Ended 31 December 2009

	Notes	*2009* *QR*	*2008* *QR*
OPERATING ACTIVITIES			
Profit for the year		**4,088,410**	569,643
Adjustments for:			
Depreciation	5	**485,125**	447,784
Finance costs		**214,146**	1,347,501
Profit on disposal of property, plant and equipment		**-**	(3,499)
Provision for employees' end of service benefits	13	**299,210**	330,485
		5,086,891	2,691,914
Working capital changes:			
Inventories		**(731,287)**	1,546,411
Contract work in progress		**(629,563)**	419,753
Advance billings		**1,182,049**	-
Accounts receivable and prepayments		**(9,130,150)**	15,511,991
Accounts payable and accruals		**8,753,930**	(552,207)
Cash from operations		**4,531,870**	19,617,862
Interest paid		**(214,146)**	(1,347,501)
Employees' end of service benefits paid	13	**(99,040)**	(17,973)
Net cash from operating activities		**4,218,684**	18,252,388
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(412,608)**	(1,006,521)
Proceeds from disposal of property, plant and equipment		**-**	3,500
Net cash used in investing activities		**(412,608)**	(1,003,021)
FINANCING ACTIVITY			
Net movement in term loans		**1,422,416**	(12,507,425)
Cash from (used in) financing activity		**1,422,416**	(12,507,425)
INCREASE IN CASH AND CASH EQUIVALENTS		**5,228,492**	4,741,942
Cash and cash equivalents at 1 January		**(3,511,716)**	(8,253,658)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9	**1,716,776**	(3,511,716)

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2009

	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2008	3,400,000	1,157,906	(8,353,289)	(3,795,383)
Total comprehensive income for the year	-	-	569,643	569,643
Transfer to legal reserve	-	56,964	(56,964)	-
Accumulated losses absorbed by the parent	-	-	8,353,289	8,353,289
Balance at 31 December 2008	3,400,000	1,214,870	512,679	5,127,549
Total comprehensive income for the year	-	-	4,088,410	4,088,410
Transfer to legal reserve	-	408,841	(408,841)	-
Balance at 31 December 2009	**3,400,000**	**1,623,711**	**4,192,248**	**9,215,959**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

Almana Maples W.L.L. (the "Company") is a limited liability company, registered in the State of Qatar under Commercial Registration No. 7723. The Company was incorporated on 10 April 1980 and is engaged in the trading of furniture and interior decorations and related installation projects. The company's registered Head Office is located at Doha, Qatar.

The financial statements of the Company as of and for the year ended 31 December 2009 were authorised for issue in accordance with resolution of the Directors on 17 April 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the Qatar Commercial Company Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention.

Changes in accounting policies
The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2008, except for the adoption of new and amended standards as of 1 January 2009 as noted below :

IAS 1 Presentation of Financial Statements (Revised)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Company has elected to present single statement. Adoption of the revised standard did not have any effect on the financial performance or position of the Company.

IAS 23 (Revised) Borrowing Costs
The standard has been revised to require capitalisation of borrowing costs when such costs relate to qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Company does not have borrowings on qualifying assets and hence adoption of this standard did not have any effect on the financial performance or position of the Company.

Improvements to IFRSs (May 2008)
In May 2008, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each standard. The adoption of there amendments resulted in rewording or corrections to accounting policies but did not have any impact on the financial position or performance of the Company.

New and amended standards and interpretations issued as 31 December 2009, but not applied
The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The management has set out below only those which shall be considered in future periods and also believes that the adoption of these new and amended standards may not have any material impact on the future periods financial statements.

- Improvements to IFRSs (April 2009) (Applicable to 31 December 2010 year end)
- IFRIC 17 Distribution on Non-Cash Assets to Owners (Applicable to 31 December 2010 year end)
- IFRS 9 Financial Instruments (Applicable subsequent to 31 December 2010 year end)
- IAS 24 Related Party Disclosures (Revised) (Applicable subsequent to 31 December 2010 year end)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition
Contract revenue represents the value of work invoiced during the year, as adjusted for work in progress. Attributable profit is calculated on the percentage of completion method and is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Building	25 years
Furniture and fixtures	4 years
Motor vehicles	4 years
Office equipment	4 years
Plant and machinery	4 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income . Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income ;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Goods for resale	-	first-in, first-out basis
Work in progress	-	cost of direct material and labour

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectable amounts. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of cash flows, cash and cash equivalents consist of cash and bank balances and bank deposits net of outstanding bank overdrafts, if any.

Contract work-in-progress
Contract work-in-progress is stated at cost plus attributable profit/loss less progress payments received and receivable. Cost includes materials, labour and other direct costs based on a normal level of activity. Provision is made for contingencies and any anticipated future losses.

Advance billings
Billing and estimated earnings in excess of costs on specific contracts are recorded as advance billings.

Interest bearing loans and borrowings
The company's interest bearing loans and borrowings is carried on the statement of financial position at its amortised cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in "accounts payable and accruals".

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income .

3 ADMINISTRATIVE EXPENSES

	2009	*2008*
	QR	*QR*
Salaries, wages and other benefits	**4,178,608**	3,501,853
Rent	**1,189,265**	1,089,814
Depreciation (Note 5)	**420,331**	381,650
Repairs and maintenance	**190,767**	229,802
Telephone, electricity and water	**183,416**	150,777
Insurance	**69,747**	67,376
Printing and stationary	**60,135**	67,967
Professional fees	**28,000**	40,000
Traveling	**22,215**	56,552
Miscellaneous	**584,809**	687,656
	6,927,293	6,273,447

4 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2009	*2008*
	QR	*QR*
Staff costs	**4,178,608**	3,501,853
Lease rentals	**1,181,580**	1,062,600
Finance costs:		
Overdraft interest	**167,381**	705,710
Loan interest	**46,765**	641,791
Bank commission and charges	**299,746**	118,144
	513,892	1,465,645

5 PROPERTY AND EQUIPMENT

	Buildings QR	*Furniture, fixtures and equipment QR*	*Motor vehicles QR*	*Plant and machinery QR*	*Total QR*
Cost:					
At January 2009	1,827,983	1,888,396	649,200	1,112,142	5,477,721
Additions	314,254	66,559	-	31,795	412,608
At 31 December 2009	2,142,237	1,954,955	649,200	1,143,937	5,890,329
Depreciation:					
At January 2009	299,660	1,230,806	328,177	933,106	2,791,749
Charge for the year	76,074	233,506	111,254	64,291	485,125
At 31 December 2009	375,734	1,464,312	439,431	997,397	3,276,874
Net book value:					
At 31 December 2009	**1,766,503**	**490,643**	**209,769**	**146,540**	**2,613,455**

Notes:

(i) Building is constructed on a land leased from the State of Qatar for a period of 24 years.

5 PROPERTY AND EQUIPMENT (continued)

	Buildings *QR*	*Furniture, fixtures and equipment* *QR*	*Motor vehicles* *QR*	*Office equipment* *QR*	*Plant and machinery* *QR*	*Capital Work-in-progress* *QR*	*Total* *QR*
Cost:							
At January 2008	1,577,650	914,219	524,200	472,830	914,116	181,185	4,584,200
Reclassification	250,333	718,837	-	(472,830)	-	(496,340)	-
Additions	-	255,340	238,000	-	198,026	315,155	1,006,521
Disposals	-	-	(113,000)	-	-	-	(113,000)
At 31 December 2008	1,827,983	1,888,396	649,200	-	1,112,142	-	5,477,721
Depreciation:							
At January 2008	233,216	752,939	356,311	247,525	866,973	-	2,456,964
Reclassification	-	247,525	-	(247,525)	-	-	-
Charge for the year	66,444	230,342	84,865	-	66,133	-	447,784
Relating to disposals	-	-	(112,999)	-	-	-	(112,999)
At 31 December 2008	299,660	1,230,806	328,177	-	933,106	-	2,791,749
Net book value:							
At 31 December 2008	1,528,323	657,590	321,023	-	179,036	-	2,685,972

5 PROPERTY AND EQUIPMENT (continued)

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2009	*2008*
	QR	*QR*
Direct cost	**64,794**	66,134
Administration expenses (Note 3)	**420,331**	381,650
	485,125	447,784

6 INVENTORIES

	2009	*2008*
	QR	*QR*
Goods for resale	**8,667,168**	6,676,520
Work in progress	**1,097,290**	2,480,706
	9,764,458	9,157,226
Provision for obsolete/slow moving inventories	**(2,837,456)**	(2,961,511)
	6,927,002	6,195,715

Movement in the provision for obsolete and slow moving inventories is as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**2,961,511**	3,248,818
Provided during the year (Note 3)	-	-
Released during the year	**(124,055)**	-
Written-off during the year	-	(287,307)
At 31 December	**2,837,456**	2,961,511

7 CONTRACT WORK IN PROGRESS

	2009	*2008*
	QR	QR
Contract valued at cost plus attributable profits	**75,014,181**	83,071,252
Billings to-date	**(69,420,164)**	(78,106,798)
	5,594,017	4,964,454

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 QR	*2008* QR
Trade accounts receivable	**8,634,171**	3,850,443
Retention receivable	**3,032,975**	4,341,391
Other receivables	**5,776,409**	1,054,742
Prepayments and deposits	**1,016,992**	83,821
	18,460,547	9,330,397
Less: Allowance for impairment	**(1,279,879)**	(1,279,879)
	17,180,668	8,050,518

As at 31 December 2009, trade receivables at nominal value of QR 1,279,879 (2008: QR 1,279,879) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2009 QR	*2008* QR
At 1 January	**1,279,879**	1,565,387
Amounts written off	**-**	(285,508)
At 31 December	**1,279,879**	1,279,879

As at 31 December, the ageing of unimpaired trade receivables were as follows:

			Past due but not impaired				
	Total QR	*Neither past due nor impaired* QR	*< 30 days* QR	*30 – 60 days* QR	*60 – 90 days* QR	*90 – 120 days* QR	*>120 days* QR
2009	**7,354,292**	**4,827,334**	**12,400**	**840**	**1,716,386**	**39,228**	**758,104**
2008	2,570,564	1,380,918	112,217	-	130,975	290,103	656,351

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents shown in the cash flow statement consist of the following statement of financial position amounts:

	2009 QR	*2008* QR
Bank balances and cash	**5,927,790**	1,735,196
Bank overdrafts	**(4,211,014)**	(5,246,912)
	1,716,776	(3,511,716)

10 SHARE CAPITAL

	2009	2008
	QR	QR
Authorized, issued and fully paid:		
3,400 shares of QR 1,000 each	**3,400,000**	3,400,000

11 LEGAL RESERVE

As required by Qatar Commercial Company's Law No. 5 of 2002, 10% of the profit for the year has been transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve total equals 50% of the issued share capital. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

12 INTEREST BEARING LOANS AND BORROWINGS

	2009	*2008*
	QR	*QR*
Term loan	**1,761,610**	339,194

Presented in the statement of financial position as follows:

	2009	*2008*
	QR	*QR*
Current portion	**1,761,610**	339,194

The loan is secured by the personal guarantee of the shareholders and carries interest at commercial rates.

13 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2009	*2008*
	QR	*QR*
At 1 January	**720,522**	408,010
Provided during the year	**299,210**	330,485
End of service benefits paid	**(99,040)**	(17,973)
At 31 December	**920,692**	720,522

14 ACCOUNTS PAYABLE AND ACCRUALS

	2009 *QR*	*2008* *QR*
Trade accounts payable	**5,507,567**	4,528,661
Amounts due to related parties (Note 16)	**142,201**	3,409,175
Advances from customers	**12,933,250**	2,488,686
Accrued expenses and provisions	**2,368,590**	1,771,156
	20,951,608	12,197,678

15 ADVANCE BILLINGS

	2009 *QR*	*2008* *QR*
Billings to-date	**18,892,107**	-
Less: Contracts valued at cost plus attributable profits	**(17,710,058)**	-
	1,182,049	-

16 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

	Year ended 31 December 2009			*Year ended 31 December 2008*		
	Sales QR	***Purchases QR***	***Rental income QR***	*Sales QR*	*Purchases QR*	*Rental income QR*
Associated companies	**8,724,853**	**2,232,202**	**60,000**	1,825,216	4,556,744	60,000

Related party balances
Amounts due from related parties and the amounts due to related parties (non-collateralised and with no fixed repayment terms) are disclosed in Note 14.

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2009 *QR*	*2008* *QR*
Short-term benefits	**393,677**	396,801
Employees' end of service benefits	**43,173**	25,889
	436,850	422,690

The ultimate parent company of Almana Maples W.L.L. is Almana Group W.L.L.

17 CONTINGENCIES

At 31 December 2009 the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to QR 1,949,568 (2008 : QR 2,684,001).

18 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise of trade payables, amounts due to related parties and interest bearing loans and bank overdrafts. The main purpose of these financial liabilities is to raise measure the Company's working capital requirements. The Company has various financial assets such as bank balances and cash, and accounts receivable which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Shareholders review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank over drafts and interest bearing loan and borrowings).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

There is no impact on the Company's equity.

	Increase/decrease in basis points	*Effect on profit for the year QR*
2009		
QR	**+25**	**(14,932)**
2008		
QR	+25	(12,746)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis.

The Company is engaged in the trading of furniture and interior decorations and retail installation projects to a large number of customers in Qatar. Its five largest customers account for 73% of outstanding trade accounts and notes receivable as at 31 December 2009 (2008: 52%).

18 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)
With respect to credit risk arising from the other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
The company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of credit sales require the amounts to be paid within 30-90 days of the date of sale. Trade payables are normally settled within 90 days from the date of purchase.

The table below summarises the maturities of the Company's financial liabilities at 31 December 2009, based on contractual payment dates.

Year ended 31 December 2009	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Accounts payable	**2,258,302**	**3,249,265**	**-**	**5,507,567**
Bank overdrafts	**4,211,014**	**-**	**-**	**4,211,014**
Interest bearing loans and borrowings	**1,761,610**	**-**	**-**	**1,761,610**
Total	**8,230,926**	**3,249,265**	**-**	**11,480,191**

Year ended 31 December 2008	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Accounts payable	4,528,661	-	-	4,528,661
Bank overdrafts	5,246,912	-	-	5,246,912
Interest bearing loans and borrowings	339,194	-	-	339,194
Total	10,114,767	-	-	10,114,767

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its currency exposure.

Trade payables includes an amount of QR 315,026 (2008: QR 430,565) payable in foreign currencies mainly in Saudi Riyals and US Dollars. As the Qatari Riyal and Saudi Riyals are pegged to US Dollars balance in US Dollars are not significantly exposed to currency risk. The amount payable in other currencies in the amount of QR Nil (2008: QR 385,679) is exposed to currency fluctuations.

The table below indicates the Company's foreign currency exposure at 31 December, arising from its trade payable balances in foreign currencies other than US Dollars. The analysis calculates the effect of a reasonably possible movement of the QR currency rate against the foreign currencies, with all other variables held constant, on the statement of comprehensive income.

18 FINANCIAL RISK MANAGEMENT (continued)

	Increase/decrease in foreign currency rate	*Effect on profit QR*
2009	**+5%**	**-**
	-5%	**-**
2008	+5%	(19,284)
	+5%	19,284

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2009 and 2008. Capital comprises share capital and retained earnings and is measured at QR 7,592,248 as at 31 December 2009 (2008: QR 3,912,679).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts, interest bearing loans and borrowings and payables.

The fair values of financial instruments are not materially different from their carrying values.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts and retention receivables were QR 11,667,146 (2008: QR 8,191,834), and the provision for doubtful debts was QR 1,279,879 (2008: QR 1,279,879). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income .

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross industrial materials were QR 9,764,458 (2008: QR 9,157,226), with provisions for old and obsolete inventories of QR 2,837,456 (2008: QR 2,961,511). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Contract work in progress
Contract work in progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses.

Useful lives of property and equipment
The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Almana Maples W.L.L.

FINANCIAL STATEMENTS

31 DECEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANA MAPLES W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Almana Maples W.L.L. (the "Company") which comprise the statement of financial position as at 31 December 2010 and the related statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Almana Maples W.L.L. as of 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion proper books of account have been kept by the company, an inventory count has been conducted in accordance with established principles and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the company or on its financial position as of 31 December 2010.

A. Mekhael, F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date: 28 February 2011
Doha

Almana Maples W.L.L.

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
Revenue		**58,307,425**	32,890,191
Direct cost		**(38,186,990)**	(21,518,642)
GROSS PROFIT		**20,120,435**	11,371,549
Other income		**433,344**	158,046
Administrative expenses	3	**(9,852,627)**	(6,927,293)
Finance costs	4	**(455,913)**	(513,892)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4	**10,245,239**	4,088,410

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	*2010* *QR*	*2009* *QR*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**3,922,138**	2,613,455
Current assets			
Inventories	6	**9,803,131**	6,927,002
Contract work-in-progress	7	**11,255,514**	5,594,017
Accounts receivable and prepayments	8	**14,178,080**	17,180,668
Bank balances and cash	9	**742,824**	5,927,790
		35,979,549	35,629,477
TOTAL ASSETS		**39,901,687**	38,242,932
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**10,000,000**	3,400,000
Legal reserve	11	**2,648,235**	1,623,711
Retained earnings		**6,812,963**	4,192,248
Total equity		**19,461,198**	9,215,959
Non-current liability			
Employees' end of service benefits	12	**1,309,301**	920,692
Current liabilities			
Accounts payable and accruals	14	**13,814,982**	20,951,608
Advance billings	15	**4,220,825**	1,182,049
Bank overdrafts	9	**328,282**	4,211,014
Interest bearing loans and borrowings	13	**767,099**	1,761,610
		19,131,188	28,106,281
Total liabilities		**20,440,489**	29,026,973
TOTAL EQUITY AND LIABILITIES		**39,901,687**	38,242,932

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Omar H. Almana
Chairman

Tariq O. Almana
Director

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF CASH FLOWS
Year Ended 31 December 2010

	Notes	***2010*** ***QR***	*2009* *QR*
OPERATING ACTIVITIES			
Profit for the year		**10,245,239**	4,088,410
Adjustments for:			
Depreciation	5	**678,269**	485,125
Finance costs	4	**455,913**	513,892
Profit on disposal of property, plant and equipment		**(8,000)**	-
Provision for employees' end of service benefits	12	**456,837**	299,210
		11,828,258	5,386,637
Working capital changes:			
Inventories		**(2,876,129)**	(731,287)
Contract work-in-progress		**(5,661,497)**	(629,563)
Advance billings		**3,038,776**	1,182,049
Accounts receivable and prepayments		**3,002,588**	(9,130,150)
Accounts payable and accruals		**(7,136,626)**	8,753,930
Cash flows from operations		**2,195,370**	4,831,616
Employees' end of service benefits paid	12	**(68,228)**	(99,040)
Net cash flows from operating activities		**2,127,142**	4,732,576
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(1,986,952)**	(412,608)
Proceeds from disposal of property, plant and equipment		**8,000**	-
Net cash flows used in investing activities		**(1,978,952)**	(412,608)
FINANCING ACTIVITIES			
Net movement in interest bearing loans and borrowings		**(994,511)**	1,422,416
Finance costs paid		**(455,913)**	(513,892)
Net cash flows (used in) from financing activities		**(1,450,424)**	908,524
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH		**(1,302,234)**	5,228,492
Bank balances and cash at 1 January		**1,716,776**	(3,511,716)
BANK BALANCES AND CASH AT 31 DECEMBER	9	**414,542**	1,716,776

The attached notes 1 to 20 form part of these financial statements.

Almana Maples W.L.L.

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2010

	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2009	3,400,000	1,214,870	512,679	5,127,549
Profit and total comprehensive income for the year	-	-	4,088,410	4,088,410
Transfer to legal reserve	-	408,841	(408,841)	-
Balance at 31 December 2009	3,400,000	1,623,711	4,192,248	9,215,959
Profit and total comprehensive income for the year	-	-	10,245,239	10,245,239
Increase in capital	6,600,000	-	(6,600,000)	-
Transfer to legal reserve	-	1,024,524	(1,024,524)	-
Balance at 31 December 2010	**10,000,000**	**2,648,235**	**6,812,963**	**19,461,198**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

Almana Maples W.L.L. (the “Company”) is a limited liability company, registered in the State of Qatar under Commercial Registration No. 7723. The Company was incorporated on 10 April 1980 and is engaged in the trading of furniture and interior decorations and related installation projects. The company’s registered Head Office is located at Doha, Qatar.

The financial statements of the Company as of and for the year ended 31 December 2010 were authorised for issue in accordance with resolution of the Directors on 28 February 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the Qatar Commercial Company Law No. 5 of 2002.

The financial statements have been presented in Qatari Riyals which is the Company’s functional and presentation currency.

The financial statements are prepared under the historical cost convention.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments and interpretations became effective in 2010, but were not relevant to the Company’s operations:

Standard/Interpretation	*Content*
IFRS 2	Share-based Payment (Revised)
IFRIC 17	Distributions of Non-cash Assets to Owners
IAS 19	Employee Benefits
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of those amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

2.3 Standards, amendments and interpretations issued but not adopted

The following standard, amendment and interpretation have been issued but are mandatory for accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Company:

Standard/ Interpretation	Content	Effective date
IFRIC 14	Prepayments of a minimum funding requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
IAS 24	Related Party Disclosures (Revised)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013

The Company did not early adopt new or amended standards in 2010.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies

Revenue recognition
Contract revenue represents the value of work invoiced during the year, as adjusted for work in progress. Attributable profit is calculated on the percentage of completion method and is not recognised until the contract has progressed to the point where the ultimate realisable profit can be reasonably determined.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Buildings	25 years
Plant and machinery	4 years
Furniture and fixtures	4 years
Computer hardware and software	3-8 years
Motor vehicles	4 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The useful lives are reviewed at each financial year end. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income . Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income ;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Goods for resale	-	first-in, first-out basis
Work in progress	-	cost of direct material and labour

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting policies (continued)

Accounts receivable
Accounts receivable are stated net of provisions for amounts estimated to be non-collectable amounts. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Bank balances and cash
For the purpose of statement of cash flows, bank balances and cash consist of cash and bank balances and bank deposits net of outstanding bank overdrafts, if any.

Contract work-in-progress
Contract work-in-progress is stated at cost plus attributable profit/loss less progress payments received and receivable. Cost includes materials, labour and other direct costs based on a normal level of activity. Provision is made for contingencies and any anticipated future losses.

Advance billings
Billing and estimated earnings in excess of costs on specific contracts are recorded as advance billings.

Interest bearing loans and borrowings
The company's interest bearing loans and borrowings is carried on the statement of financial position at its amortised cost. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in "accounts payable and accruals".

Employees' end of service benefits
Under Law No. 14 of 2004, the Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income .

3 ADMINISTRATIVE EXPENSES

	2010	*2009*
	QR	*QR*
Salaries, wages and other benefits	**5,735,581**	4,178,608
Rent	**1,360,002**	1,189,265
Depreciation (Note 5)	**614,977**	420,331
Repairs and maintenance	**397,782**	190,767
Professional fees	**376,496**	28,000
Telephone, electricity and water	**166,900**	183,416
Insurance	**67,175**	69,747
Printing and stationary	**54,487**	60,135
Traveling	**28,102**	22,215
Miscellaneous	**1,051,125**	584,809
	9,852,627	6,927,293

4 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2010	*2009*
	QR	*QR*
Staff costs	**5,735,581**	4,178,608
Lease rentals	**1,360,002**	1,181,580
Finance costs:		
Overdraft interest	**16,263**	167,381
Loan interest	**185,143**	46,765
Bank commission and charges	**254,507**	299,746
	455,913	513,892

5 PROPERTY, PLANT AND EQUIPMENT

	Buildings *QR*	*Plant and machinery* *QR*	*Furniture, fixtures and equipment* *QR*	*Computer hardware and software* *QR*	*Motor vehicles* *QR*	*Total* *QR*
Cost:						
At January 2010	2,142,237	1,143,937	1,954,955	-	649,200	5,890,329
Additions	240,923	14,161	48,175	1,483,693	200,000	1,986,952
Disposals	-	-	-	-	(67,700)	(67,700)
At 31 December 2010	2,383,160	1,158,098	2,003,130	1,483,693	781,500	7,809,581
Depreciation:						
At January 2010	375,734	997,397	1,464,312	-	439,431	3,276,874
Charge for the year	88,812	63,291	223,358	185,462	117,346	678,269
Disposals	-	-	-	-	(67,700)	(67,700)
At 31 December 2010	464,546	1,060,688	1,687,670	185,462	489,077	3,887,443
Net book value:						
At 31 December 2010	**1,918,614**	**97,410**	**315,460**	**1,298,231**	**292,423**	**3,922,138**

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings QR	*Plant and machinery QR*	*Furniture, fixtures and equipment QR*	*Computer hardware and software QR*	*Motor vehicles QR*	*Total QR*
Cost:						
At January 2009	1,827,983	1,112,142	1,888,396	-	649,200	5,477,721
Additions	314,254	31,795	66,559	-	-	412,608
At 31 December 2009	2,142,237	1,143,937	1,954,955	-	649,200	5,890,329
Depreciation:						
At January 2009	299,660	933,106	1,230,806	-	328,177	2,791,749
Charge for the year	76,074	64,291	233,506	-	111,254	485,125
At 31 December 2009	375,734	997,397	1,464,312	-	439,431	3,276,874
Net book value:						
At 31 December 2009	1,766,503	146,540	490,643	-	209,769	2,613,455

5 PROPERTY AND EQUIPMENT (continued)

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2010 ***QR***	*2009* *QR*
Direct cost	**63,292**	64,794
Administration expenses (Note 3)	**614,977**	420,331
	678,269	485,125

6 INVENTORIES

	2010 ***QR***	*2009* *QR*
Goods for resale	**5,599,599**	8,667,168
Work-in-progress	**6,748,115**	1,097,290
	12,347,714	9,764,458
Less: Provision for obsolete and slow moving inventories	**(2,544,583)**	(2,837,456)
	9,803,131	6,927,002

Movement in the provision for obsolete and slow moving inventories is as follows:

	2010 ***QR***	*2009* *QR*
At 1 January	**2,837,456**	2,961,511
Written-off during the year	**(292,873)**	(124,055)
At 31 December	**2,544,583**	2,837,456

7 CONTRACT WORK-IN-PROGRESS

	2010 ***QR***	*2009* QR
Contract valued at cost plus attributable profits	**83,262,033**	75,014,181
Billings to-date	**(72,006,519)**	(69,420,164)
	11,255,514	5,594,017

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010	*2009*
	QR	*QR*
Trade accounts receivable	**3,618,321**	7,354,292
Retention receivable	**5,661,696**	3,032,975
Amounts due from related parties (Note 16)	**1,275,932**	-
Prepayments and deposits	**155,789**	1,016,992
Other receivables	**3,466,342**	5,776,409
	14,178,080	17,180,668

As at 31 December 2010, trade accounts receivables at nominal value of QR 1,068,843 (2009: QR 1,279,879) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2010	***2009***
	QR	***QR***
At 1 January	**1,279,879**	1,279,879
Amount written off	**(211,036)**	-
At 31 December	**1,068,843**	1,279,879

As at 31 December, the ageing of unimpaired trade accounts receivables were as follows:

		Neither past	*Past due but not impaired*				
		due nor		*30 – 60*	*60 – 90*	*90 – 120*	
	Total	*impaired*	*< 30 days*	*days*	*days*	*days*	*>120 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2010	**3,618,321**	**2,180,997**	**7,990**	**27,975**	**270,000**	**32,060**	**1,099,299**
2009	7,354,292	4,827,334	12,400	840	1,716,386	39,228	758,104

Unimpaired trade accounts receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

9 BANK BALANCES AND CASH

Bank balances and cash shown in the statement of cash flows consist of the following statement of financial position amounts:

	2010	*2009*
	QR	QR
Bank balances and cash	**742,824**	5,927,790
Bank overdrafts	**(328,282)**	(4,211,014)
	414,542	1,716,776

10 SHARE CAPITAL

	2010	2009
	QR	QR
Authorized, issued and fully paid:		
10,000 shares of QR 1,000 each	**10,000,000**	3,400,000

In 2010, the Company has resolved to increase its share capital to QR 10,000,000. However, such increase is still in the process of registration with the Ministry of Commerce.

11 LEGAL RESERVE

As required by Qatar Commercial Company's Law No. 5 of 2002, 10% of the profit for the year has been transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve total equals 50% of the issued share capital. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

12 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position is as follows:

	2010	*2009*
	QR	*QR*
At 1 January	**920,692**	720,522
Provided during the year	**456,837**	299,210
End of service benefits paid	**(68,228)**	(99,040)
At 31 December	**1,309,301**	920,692

13 INTEREST BEARING LOANS AND BORROWINGS

	2010	*2009*
	QR	*QR*
Term loan	**767,099**	1,761,610

The loan is secured by the personal guarantee by the shareholders and carries interest at commercial rates.

14 ACCOUNTS PAYABLE AND ACCRUALS

	2010	*2009*
	QR	*QR*
Trade accounts payable	**2,908,453**	5,507,567
Advances from customers	**8,424,986**	12,933,250
Accrued expenses and provisions	**2,481,543**	2,368,590
Amounts due to related parties (Note 16)	**-**	142,201
	13,814,982	20,951,608

15 ADVANCE BILLINGS

	2010	*2009*
	QR	*QR*
Progress billings	**32,696,827**	18,892,107
Less: Contracts valued at cost plus attributable profits	**(28,476,002)**	(17,710,058)
	4,220,825	1,182,049

16 RELATED PARTY DISCLOSURES

Related party transactions

Related parties represent major shareholders, directors and key management personnel affiliates of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

	Sales		***Purchases***		***Rental income***	
	2010	*2009*	***2010***	*2009*	***2010***	*2009*
	QR	*QR*	***QR***	*QR*	***QR***	*QR*
Parent Company						
Almana Group W.L.L.	**2,335,798**	8,724,853	**2,007,292**	2,232,202	**60,000**	60,000

Related party balances

Amounts due from/to related parties (non-collateralised and with no fixed repayment terms) are disclosed in Notes 8 and 14.

	Amounts due from related parties		***Amounts due to related parties***	
	2010	*2009*	***2010***	*2009*
	QR	*QR*	***QR***	*QR*
Parent Company				
Almana Group W.L.L.	**1,275,932**	-	**-**	142,201

16 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2010 ***QR***	*2009* *QR*
Short-term benefits	**688,267**	393,677
Employees' end of service benefits	**46,715**	43,173
	734,982	436,850

17 CONTINGENCIES

At 31 December 2010 the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to QR 5,225,685 (2009 : QR 1,949,568).

18 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise of trade payables, amounts due to related parties and interest bearing loans and bank overdrafts. The main purpose of these financial liabilities is to raise measure the Company's working capital requirements. The Company has various financial assets such as bank balances and cash, and accounts receivable which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Shareholders review and agree on policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank overdrafts and interest bearing loans and borrowings).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rate is expected to be equal and opposite to the effect of the increases shown.

18 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)
There is no impact on the Company's equity.

	Change in basis points	*Effect on profit for the year QR*
2010		
QR	**+25**	**(2,738)**
2009		
QR	+25	(14,932)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade and other receivables, and amounts due from related parties.

The Company seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis.

The Company is engaged in the trading of furniture and interior decorations and retail installation projects to a large number of customers in Qatar. Its five largest customers account for 62% of outstanding trade accounts receivable as at 31 December 2010 (2009: 73%).

With respect to credit risk arising from the other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
The company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of credit sales require the amounts to be paid within 30-90 days of the date of sale. Trade payables are normally settled within 90 days from the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2010, based on contractual payment dates.

At 31 December 2010	***Less than 6 months QR***	***6 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Bank overdrafts	**328,282**	**-**	**-**	**328,282**
Accounts payable	**1,560,998**	**1,347,455**	**-**	**2,908,453**
Interest bearing loans and borrowings	**805,454**	**-**	**-**	**805,454**
	2,694,734	**1,347,455**	**-**	**4,042,189**

18 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

At 31 December 2009	*Less than 6 months QR*	*6 to 12 months QR*	*1 to 5 years QR*	*Total QR*
Bank overdrafts	4,211,014	-	-	4,211,014
Accounts payable	2,258,302	3,249,265	-	5,507,567
Amounts due to related parties	142,201	-	-	142,201
Interest bearing loans and borrowings	1,801,246	-	-	1,801,246
	8,412,763	3,249,265	-	11,662,028

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its currency exposure.

Trade payables includes an amount of QR 979,632 (2009: QR 315,026) payable in foreign currencies mainly in Saudi Riyals and US Dollars. As the Qatari Riyal and Saudi Riyals are pegged to US Dollars balance in US Dollars are not significantly exposed to currency risk.

The table below indicates the Company's foreign currency exposure at 31 December, arising from its trade payable balances in foreign currencies other than US Dollars. The analysis calculates the effect of a reasonably possible movement of the QR currency rate against the foreign currencies, with all other variables held constant, on the statement of comprehensive income.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light, of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2010 and 2009. Capital comprises share capital and retained earnings and is measured at QR 16,812,963 as at 31 December 2010 (2009: QR 7,592,248).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and receivables. Financial liabilities consist of bank overdrafts, interest bearing loans and borrowings and payables.

The fair values of financial instruments are not materially different from their carrying values.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts and retention receivables were QR 10,348,860 (2009: QR 11,667,146), and the provision for doubtful debts was QR 1,068,843 (2009: QR 1,279,879). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

20 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross industrial materials were QR 12,347,714 (2009: QR 9,764,458), with provisions for old and obsolete inventories of QR 2,544,583 (2009: QR 2,837,456). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(c) Contract work-in-progress
Contract work-in-progress is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses.

(d) Useful lives of property, plant and equipment
The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(e) Going concern
The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

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