

# **Barwa Real Estate Company Q.S.C.**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 June 2015**

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# **REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BARWA REAL ESTATE COMPANY Q.S.C.**

## **Introduction**

We have reviewed the accompanying interim statement of financial position of Barwa Real Estate Company Q.S.C. (the “Parent Company”) and its subsidiaries (collectively “the Group”) as of 30 June 2015 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the Six month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, ‘Interim financial reporting’ as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB.

Mohamed Elmoataz

15 July 2015

# Barwa Real Estate Company Q.S.C.

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 (Reviewed) QR'000	31 December 2014 (Audited) QR'000
<b>ASSETS</b>			
Cash and bank balances	5	4,090,687	1,781,443
Financial assets at fair value through profit or loss		8,101	7,577
Receivables and prepayments	6	1,006,270	895,334
Trading properties	8	4,069,234	3,566,196
Finance lease receivables	6	2,020,560	2,191,389
Due from related parties	7	270,515	280,621
Available-for-sale financial assets		301,156	304,043
Advances for projects and investments		4,758,099	7,144,954
Investment properties	10	11,346,513	11,093,173
Property, plant and equipment		696,738	693,857
Investments in associates	9	794,688	817,053
Goodwill		126,411	126,411
Deferred tax assets		1,107	1,175
<b>TOTAL ASSETS</b>		<b>29,490,079</b>	<b>28,903,226</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Payables and other liabilities	11	2,422,906	4,569,370
Provisions	12	171,662	164,938
Due to related parties	7	741,225	329,117
Obligations under Islamic finance contracts	13	7,808,910	7,919,983
Deferred tax liabilities		460	1,088
<b>TOTAL LIABILITIES</b>		<b>11,145,163</b>	<b>12,984,496</b>
<b>EQUITY</b>			
Share capital		3,891,246	3,891,246
Treasury shares		(4,119)	(4,119)
Legal reserve		1,110,169	1,110,169
General reserve		4,639,231	4,639,231
Other reserves	17	(112,256)	(90,436)
Retained earnings		8,659,675	6,213,240
Total equity attributable to equity holders of the Parent		18,183,946	15,759,331
Non-controlling interests		160,970	159,399
<b>Total Equity</b>		<b>18,344,916</b>	<b>15,918,730</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>29,490,079</b>	<b>28,903,226</b>

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 July 2015 and signed on their behalf by:

\_\_\_\_\_  
H.E. Salah Bin Ghanem Al Ali  
Chairman

\_\_\_\_\_  
Salman Mohamad Al Muhannadi  
Group Chief Executive Officer

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

# Barwa Real Estate Company Q.S.C.

## CONSOLIDATED INTERIM STATEMENT OF INCOME

For the Six months ended 30 June 2015

	Notes	<i>For the Three months ended 30 June</i>		<i>For the Six months ended 30 June</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>(Reviewed)</i>		<i>(Reviewed)</i>	
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Rental income		<b>259,295</b>	362,522	<b>517,327</b>	704,805
Rental operation expenses		<b>(70,795)</b>	(91,374)	<b>(140,989)</b>	(183,263)
Finance lease income		<b>66,244</b>	76,281	<b>135,087</b>	154,904
<b>Net rental and finance lease income</b>		<b>254,744</b>	347,429	<b>511,425</b>	676,446
Income from consultancy and other services		<b>116,715</b>	78,053	<b>250,344</b>	180,160
Consulting operation and other services expenses		<b>(64,528)</b>	(43,783)	<b>(134,511)</b>	(105,506)
<b>Net consulting income</b>		<b>52,187</b>	34,270	<b>115,833</b>	74,654
Profit on sale of properties	14	-	-	<b>2,701,685</b>	-
Loss on sale of subsidiaries		-	(39,364)	-	(39,364)
Net fair value (loss) / gain on investment properties	10	<b>(69,050)</b>	(130,918)	<b>240,823</b>	655
Share of results of associates	9	<b>6,766</b>	17,240	<b>20,967</b>	28,003
Gain / (loss) on sale of available-for-sale financial assets		<b>319</b>	-	<b>(194)</b>	-
Loss on financial assets at fair value through profit or loss		<b>(146)</b>	(1,387)	<b>(1,025)</b>	(1,300)
General and administrative expenses		<b>(63,792)</b>	(71,977)	<b>(118,101)</b>	(138,781)
Depreciation		<b>(17,777)</b>	(14,234)	<b>(34,736)</b>	(28,793)
Impairment losses - net	15	<b>13,112</b>	(44,480)	<b>(4,822)</b>	(45,441)
Other income		<b>38,839</b>	18,843	<b>71,232</b>	44,922
<b>Operating profit before finance cost and tax</b>		<b>215,202</b>	115,422	<b>3,503,087</b>	571,001
Finance cost		<b>(37,361)</b>	(183,778)	<b>(85,111)</b>	(380,921)
Finance income		<b>18,865</b>	26,107	<b>38,387</b>	34,763
<b>Profit before income tax</b>		<b>196,706</b>	(42,249)	<b>3,456,363</b>	224,843
Income tax expense		<b>(642)</b>	(232)	<b>(792)</b>	(1,059)
<b>Profit for the period</b>		<b>196,064</b>	(42,481)	<b>3,455,571</b>	223,784
<i>Attributable to:</i>					
<i>Equity holders of the Parent</i>		<b>192,994</b>	(42,926)	<b>3,447,881</b>	222,222
<i>Non-controlling interests</i>		<b>3,070</b>	445	<b>7,690</b>	1,562
		<b>196,064</b>	(42,481)	<b>3,455,571</b>	223,784
<b>Basic and diluted earnings per share</b> <i>(attributable to equity holders of the Parent expressed in QR per share)</i>	16	<b>0.50</b>	0.11	<b>8.86</b>	0.58

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Barwa Real Estate Company Q.S.C.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Six months ended 30 June 2015

	<i>For the Three months ended</i>		<i>For the Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	<b>196,064</b>	(42,481)	<b>3,455,571</b>	223,784
<b>Other comprehensive income</b>				
<i>Other comprehensive income that will be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	<b>44,765</b>	5,377	<b>(20,641)</b>	5,790
Net gain / (loss) on available-for-sale financial assets	<b>1,899</b>	14,808	<b>(2,113)</b>	37,438
<b>Other comprehensive income / (loss) for the period</b>	<b>46,664</b>	20,185	<b>(22,754)</b>	43,228
<b>Total comprehensive income / (loss) for the period</b>	<b>242,728</b>	(22,296)	<b>3,432,817</b>	267,012
<i>Attributable to:</i>				
Equity holders of the Parent	<b>239,231</b>	(22,881)	<b>3,426,061</b>	265,389
Non-controlling interests	<b>3,497</b>	585	<b>6,756</b>	1,623
	<b>242,728</b>	(22,296)	<b>3,432,817</b>	267,012

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

# Barwa Real Estate Company Q.S.C.

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Six months ended 30 June 2015

	<i>Equity attributable to owners of the parent</i>						<i>Non-controlling interests</i> <i>QR'000</i>	<i>Total Equity</i> <i>QR'000</i>	
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>			
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>			
Balance at 1 January 2015	<u>3,891,246</u>	<u>(4,119)</u>	<u>1,110,169</u>	<u>4,639,231</u>	<u>(90,436)</u>	<u>6,213,240</u>	<u>15,759,331</u>	<u>159,399</u>	<u>15,918,730</u>
Profit for the period	-	-	-	-	-	3,447,881	3,447,881	7,690	3,455,571
Other comprehensive loss for the period	-	-	-	-	(21,820)	-	(21,820)	(934)	(22,754)
Total comprehensive (loss) / income for the period	-	-	-	-	(21,820)	3,447,881	3,426,061	6,756	3,432,817
Partners' contribution:									
Excess of purchase consideration over the carrying amount of all amounts due to non-controlling interest "50% of Lusail Golf Development Company "(11i)	-	-	-	-	-	(145,372)	(145,372)	-	(145,372)
Dividends for 2014	-	-	-	-	-	(856,074)	(856,074)	-	(856,074)
Purchasing Minority Shares of Lusail Golf Development Company	-	-	-	-	-	-	-	(5,140)	(5,140)
Other movements	-	-	-	-	-	-	-	(45)	(45)
Total transactions with owners	-	-	-	-	-	(1,001,446)	(1,001,446)	(5,185)	(1,006,631)
<b>Balance at 30 June 2015 (Reviewed)</b>	<u><b>3,891,246</b></u>	<u><b>(4,119)</b></u>	<u><b>1,110,169</b></u>	<u><b>4,639,231</b></u>	<u><b>(112,256)</b></u>	<u><b>8,659,675</b></u>	<u><b>18,183,946</b></u>	<u><b>160,970</b></u>	<u><b>18,344,916</b></u>
	<i>Equity attributable to owners of the parent</i>								
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Other Reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total Equity</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Balance at 1 January 2014 - as previously stated	3,891,246	(4,119)	842,294	4,639,231	(36,484)	4,478,958	13,811,126	499,484	14,310,610
Prior periods adjustment	-	-	-	-	-	-	-	5,000	5,000
Balance at 1 January 2014 (Restated)	3,891,246	(4,119)	842,294	4,639,231	(36,484)	4,478,958	13,811,126	504,484	14,315,610
Profit for the period	-	-	-	-	-	222,222	222,222	1,562	223,784
Other comprehensive income for the period	-	-	-	-	43,167	-	43,167	61	43,228
Total comprehensive income for the period	-	-	-	-	43,167	222,222	265,389	1,623	267,012
Dividends for 2013	-	-	-	-	-	(778,249)	(778,249)	-	(778,249)
Other movements	-	-	-	-	(72,490)	72,490	-	650	650
Total transactions with owners	-	-	-	-	(72,490)	(705,759)	(778,249)	650	(777,599)
Balance at 30 June 2014 (Restated)	<u>3,891,246</u>	<u>(4,119)</u>	<u>842,294</u>	<u>4,639,231</u>	<u>(65,807)</u>	<u>3,995,421</u>	<u>13,298,266</u>	<u>506,757</u>	<u>13,805,023</u>

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

# Barwa Real Estate Company Q.S.C.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the Six months ended 30 June 2015

		<i>For the Six months ended</i>	
		<b>30 June</b>	
		<b>2015</b>	<b>2014</b>
		<i>(Reviewed)</i>	
<i>Notes</i>		<b>QR '000</b>	<b>QR '000</b>
			<i>Restated</i>
<b>OPERATING ACTIVITIES</b>			
	Profit for the period	<b>3,455,571</b>	223,784
	Adjustments for:		
	Finance cost	<b>85,111</b>	380,921
	Finance income	<b>(38,387)</b>	(34,763)
	Gain on valuation of investment properties	<b>(240,823)</b>	(655)
	Depreciation	<b>34,736</b>	28,793
	Share of results of associates	<b>(20,967)</b>	(28,003)
	Loss on disposal of subsidiaries	<b>-</b>	39,364
	Impairment losses - net	<b>4,822</b>	45,441
	Loss on sale of available-for-sale financial assets	<b>194</b>	-
	Gain on disposal of furniture and equipment	<b>(77)</b>	(13)
	Dividend income	<b>(5,366)</b>	(9,570)
	Net deferred tax benefit	<b>(492)</b>	(46)
	Change in Provisions - net	<b>6,724</b>	-
	Unrealised loss on financial assets at fair value through profit or loss	<b>1,031</b>	1,300
	Unwinding of discount on deferred sale arrangements	<b>(135,087)</b>	(154,904)
	Operating income before working capital changes	<b>3,146,990</b>	491,649
	Working capital changes:		
	Change in receivables and prepayments	<b>197,680</b>	158,882
	Amounts due from/due to related parties	<b>36,982</b>	2,075,129
	Change in trading properties	<b>(463,081)</b>	(660,444)
	Change in Assets classified as held for sale	<b>-</b>	(56,179)
	Change in payables and other liabilities	<b>113,303</b>	1,040,893
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,031,874</b>	3,049,930
<b>INVESTING ACTIVITIES</b>			
	Finance income received	<b>38,387</b>	34,763
	Purchase of investment properties	<b>(20,419)</b>	(27,674)
	Payment for purchase of non-current assets held for sale	<b>-</b>	(10,021)
	Proceeds from sale of available-for-sale financial assets	<b>21,708</b>	-
	Proceeds from disposal of property, plant and equipment	<b>2,110</b>	51
	Advances for purchase of investments and properties	<b>(95,900)</b>	(79,554)
	Payments for purchase of available-for-sale financial assets	<b>(19,866)</b>	(4,661)
	Payments for purchase of property, plant and equipment	<b>(42,476)</b>	(7,736)
	Payment for Financial assets at fair value through profit & loss	<b>(1,555)</b>	(2,756)
	Proceeds from disposal of subsidiaries	<b>-</b>	5,568,762
	Net movement in short term deposits maturing after three months	<b>(2,466,390)</b>	(31,115)
	Dividend income received	<b>5,366</b>	9,570
	Dividends received from associates	<b>20,816</b>	4,000
	<b>NET CASH (USED IN) / FROM INVESTING ACTIVITIES</b>	<b>(2,558,219)</b>	5,453,629

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.



Barwa Real Estate Company Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the Six months ended 30 June 2015

		<i>For the Six months ended</i>	
		<i>30 June</i>	
		<i>2015</i>	<i>2014</i>
		<i>(Reviewed)</i>	
<i>Notes</i>		<i>QR'000</i>	<i>QR'000</i>
<b>FINANCING ACTIVITIES</b>			
	Finance cost paid	<b>(85,111)</b>	(380,921)
	Payments for the obligations under Islamic financing contracts	<b>(113,473)</b>	(7,289,912)
	Dividends paid	<b>(426,789)</b>	(384,047)
	Movement in restricted bank balances	<b>(58,312)</b>	105
	Settlement of derivative financial liability	<b>-</b>	6,884
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(683,685)</b>	<b>(8,047,891)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	Net foreign exchange differences	<b>(5,428)</b>	534
	Cash and cash equivalents at 1 January	<b>1,225,069</b>	838,701
	Cash and cash equivalents of disposal group	<b>-</b>	58,099
	Cash and cash equivalent for loss of control on subsidiaries	<b>-</b>	(1,868)
	<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>1,009,611</b>	<b>1,351,134</b>

The attached notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Barwa Real Estate Company Q.S.C. (“the Company” or “the Parent”) was incorporated pursuant to the provision of Article 68 of the Qatar Commercial Companies Law No. 5 of 2002 as Qatari Public Shareholding Company under Commercial Registration No. 31901 dated 27 December 2005. The term of the Company is 100 years starting from the date of declaration in the Commercial Register. The Company is a listed entity on the Qatar Exchange.

The Company’s registered office address is P.O. Box 27777, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries (together, “the Group”) include investment in all types of real estate including acquiring, reclamation, dividing, developing and reselling of land and to establish agricultural, industrial, commercial projects on land, or lease those land, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar. The Group is engaged in the business of developing domestic and international real estate projects, investing, hotels ownership and management, projects consulting and others.

The Group’s subsidiaries accounting for more than 5% of the total assets and /or operational results of the Group during the current or previous period are included in these condensed consolidated interim financial statements are listed below. In addition to the below listed subsidiaries, there are a number of other subsidiaries’ financial statements that are consolidated into these condensed consolidated interim financial statements and are accounting for less than 5% of the total assets and/or operational results of the Group.

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Group effective shareholding percentage</i>	
		<i>30 June 2015</i>	<i>31 December 2014</i>
Asas Real Estate Company W.L.L	Qatar	100%	100%
Al-Waseef Asset Management Company S.P.C.	Qatar	100%	100%
Barwa Al-Doha Real Estate Company W.L.L	Qatar	100%	100%
Barwa International Company S.P.C.	Qatar	100%	100%
Lusail Golf Development Company W.L.L.	Qatar	100%	50%
Barwa Al Sadd Company S.P.C.	Qatar	100%	100%
Barwa Al- Baraha S.P.C.	Qatar	100%	100%
Barwa Financial District W.L.L.	Qatar	100%	100%
Barwa Village Company S.P.C.	Qatar	100%	100%
Gudran S.P.C.	Qatar	100%	100%
Masaken Al Sailya & Mesaimer Company S.P.C.	Qatar	100%	100%
Barwa District Cooling Company S.P.C.	Qatar	100%	100%
Qatar Real Estate Investment Company P.J.S.C.	Qatar	100%	100%
Cavendish Capital	UK	92.31%	92.31%
Guidance Hotel Investment Company B.S.C.C.	Bahrain	96.5%	96.5%
Qatar Project Management Company Q.P.S.C.	Qatar	70%	70%

### 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the period ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards, IAS 34 “Interim Financial Reporting” (“IAS 34”).

The condensed consolidated interim financial statements are presented in Qatari Riyals, which is the Company’s functional and presentational currency and all values are rounded to the nearest thousands (QR’000) except when otherwise indicated.

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2014. In addition, results for the six month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014 except as described below

#### 3.1 Changes in accounting policies and disclosures

(a) The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2015, and have been material impact on the group.

Amendments to IAS 19, 'Employee benefits' on defined benefit plans (Annual periods beginning on or after 1 July 2014). The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.

Amendment to IFRS 2, 'Share based payment' (For share-based payment transactions for which the grant date is on or after 1 July 2014) amends the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition" (which were previously part of the definition of "vesting condition").

IFRS 3, 'Business combinations' (Annual periods beginning on or after 1 July 2014). The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. It also clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

IFRS 8, 'Operating segments' (Annual periods beginning on or after 1 July 2014). The amendment requires to disclose the judgement made by management in applying the aggregation criteria to operating segments.

IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets' (Annual periods beginning on or after 1 July 2014). The amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IAS 24, 'Related party disclosures' (Annual periods beginning on or after 1 July 2014) amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

IFRS 13, 'Fair value measurement' (Annual periods beginning on or after 1 July 2014). An entity shall apply the amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied. The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement of IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

IAS 40, 'Investment property' (Annual periods beginning on or after 1 July 2014). May be applied to individual acquisitions of investment property before 1 July 2014 if, and only if, the information necessary to apply the amendment is available. The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

(b) New standards and interpretations are effective for annual periods beginning after 1 January 2015, and not yet adopted by the Group

IFRS 14, 'regulatory deferral accounts' (Annual periods beginning on or after 1 January 2016) permits first time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items,

IFRS 9, 'Financial instruments' (Annual periods beginning on or after 1 January 2018)

Amendments to IFRS 9, 'Financial instruments' on hedge accounting (Annual periods beginning on or after 1 January 2018) . The amendments to IFRS 9 bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

**3 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*3.1 Changes in accounting policies and disclosures (continued)*

IFRS 15, 'Revenue from contracts with customer' (Annual periods beginning on or after 1 January 2017)

The new standard introduces the core principle that revenue must be recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

**4 ACCOUNTING ESTIMATES**

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2014.

**5 CASH AND BANK BALANCES**

Cash and bank balances are comprised of the following:

	<i>As at 30 June 2015 (Reviewed) QR'000</i>	<i>As at 31 December 2014 (Audited) QR'000</i>
Cash in hand	338	206
Short term deposits	3,434,413	966,167
Current accounts	161,204	236,621
Call accounts	368,193	510,222
Restricted balances	110,258	45,401
Margin bank account	<u>16,281</u>	<u>22,826</u>
<b>Total cash and bank balances</b>	<b>4,090,687</b>	<b>1,781,443</b>
Short term bank deposits maturing after 3 months	<b>(2,954,537)</b>	<b>(488,147)</b>
Restricted bank balances	<u><b>(126,539)</b></u>	<u><b>(68,227)</b></u>
<b>Cash and cash equivalents</b>	<b><u>1,009,611</u></b>	<b><u>1,225,069</u></b>

*Notes:*

- (i) Short term bank deposits are made for varying periods depending on the immediate cash requirements of the Group with original maturity period ranging up to twelve months and carry profit at commercial market rates.
- (ii) Restricted bank balances are restricted mainly to cover certain bank guarantees issued by the Group and the settlement of dividends yet unclaimed by shareholders.

**6 CURRENT AND NON-CURRENT PRESENTATION OF RECEIVABLES AND PREPAYMENTS AND FINANCE LEASE RECEIVABLES**

The following table presents the current and non-current distinction of receivables and prepayments and finance lease receivables at the reporting date.

	<i>Receivables and prepayments</i>		<i>Finance lease receivables</i>	
	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Current	<b>989,991</b>	867,050	<b>362,982</b>	347,608
Non-current	<b>16,279</b>	28,284	<b>1,657,578</b>	1,843,781
	<b><u>1,006,270</u></b>	<u>895,334</u>	<b><u>2,020,560</u></b>	<u>2,191,389</u>

*Note:*

Finance lease receivables amounting to QR 741,756 thousand (31 December 2014: QR 850,738 thousand) have been pledged as a security against the Islamic facility "Sukuk Al Musharakah" amounting to QR 184,351 thousand (31 December 2014: QR 215,076 thousand)

**7 RELATED PARTY DISCLOSURES**

The Controlling Company of the Group is Qatari Diar Real Estate Investment Company Q.S.C, which owns 45% of the company's shares including a preferred share based on the Articles of Association of the Parent Company. The remaining 55% of the shares are widely held and publicly traded at the Qatar Exchange.

The Parent Company has transactions with related parties, i.e. shareholders having control on the Company, associated companies, directors and key management 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 Group's management.

**Related party transactions**

Transactions with related parties during the period were as follows:

	<i>For the Six months ended 30 June</i>	
	<i>2015 (Reviewed) QR'000</i>	<i>2014 (Reviewed) QR'000</i>
Income from consultancy and other services – Controlling Company	<b>131,398</b>	102,945
Rental income– Controlling Company/ associates	<b>3,335</b>	6,398
Finance costs – Controlling Company	<b>-</b>	18,691

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 7 RELATED PARTY DISCLOSURES (Continued)

Balances with related parties included in the consolidated interim statement of financial position are as follows:

	<i>Due from related parties</i>		<i>Due to related parties</i>	
	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Qatari Diar Real Estate Investment Company Q.S.C.	-	-	<b>628,260</b>	230,636
Associate companies	<b>106,847</b>	106,750	<b>35,901</b>	29,366
Non-controlling interest	-	-	<b>3,215</b>	3,144
Affiliated entities	<b>17,939</b>	17,929	<b>73,849</b>	65,971
Other related parties	<b>145,729</b>	155,942	-	-
	<b>270,515</b>	280,621	<b>741,225</b>	329,117

Current and non-current portions of due from and due to related parties were as follows:

	<i>Due from related parties</i>		<i>Due to related parties</i>	
	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Non-current	<b>103,110</b>	103,099	<b>3,790</b>	3,718
Current	<b>167,405</b>	177,522	<b>737,435</b>	325,399
	<b>270,515</b>	280,621	<b>741,225</b>	329,117

### Compensation of directors and other key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<i>For the three months ended 30 June</i>		<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed) QR'000</i>	<i>2014 (Reviewed) QR'000</i>	<i>2015 (Reviewed) QR'000</i>	<i>2014 (Reviewed) QR'000</i>
Total key management staff benefits (Group basis)	<b>12,506</b>	12,927	<b>22,308</b>	28,087

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 8 TRADING PROPERTIES

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Properties available for sale	183,067	184,472
Properties under development- net	<u>3,886,167</u>	<u>3,381,724</u>
	<u><b>4,069,234</b></u>	<u><b>3,566,196</b></u>

Movements of properties available for sale during the period were as follows:

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>30 June 2014 (Reviewed) QR'000</i>
At 1 January	184,472	16,101,632
Additions during the period	334	-
Sold properties during the period (i)	(1,739)	(6,858,745)
Transferred from properties under development	-	34,663
Transferred from investment properties	-	88,389
Transferred to assets classified as held for sale	-	(9,179,772)
<b>At 30 June</b>	<u><b>183,067</b></u>	<u><b>186,167</b></u>

- (i) During the period the group sold a plot of land with an area of 626,325 m2 located in Mesaimeer area against a sales proceed of QR 2,703,434 thousand. The sales proceeds have been collected in full.

Movements of properties under development during the period were as follows:

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>30 June 2014 (Reviewed) QR'000</i>
At 1 January	3,381,724	3,156,581
Additions	465,405	798,143
Capitalised finance cost	30,905	29,016
Disposal of subsidiaries	-	(806,702)
Disposed during the period	-	(23,064)
Transferred to properties available for sale	-	(34,663)
Transfer to investment property	-	(3,980)
Reversal of impairment	14,486	-
Foreign exchange adjustment	(6,353)	(2,998)
<b>At 30 June</b>	<u><b>3,886,167</b></u>	<u><b>3,112,333</b></u>

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 9 INVESTMENTS IN ASSOCIATES

The following table illustrates the summarised financial information of the Group's investments in associates

	<i>Six months ended 30 June 2015 (Reviewed) QR'000</i>	<i>Six months ended 30 June 2014 (Reviewed) QR'000</i>
At 1 January	817,053	500,473
Dividends received from associates	(20,816)	(4,000)
Share of results of associates	20,967	28,003
Impairment Losses	(16,700)	-
Share of change in fair value reserve of available for sale financial assets	1,782	909
Currency translation adjustment	(7,598)	(166)
<b>At 30 June</b>	<b>794,688</b>	<b>525,219</b>

	<i>Six months ended 30 June 2015 (Reviewed) QR'000</i>	<i>Six months ended 30 June 2014 (Reviewed) QR'000</i>
Group's share of the equity accounting investees statement of financial position:		
Total Assets	1,696,912	1,051,379
Total liabilities	(902,224)	(526,160)

Group share of net assets of equity accounting investees	<b>794,688</b>	<b>525,219</b>
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Carrying amount of the investments	<b>794,688</b>	<b>525,219</b>
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Group's share of equity accounting investees' revenues and results:

Revenues	147,325	169,065
Results	20,967	28,003

### 10 INVESTMENT PROPERTIES

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>30 June 2014 (Reviewed) QR'000</i>
At 1 January	11,093,173	10,212,414
Additions	20,419	27,674
Transfers from advances for projects and investments	-	47,672
Transfer (to) / from trading properties (net)	-	(84,409)
Transfer to property, plant and equipment	(2,711)	-
Net fair value gain / (loss)	240,823	(181,989)
Foreign exchange adjustment	(5,191)	8,337
<b>At 30 June</b>	<b>11,346,513</b>	<b>10,029,699</b>
<b>Fair value gain / (loss)</b>		
- On investment properties	240,823	(181,989)
- On investment properties classified as non-current assets held for sale	-	182,644
<b>Period ended 30 June</b>	<b>240,823</b>	<b>655</b>



**10 INVESTMENT PROPERTIES (continued)**

*Notes:*

- (i) Investment properties are located in the State of Qatar, Republic of Cyprus and United Kingdom.
- (ii) Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 30 June 2015 except for properties located in Cyprus and UK which have been valued internally using accepted valuation techniques. Those valuers are accredited independent valuers with recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable. In the absence of current prices in an active market, the valuations are based on the aggregate of the estimated cash flows expected to be received from renting the property. A yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation.
- (iii) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iv) Included in investment properties are certain properties with a carrying value of QR 1,254,000 thousand at 30 June 2015 (31 December 2014: QR 1,254,000 thousand) for which the title deeds will be transferred to the Group on completion of the construction of the projects or upon settlement of full amount of the investment properties. The condensed consolidated interim financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the Group.
- (v) Description of valuation techniques used by the group and key inputs to valuation on some of the investment properties are as follows:

<i>Type of properties</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Range (weighted average)</i>
Commercial properties	DCF method	Estimated rental value per sqm per month	QR 18-270
		Rent growth p.a.	1%-2.5%
		Long-term vacancy rate	0%-2%
		Discount rate	8.17%
Residential properties	DCF method	Estimated rental value per sqm per month	QR 31-69
		Rent growth p.a.	2.5%-5%
		Long-term vacancy rate	0%-2%
		Discount rate	8.17%
Land Bank	Direct Comparison	Estimated land value per sqm	QR 9,149 – 11,302

**Discounted Cash Flow Method (DCF):** The most commonly used technique for assessing Market Value within the Income Approach is Discounted Cash-flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. A market-derived discount rate is applied to estimate cash flows to establish a present value of the income stream. This Net Present Value (“NPV”) is an indication of Market Value.

**Direct Comparison Approach:** This approach involves a comparison of the subject property to similar properties that have actually been sold in arms’-length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 11 PAYABLES AND OTHER LIABILITIES

	<b>30 June 2015 (Reviewed) QR'000</b>	<b>31 December 2014 (Audited) QR'000</b>
Subcontractors and suppliers	616,171	584,347
Clients advances and unearned income	106,739	54,802
Retention payable	256,623	218,232
Contribution to social and sports fund	112,279	112,279
Accrued expenses	249,163	219,434
Accrued finance cost	31,864	32,116
Employees end of services benefits	79,696	74,798
Other payables	970,371	3,273,362 (i)
	<u>2,422,906</u>	<u>4,569,370</u>

*The maturity of payables and other liabilities are as follows:*

Non-current	818,339	834,516
Current	1,604,567	3,734,854
	<u>2,422,906</u>	<u>4,569,370</u>

- (i) During the period, the Group acquired the remaining 50% of Lusail Golf Development Co. for a purchase consideration of QR 2,482,755 thousand. The purchase price was paid in December 2014 and was presented in the consolidated statement of financial position under "Advances for projects and investments" at 31 December 2014. On 5 January 2015 all the procedures have been completed and the shares have been transferred to the Group, accordingly, Lusail Golf Development Company is now a fully owned subsidiary of the Group. Because Lusail Golf Development Company was controlled by the Group before this transaction, the excess of purchase consideration over the carrying amount of all amounts due to the non-controlling interests of QR 145,372 thousands was charged to the retained earnings of the Parent.

### 12 PROVISIONS

	<b>30 June 2015 (Reviewed) QR'000</b>	<b>30 June 2014 (Reviewed) QR'000</b>
At 1 January	164,938	145,661
Provided during the period	6,739	-
Reversal during the period	(15)	-
At 30 June	<u>171,662</u>	<u>145,661</u>

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 13 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

The movements in the obligations under Islamic finance contracts during the period were as follows:

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>30 June 2014 (Reviewed) QR'000</i>
At 1 January	7,919,983	27,788,091
Repayments of outstanding facilities during the period	<u>(113,473)</u>	<u>(7,289,912)</u>
	<b>7,806,510</b>	<b>20,498,179</b>
Deferred Finance Charges	<u>2,400</u>	<u>2,400</u>
At 30 June	<u><b>7,808,910</b></u>	<u><b>20,500,579</b></u>

*The maturity profile of obligations under Islamic finance contracts are as follows:*

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Non-current portion	550,935	7,185,831
Current portion	<u>7,257,975</u>	<u>734,152</u>
	<u><b>7,808,910</b></u>	<u><b>7,919,983</b></u>

*Note:*

The Islamic finance contracts have been obtained for the purpose of financing long term projects and working capital requirements of the Group. The contracts carry profits at commercial rates. There were no securities pledged against any of the contracts at 30 June 2015 and 31 December 2014, except for finance lease receivable pledged as security, which has been disclosed in Note 6 to these interim condensed consolidated financial statements.

### 14 PROFIT ON SALE OF PROPERTIES

	<i>Six months ended 30 June 2015 (Reviewed) QR'000</i>	<i>Six months ended 30 June 2014 (Reviewed) QR'000</i>
Sale proceeds – trading properties	2,703,424	-
Cost of sales – trading properties	<u>(1,739)</u>	<u>-</u>
Profit on sale of properties	<u><b>2,701,685</b></u>	<u><b>-</b></u>

### 15 IMPAIRMENT LOSSES - NET

	<i>Six months ended 30 June 2015 (Reviewed) QR'000</i>	<i>Six months ended 30 June 2014 (Reviewed) QR'000</i>
Available for sale financial assets	75	45,178
Receivables and prepayments	2,533	(1,574)
Advances for projects and investments	-	1,837
Investment in associates	16,700	-
Reversal of impairment	<u>(14,486)</u>	<u>-</u>
	<u><b>4,822</b></u>	<u><b>45,441</b></u>

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 16 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>For the Six months ended</i>	
	<i>30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit attributable to owners of the parent (QR 000')	<u>3,447,881</u>	<u>222,222</u>
Ordinary shares issued and fully paid (Thousand shares)	389,125	389,125
Treasury Shares (Thousand shares)	<u>(50)</u>	<u>(50)</u>
Weighted average number of shares outstanding during the period (in thousand shares)	<u>389,075</u>	<u>389,075</u>
Basic and diluted earnings per share (QR)	<u>8.86</u>	<u>0.58</u>

There were no potentially dilutive shares outstanding at any time during the period and therefore the diluted earnings per share is equal to the basic earnings per share.

### 17 OTHER RESERVES

	<i>30 June</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>Translation reserves:</i>		
Currency translation differences from foreign operations	(172,588)	(152,882)
<i>Available-for-sale financial assets:</i>		
Gain on re measurement at fair value	60,332	62,446
	<u>(112,256)</u>	<u>(90,436)</u>

### 18 CONTINGENT LIABILITIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	<i>30 June</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Bank guarantees	<u>104,919</u>	<u>77,496</u>

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 19 COMMITMENTS

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Contractual commitments to contractors and suppliers for properties under development	<u>1,061,580</u>	<u>1,380,502</u>
Commitments for operating leases (i)	<u>242,715</u>	<u>256,195</u>
Commitments for purchase of investments	<u>268,353</u>	<u>381,827</u>

*Note:*

(i) Commitments for operating leases are analysed as follows:

	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Less than one year	33,047	33,030
Between 1 and 5 years	134,768	132,098
More than 5 years	<u>74,900</u>	<u>91,067</u>
	<u>242,715</u>	<u>256,195</u>

### 20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 20.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value profit rate risk, cash flow profit rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

#### 20.2 Liquidity risk

Compared to the year end, there were no material changes in the contractual undiscounted cash out flows for financial liabilities.

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 20.3 Fair value estimation

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments as at 30 June 2015 and 31 December 2014:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>30 June 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
<b>Financial assets</b>				
Bank balances (excluding cash)	<b>4,090,349</b>	1,781,237	<b>4,090,349</b>	1,781,237
Receivables	<b>970,280</b>	856,622	<b>970,280</b>	856,622
Finance lease receivables	<b>2,020,560</b>	2,191,389	<b>2,020,560</b>	2,191,389
Due from related parties	<b>270,515</b>	280,621	<b>270,515</b>	280,621
Financial assets at fair value through profit or loss	<b>8,101</b>	7,577	<b>8,101</b>	7,577
Available-for-sale financial assets	<b>301,156</b>	304,043	<b>301,156</b>	304,043
<b>Financial liabilities</b>				
Payables and other liabilities	<b>(1,560,369)</b>	(3,763,670)	<b>(1,560,369)</b>	(3,763,670)
Due to related parties	<b>(741,225)</b>	(329,117)	<b>(741,225)</b>	(329,117)
Obligations under Islamic finance contracts	<b>(7,808,910)</b>	(7,919,983)	<b>(7,808,910)</b>	(7,919,983)

#### Fair value hierarchy

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; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

Available for sale financial assets amounting to QR 132,924 thousand are unquoted equity securities carried at cost as the fair value could not be reliably measured. Information for such investments is usually limited to periodic investment performance reports from the investment managers. Management has performed a review of its unquoted investments to assess whether impairment has occurred in the value of these investments. Based on the latest financial information available in respect of these investments and their operations, management is of the view that the value of these investments is not impaired more than what is already recorded.

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 20.3 Fair value estimation (Continued)

As at 30 June 2015 and 31 December 2014, the Group held the following classes of financial instruments measured at fair value:

#### Financial assets

	<i>30 June 2015</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
Financial assets at fair value through profit or loss	<b>8,101</b>	<b>8,101</b>	-	-
Available-for-sale financial assets	<b>301,156</b>	<b>168,232</b>	-	<b>132,924</b>
	<b>309,257</b>	<b>176,333</b>	-	<b>132,924</b>
	<i>31 December</i> <i>2014</i> <i>(Audited)</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
Financial assets at fair value through profit or loss	7,577	7,577	-	-
Available-for-sale financial assets	304,043	172,383	-	131,660
	311,620	179,960	-	131,660

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 21 SEGMENT INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different businesses and are managed separately because they require different expertise. For each of the strategic divisions, the Group's top management (the chief operating decision maker) reviews internal management reports on a regular basis. The real estate segment develops, sells and lease condominiums, villas and plots of land. Business services segment provides business support services and other services comprise financial and other institutions.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results, which are considered as a measure of the individual segment's profit and losses.

#### Operating segments

The operating segments are presented as follows;

<i>For the six months ended 30 June 2015 (Reviewed)</i>	<i>Real Estate QR'000</i>	<i>Business services QR'000</i>	<i>Other services QR'000</i>	<i>Eliminations QR'000</i>	<i>Total QR'000</i>
<b>Revenues and gains</b>					
- External parties	3,594,897	242,869	98,480	-	3,936,246
- Internal segments	23,562	24,693	-	(48,255) (i)	-
<b>Total revenues and gains</b>	<b>3,618,459</b>	<b>267,562</b>	<b>98,480</b>	<b>(48,255)</b>	<b>3,936,246</b>
<b>Profit for the period</b>	<b>3,309,734</b>	<b>62,229</b>	<b>86,020</b>	<b>(2,412)</b>	<b>3,455,571</b>
<b>Net finance (cost)/ income</b>	<b>(48,551)</b>	<b>1,827</b>	<b>-</b>	<b>-</b>	<b>(46,724)</b>
<b>Depreciation</b>	<b>(29,459)</b>	<b>(610)</b>	<b>(4,667)</b>	<b>-</b>	<b>(34,736)</b>
<b>Share of results of associates</b>	<b>-</b>	<b>-</b>	<b>20,967</b>	<b>-</b>	<b>20,967</b>
<i>For the six months ended 30 June 2014 (Reviewed)</i>	<i>Real Estate QR'000</i>	<i>Business services QR'000</i>	<i>Other services QR'000</i>	<i>Eliminations QR'000</i>	<i>Total QR'000</i>
<b>Revenues and gains</b>					
- External parties	812,825	180,160	79,800	-	1,072,785
- Internal segments	14,424	67,649	4,088	(86,161) (i)	-
<b>Total revenues and gains</b>	<b>827,249</b>	<b>247,809</b>	<b>83,888</b>	<b>(86,161)</b>	<b>1,072,785</b>
<b>Profit for the period</b>	<b>115,874</b>	<b>133,418</b>	<b>42,557</b>	<b>(68,065)</b>	<b>223,784</b>
<b>Net finance (cost)/ income</b>	<b>(346,568)</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>(346,158)</b>
<b>Depreciation</b>	<b>(28,198)</b>	<b>(595)</b>	<b>-</b>	<b>-</b>	<b>(28,793)</b>
<b>Share of results of associates</b>	<b>-</b>	<b>-</b>	<b>28,003</b>	<b>-</b>	<b>28,003</b>

Note:

(i) Inter-segment revenues and gains are eliminated at the consolidated level.



# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 21 SEGMENT INFORMATION (Continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2015 and 31 December 2014:

<i>At 30 June 2015 (Reviewed)</i>	<i>Real Estate</i>	<i>Business services</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Current assets	9,350,962	371,335	38,783	-	9,761,080
Non-current assets	19,040,388	174,913	1,024,758	(511,060)	19,728,999
<b>Total assets</b>	<b>28,391,350</b>	<b>546,248</b>	<b>1,063,541</b>	<b>(511,060)</b>	<b>29,490,079</b>
Current liabilities	(9,627,252)	(148,975)	(13,233)	-	(9,789,460)
Non-current liabilities	(941,228)	(67,183)	(387,802)	40,510	(1,355,703)
<b>Total liabilities</b>	<b>(10,568,480)</b>	<b>(216,158)</b>	<b>(401,035)</b>	<b>40,510</b>	<b>(11,145,163)</b>
<b>Investment in associates</b>	<b>-</b>	<b>-</b>	<b>794,688</b>	<b>-</b>	<b>794,688</b>
<b>Capital expenditures</b>	<b>559,541</b> (ii)	<b>-</b>	<b>-</b>	<b>-</b>	<b>559,541</b>
<i>At 31 December 2014 (Audited)</i>	<i>Real Estate</i>	<i>Business services</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Current assets	9,035,961	263,503	31,454	-	9,330,918
Non-current assets	18,845,758	180,841	1,051,794	(506,085)	19,572,308
<b>Total assets</b>	<b>27,881,719</b>	<b>444,344</b>	<b>1,083,248</b>	<b>(506,085)</b>	<b>28,903,226</b>
Current liabilities	(4,863,516)	(106,174)	(12,414)	-	(4,982,104)
Non-current liabilities	(7,597,641)	(72,748)	(380,541)	48,538	(8,002,392)
<b>Total liabilities</b>	<b>(12,461,157)</b>	<b>(178,922)</b>	<b>(392,955)</b>	<b>48,538</b>	<b>(12,984,496)</b>
<b>Investment in associates</b>	<b>-</b>	<b>-</b>	<b>817,053</b>	<b>-</b>	<b>817,053</b>
<b>Capital expenditures</b>	<b>1,527,524</b> (ii)	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,527,524</b>

Note:

(ii) Capital expenditure consists of additions to trading properties, investment properties and property, plant and equipment and assets from business combinations.

### 22 DIVIDENDS

The shareholders of the Parent Company approved at the Annual General Meeting held on 29 March 2015 a cash dividend of QR 2.2 per share; total amounting to QR 856,074 thousand from the profit of 2014 (2014: cash dividend of QR 2 per share; total amounting to QR 778,249 thousand from the profit of 2013).

# Barwa Real Estate Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 June 2015

### 23 COMPARATIVE FIGURES

Corresponding figures for the year ending 31 December 2014 have been reclassified in order to conform with the presentation for the current period. Such reclassifications have been made by the Group to improve the quality of information presented and did not have any impact on the previously reported equity and profits. Below is a summary of significant reclassifications made during the period.

	Previous presentation	Reclassifications	Current presentation
<b>Statement of Financial Position:</b>			
Trading properties	3,694,586	(128,390)	3,566,196
Investment properties	10,964,783	128,390	11,093,173

### 24 SUBSEQUENT EVENTS

- (i) During the month of June 2015 the Group paid an amount of USD 10 Million, representing part of the purchase consideration for the purchase of the non-controlling stake of 3.5% of its partner in Guidance Hotel Investment Co. B.S.C.C (GHIC), a 96.5% owned subsidiary of the Group. According to the agreement the acquisition of the non-controlling interest of 3.5% in GHIC is to be settled against a cash payment of USD 10 Million in addition to one of GHIC's properties. As the procedures to register the newly acquired shares in the name of the Group were still in progress at 30 June 2015, the amount of US\$ 10 Million (equivalent of QR 36,415 thousand) has been disclosed under "Advances for Projects and Investments" at 30 June 2015. Formalities are expected to be completed during the 3rd quarter of 2015.
- (ii) On 12 July 2015, the company signed a facility agreement with one of the local banks with a facility limit of USD 175 Million (equivalent to QAR 637 Million approximately). The purpose of the facility is to refinance one of the company's current Obligations under Islamic Finance contracts. The tenor of the facility is 7 years from the drawdown date with no securities pledged against this new facility.