

**Gulf International Services Q.S.C.**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2012**

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GULF INTERNATIONAL SERVICES Q.S.C.

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf International Services Q.S.C. (the "Company") and its subsidiaries and a jointly controlled entity (together referred to as the "Group") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Liad Nader  
of Ernst & Young  
Auditor's Registration No. 258

Date: 1 August 2012  
Doha



Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

|  | <i>Notes</i> | <i>Six months ended</i> |                    |
|--|--------------|-------------------------|--------------------|
|  |              | <i>30 June</i>          |                    |
|  |              | <i>2012</i>             | <i>2011</i>        |
|  |              | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|  |              | <i>QR '000</i>          | <i>QR '000</i>     |
| Revenue  | 4            | <b>886,954</b>          | 717,127            |
| Direct costs   | 5            | <b>(650,544)</b>        | (533,695)          |
| <b>GROSS PROFIT</b>  |              | <b>236,410</b>          | 183,432            |
| Finance income   |              | <b>13,450</b>           | 8,611              |
| Net gains on financial assets at fair value through income statement |              | <b>3,999</b>            | 1,679              |
| Net gain on disposal of financial investments                        |              | <b>909</b>              | 911                |
| Other income   |              | <b>16,049</b>           | 21,348             |
| Share of profit (loss) of an associate                               |              | <b>1,261</b>            | (334)              |
| Finance expenses   |              | <b>(12,280)</b>         | (6,702)            |
| Impairment loss on available-for-sale investments                    |              | <b>-</b>                | (13,683)           |
| General and administrative expenses                                  |              | <b>(63,311)</b>         | (54,595)           |
| <b>PROFIT FOR THE PERIOD</b>   |              | <b>196,487</b>          | 140,667            |
| <b>Other comprehensive income</b>                                    |              |                         |                    |
| Net movement in the fair value of available-for-sale investments     |              | <b>8,420</b>            | 10,932             |
| Net foreign exchange difference on translation of foreign operations |              | <b>(23)</b>             | (8)                |
| <b>Other comprehensive income for the period</b>                     |              | <b>8,397</b>            | 10,924             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                     |              | <b>204,884</b>          | 151,591            |
| <b>Earnings per share</b>  |              |                         |                    |
| Basic and diluted earnings per share (Qatari Riyals)                 | 16           | <b>1.32</b>             | 0.95               |

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

# Gulf International Services Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

|   |    | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR '000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR '000</i> |
|---|----|---|---|
| <b>ASSETS</b>   |    |   |   |
| <b>Non-current assets</b>                             |    |   |   |
| Property, plant and equipment                         | 6  | 2,626,454   | 2,292,562   |
| Intangible assets                                     | 3  | 303,559   | -   |
| Investment properties                                 | 7  | 1,125   | 1,125   |
| Investment in an associate                            |    | 1,357   | 120   |
| Held-to-maturity investments                          | 8  | 85,394  | 72,598  |
| Available-for-sale investments                        | 9  | 56,193  | 48,967  |
|   |    | <u>3,074,082</u>                                    | <u>2,415,372</u>                                      |
| <b>Current assets</b>                                 |    |   |   |
| Inventories   |    | 91,668  | 74,322  |
| Due from related parties                              |    | 371,414   | 194,936   |
| Accounts receivable and prepayments                   |    | 768,203   | 306,837   |
| Insurance receivables                                 |    | 411,229   | 422,049   |
| Financial assets at fair value through profit or loss | 10 | 214,012   | 98,154  |
| Bank balances and cash                                | 11 | 1,229,629   | 1,093,554   |
|   |    | <u>3,086,155</u>                                    | <u>2,189,852</u>                                      |
| <b>TOTAL ASSETS</b>                                   |    | <u><u>6,160,237</u></u>                             | <u><u>4,605,224</u></u>                               |
| <b>EQUITY AND LIABILITIES</b>                         |    |   |   |
| <b>Equity</b>   |    |   |   |
| Share capital   | 12 | 1,486,727   | 1,351,570   |
| Legal reserve   |    | 133,402   | 133,402   |
| General reserve                                       |    | 74,516  | 74,516  |
| Foreign currency translation reserve                  |    | (177)   | (154)   |
| Fair value reserve                                    |    | 8,562   | 142   |
| Retained earnings                                     |    | 681,375   | 795,749   |
| <b>Total equity</b>                                   |    | <u>2,384,405</u>                                    | <u>2,355,225</u>                                      |
| <b>Non-current liabilities</b>                        |    |   |   |
| Loans and borrowings                                  | 13 | 1,430,250   | 757,972   |
| Employees' end of service benefits                    |    | 29,549  | 15,644  |
|   |    | <u>1,459,799</u>                                    | <u>773,616</u>  |
| <b>Current liabilities</b>                            |    |   |   |
| Due to related parties                                |    | 239,421   | 100,595   |
| Accounts payable, insurance payables and accruals     |    | 1,725,607   | 1,184,800   |
| Loans and borrowings                                  | 13 | 351,005   | 190,988   |
|   |    | <u>2,316,033</u>                                    | <u>1,476,383</u>                                      |
| <b>Total liabilities</b>                              |    | <u>3,775,832</u>                                    | <u>2,249,999</u>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |    | <u><u>6,160,237</u></u>                             | <u><u>4,605,224</u></u>                               |



Dr. Mohamed Saleh Al-Sada  
Minister of Energy and Industry  
Chairman & Managing Director



Saeed Mubarak Al-Muhanadi  
Vice-Chairman

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

|  | <i>Share<br/>capital<br/>QR '000</i> | <i>Legal<br/>reserve<br/>QR '000</i> | <i>General<br/>reserve<br/>QR '000</i> | <i>Foreign<br/>currency<br/>translation<br/>reserve<br/>QR '000</i> | <i>Fair value<br/>reserve<br/>QR '000</i> | <i>Retained<br/>earnings<br/>QR '000</i> | <i>Total<br/>QR '000</i> |
|--|--------------------------------------|--------------------------------------|--|---|---|--|--------------------------|
| Balance at 1 January 2012                  | 1,351,570                            | 133,402                              | 74,516                                 | (154)   | 142                                       | 795,749                                  | 2,355,225                |
| Profit for the period                      | -                                    | -                                    | -                                      | -   | -   | 196,487                                  | 196,487                  |
| Other comprehensive income for the period  | -                                    | -                                    | -                                      | (23)  | 8,420                                     | -  | 8,397                    |
| Total comprehensive income for the period  | -                                    | -                                    | -                                      | (23)  | 8,420                                     | 196,487                                  | 204,884                  |
| Issuance of bonus shares (Note 12)         | 135,157                              | -                                    | -                                      | -   | -   | (135,157)                                | -                        |
| Dividends paid (Note 12)                   | -                                    | -                                    | -                                      | -   | -   | (175,704)                                | (175,704)                |
| <b>Balance at 30 June 2012 (Unaudited)</b> | <b><u>1,486,727</u></b>              | <b><u>133,402</u></b>                | <b><u>74,516</u></b>                   | <b><u>(177)</u></b>   | <b><u>8,562</u></b>                       | <b><u>681,375</u></b>                    | <b><u>2,384,405</u></b>  |

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2012

|   | <i>Share<br/>capital<br/>QR '000</i> | <i>Legal<br/>reserve<br/>QR '000</i> | <i>General<br/>reserve<br/>QR '000</i> | <i>Foreign<br/>currency<br/>translation<br/>reserve<br/>QR '000</i> | <i>Fair value<br/>reserve<br/>QR '000</i> | <i>Retained<br/>earnings<br/>QR '000</i> | <i>Total<br/>QR '000</i> |
|---|--------------------------------------|--------------------------------------|--|---|---|--|--------------------------|
| Balance at 1 January 2011                 | 1,351,570                            | 120,090                              | 74,516                                 | -   | (10,979)                                  | 708,075                                  | 2,243,272                |
| Profit for the period                     | -                                    | -                                    | -                                      | -   | -   | 140,667                                  | 140,667                  |
| Other comprehensive income for the period | -                                    | -                                    | -                                      | (8)   | 10,932                                    | -  | 10,924                   |
| Total comprehensive income for the period | -                                    | -                                    | -                                      | (8)   | 10,932                                    | 140,667                                  | 151,591                  |
| Dividends paid (Note 12)                  | -                                    | -                                    | -                                      | -   | -   | (175,704)                                | (175,704)                |
| Balance at 30 June 2011 (Unaudited)       | <u>1,351,570</u>                     | <u>120,090</u>                       | <u>74,516</u>                          | <u>(8)</u>  | <u>(47)</u>                               | <u>673,038</u>                           | <u>2,219,159</u>         |

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          |                    |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|   | <i>QR '000</i>          | <i>QR '000</i>     |
| <b>OPERATING ACTIVITIES</b>   |                         |                    |
| Profit for the period   | <b>196,487</b>          | 140,667            |
| Adjustments for:  |                         |                    |
| Depreciation  | <b>91,476</b>           | 86,299             |
| Impairment loss on available-for-sale investments                             | -                       | 14,594             |
| Provision for employees' end of service benefits                              | <b>7,197</b>            | 2,749              |
| Finance expenses  | <b>12,280</b>           | 6,702              |
| Loss on disposal of property, plant and equipment                             | <b>333</b>              | 2,217              |
| Share of (profit) loss of an associate  | <b>(1,260)</b>          | 334                |
| Net gains on financial assets at fair value through profit or loss            | <b>(3,999)</b>          | (1,679)            |
| Finance income  | <b>(13,450)</b>         | (8,611)            |
| Net gains on disposal of available-for-sale investments                       | <b>(909)</b>            | (911)              |
| Operating profit before changes in working capital:                           | <b>288,155</b>          | 242,361            |
| Inventories   | <b>(8,001)</b>          | (6,222)            |
| Accounts receivable, insurance receivables and prepayments                    | <b>(353,724)</b>        | 116,173            |
| Accounts payable, insurance payables and accruals                             | <b>321,649</b>          | 65,459             |
| Cash from operations  | <b>248,079</b>          | 417,771            |
| End of service benefits paid  | <b>(2,218)</b>          | (1,312)            |
| Net cash from operating activities  | <b>245,861</b>          | 416,459            |
| <b>INVESTING ACTIVITIES</b>   |                         |                    |
| Proceeds from disposal of financial investments                               | <b>45,701</b>           | 36,000             |
| Receipt of finance income   | <b>12,479</b>           | 8,611              |
| Rebates from the purchase of property, plant and equipment                    | <b>512</b>              | -                  |
| Proceeds from disposal of property, plant and equipment                       | <b>450</b>              | 2,093              |
| Acquisition of financial investments  | <b>(168,253)</b>        | (4,852)            |
| Net movement in term deposits with maturities in excess of three months       | <b>6,512</b>            | (66,314)           |
| Acquisition of a subsidiary net of cash received (Note 3)                     | <b>(278,053)</b>        | -                  |
| Acquisition of property, plant and equipment and properties under development | <b>(368,144)</b>        | (259,476)          |
| Net cash used in investing activities   | <b>(748,796)</b>        | (283,938)          |
| <b>FINANCING ACTIVITIES</b>   |                         |                    |
| Net movement in loans and borrowings  | <b>832,295</b>          | 125,775            |
| Dividends paid (Note 12)  | <b>(175,704)</b>        | (175,704)          |
| Finance expenses paid   | <b>(11,069)</b>         | (6,702)            |
| Net cash from (used in) financing activities                                  | <b>645,522</b>          | (56,631)           |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                                  | <b>142,587</b>          | 75,890             |
| Cash and cash equivalents at 1 January  | <b>478,041</b>          | 463,900            |
| <b>CASH AND CASH EQUIVALENTS AT 30 JUNE (Note 11)</b>                         | <b>620,628</b>          | 539,790            |

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

# Gulf International Services Q.S.C.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 1 CORPORATE INFORMATION

Gulf International Services Q.S.C. (the “Company” or together with its subsidiaries and a joint venture referred to as the “Group”) is a Company incorporated in the State of Qatar under commercial registration number 38200 as a Qatari Shareholding Company on 12 February 2008. The principal activity of the Company is to operate as a holding company. The registered office of the Company is situated on the 3rd floor, Al Saad Plaza Building, Doha, State of Qatar.

The Company was incorporated by Qatar Petroleum (“QP”) as a sole shareholder with an initial capital of QR 5 million on 12 February 2008 which is the date of incorporation of the Company.

Until 24 February 2008, the equity interests in the portfolio companies (Gulf Helicopters Q.S.C. (“GHC”), Gulf Drilling International Q.S.C. (“GDI”) and Al Koot Insurance and Reinsurance Company S.A.Q. (“Al Koot”)) were held directly by QP and Japan Drilling Company (“JDC”) (In case of GDI – 30.01% is owned by JDC) and the equity interests of QP were transferred to the Company on 24 February 2008.

However, the management concluded that the effective date of transfer of interest from QP to the Company was 12 February 2008, being the date on which control as well as joint control, over these portfolio companies, was transferred by QP to the Company and hence from this date, the results of operations of these portfolio companies are consolidated with the results of operations of the Company.

On 26 May 2008, QP listed 70% of the Company’s issued share capital in the Doha Securities Market. Accordingly, the shareholding of the Company is currently 30% owned by QP and remaining 70% by other individuals and corporate.

On 31 May 2012, the Group acquired 100% shares of Amwaj Catering Services Limited Q.S.C., a limited liability company incorporated in the State of Qatar. The Group has obtained control over the Subsidiary in accordance with the sale and purchase agreement effective from 1 June 2012.

The interim condensed consolidated financial statements of the Group as at and for the six-month period ended 30 June 2012 comprise the Company, the interim condensed consolidated financial information of its three subsidiaries and proportionate share of the interim condensed financial information of its joint venture.

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors on 1 August 2012.

### 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”) and have been presented in Qatar Riyals, which is the Group’s functional and presentation currency and all values are rounded to the nearest thousands (QR ‘000), except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2011. In addition, results for the six months ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.



## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except for the adoption of new standards and interpretations as of 1 January 2012, as noted below:

#### New standards adopted by the Group

##### *IFRS 7 Financial Instruments (Disclosures)*

The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, when:

- Financial assets are derecognised in their entirety, but the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets).
- Financial assets are not derecognised in their entirety.

The amended disclosures are more extensive and onerous than previous disclosures. This amendment did not have any impact on the Group.

The following amendments to standards became effective in 2012, but did not have any impact on the accounting policies, financial position or performance of the Group.

| <i>Standards</i> | <i>Content</i>   |
|------------------|--|
| IAS 12           | Income Taxes – Tax recovery of underlying assets (Amendment)   |
| IFRS 1           | First-time adoption – Severe hyperinflation and removal of fixed dates for first-time adopters (Amendment) |

#### New standards issued and but not yet effective

The Group is currently considering the implications of the new IFRSs which are effective for future accounting periods and has not early adopted any of the new Standards as listed below:

| <i>Standard/<br/>Interpretation</i> | <i>Content</i>  | <i>Effective date</i> |
|-------------------------------------|---|-----------------------|
| IFRS 9                              | Financial Instruments: Classification & Measurement (Part 1)    | 1 January 2015        |
| IFRS 10                             | Consolidated Financial Statements                               | 1 January 2013        |
| IFRS 11                             | Joint Arrangements  | 1 January 2013        |
| IFRS 12                             | Disclosure of Interests in Other Entities                       | 1 January 2013        |
| IFRS 13                             | Fair Value Measurement  | 1 January 2013        |
| IAS 1                               | Presentation of Items of Other Comprehensive Income (Amendment) | 1 January 2013        |
| IAS 19                              | Employee Benefits (Revised)                                     | 1 January 2013        |

#### Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of income. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

**2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.2 Significant accounting policies (continued)****Business combinations and goodwill (continued)**

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognised in the consolidated statement of income.

**3 BUSINESS COMBINATION****Acquisition of Amwaj Catering Services Limited Q.S.C.**

On 31 May 2012, the Group acquired 100% shares of Amwaj Catering Services Limited Q.S.C. (the "Acquiree"), a limited liability company incorporated in the State of Qatar. The Acquiree is engaged in catering activities inside and outside State of Qatar. The Group has obtained control over the subsidiary in accordance with the Sale and Purchase Agreement effective from 1 June 2012.

The fair value of the identifiable assets and liabilities of the above subsidiary immediately prior to the acquisition and the computation of goodwill is detailed below:

| <b>Assets</b>  | <i>Carrying<br/>amounts<br/>immediately<br/>prior to the<br/>acquisition<br/>QR'000</i> | <i>Fair value<br/>recognised on<br/>acquisition date<br/>QR'000</i> |
|--|---|---|
| Property, plant and equipment                        | 58,519  | <b>58,519</b>   |
| Inventories  | 9,345   | <b>9,345</b>  |
| Accounts receivable and prepayments                  | 272,906   | <b>272,906</b>  |
| Bank balances and cash                               | 75,099  | <b>75,099</b>   |
|  | <u>415,869</u>  | <u><b>415,869</b></u>   |
| <b>Liabilities</b>                                   |   |   |
| Employees' end of service benefits                   | 8,926   | <b>8,926</b>  |
| Accounts payable and accruals                        | 213,319   | <b>213,319</b>  |
|  | <u>222,245</u>  | <u><b>222,245</b></u>   |
| <b>Net assets acquired at fair values</b>            |   | <u><b>193,624</b></u>   |
| Less: Cost of business combination ( <i>Note b</i> ) |   | <u><b>497,183</b></u>   |
| <b>Goodwill on acquisition (<i>Note a</i>)</b>       |   | <u><b>303,559</b></u>   |

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 3 BUSINESS COMBINATION (continued)

Notes:

- (a) The Group has finalized the Purchase Price Allocation (PPA) to identify separately the intangible assets and goodwill arising from the acquisition. There were no derived values of intangibles and the entire amount represents goodwill.

|     |   |                       |
|-----|---|-----------------------|
| (b) | <i>Cost of business combination:</i>      | <i>QR'000</i>         |
|     | Cash consideration                        | 353,152               |
|     | Deferred consideration                    | <u>144,031</u>        |
|     | <b>Total cost of business combination</b> | <b><u>497,183</u></b> |

- (c) From the date of acquisition, Amwaj has contributed QR 59.70 million as revenue and a profit of QR 4.71 million to the results of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been QR 1.23 billion and the profit from continuing operations for the Group would have been QR 216.14 million.

The net cash outflow from the business combination is as follows:

|   |                       |
|---|-----------------------|
|   | <i>QR'000</i>         |
| Cash consideration                          | 353,152               |
| Less: Net cash acquired from the subsidiary | <u>(75,099)</u>       |
|   | <b><u>278,053</u></b> |

- (d) The goodwill of QR 303 million comprises the value of expected synergies arising from the acquisition.

# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 4 REVENUE

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          |                    |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|   | <i>QR '000</i>          | <i>QR '000</i>     |
| Revenue from aviation and drilling services | 544,684                 | 474,736            |
| Gross insurance revenue (a)                 | 282,573                 | 242,391            |
| Revenue from catering services              | 59,697                  | -                  |
|   | <u>886,954</u>          | <u>717,127</u>     |

Note (a):

|                                     | <i>Six months ended</i> |                    |
|-------------------------------------|-------------------------|--------------------|
|                                     | <i>30 June</i>          |                    |
|                                     | <i>2012</i>             | <i>2011</i>        |
|                                     | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|                                     | <i>QR '000</i>          | <i>QR '000</i>     |
| Gross premium                       | 276,500                 | 238,918            |
| Movement in unearned premium, Gross | (13,664)                | (9,376)            |
| Net commission income               | 19,737                  | 12,849             |
|                                     | <u>282,573</u>          | <u>242,391</u>     |

### 5 DIRECT COSTS

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          |                    |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|   | <i>QR '000</i>          | <i>QR '000</i>     |
| Gross insurance expense (a)                     | 273,694                 | 237,188            |
| Direct cost from aviation and drilling services | 324,032                 | 296,507            |
| Direct cost from catering services              | 52,818                  | -                  |
|   | <u>650,544</u>          | <u>533,695</u>     |

Note (a):

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          |                    |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|   | <i>QR '000</i>          | <i>QR '000</i>     |
| Reinsurance cession                       | 202,661                 | 155,104            |
| Movement in unearned premium, reinsurance | (63,986)                | (34,288)           |
| Net claims incurred                       | 132,573                 | 114,031            |
| Brokerage cost                            | 2,446                   | 2,341              |
|   | <u>273,694</u>          | <u>237,188</u>     |

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 6 PROPERTY, PLANT AND EQUIPMENT

|                                    | <i>Freehold<br/>land and<br/>buildings<br/>QR '000</i> | <i>Aircrafts<br/>QR '000</i> | <i>Capitalised<br/>maintenance<br/>expenditures<br/>QR '000</i> | <i>Rigs<br/>QR '000</i> | <i>Plant and<br/>machinery<br/>QR '000</i> | <i>Other<br/>property and<br/>equipment<br/>QR '000</i> | <i>Capital<br/>work-in-<br/>progress<br/>QR '000</i> | <i>Total<br/>QR '000</i> |
|------------------------------------|--|------------------------------|---|-------------------------|--|---|--|--------------------------|
| Cost:                              |  |                              |   |                         |  |   |  |                          |
| At 1 January 2012                  | 44,018   | 989,644                      | 115,394   | 1,345,924               | 144,670                                    | 123,631   | 434,935  | 3,198,216                |
| Acquisition of a subsidiary (net)  | 28,622   | -                            | -   | -                       | 17,882                                     | 12,015  | -  | 58,519                   |
| Additions                          | -  | 970                          | 3,379   | -                       | 41   | 722   | 363,032  | 368,144                  |
| Transfers                          | -  | 18,656                       | -   | 206,757                 | -  | -   | (225,413)  | -                        |
| Disposals                          | -  | -                            | -   | (1,025)                 | -  | (1,532)   | -  | (2,557)                  |
| Write-offs                         | -  | (498)                        | (2,587)   | -                       | -  | (13)  | -  | (3,098)                  |
| At 30 June 2012                    | <u>72,640</u>  | <u>1,008,772</u>             | <u>116,186</u>  | <u>1,551,656</u>        | <u>162,593</u>                             | <u>134,823</u>  | <u>572,554</u>                                       | <u>3,619,224</u>         |
| Depreciation:                      |  |                              |   |                         |  |   |  |                          |
| At 1 January 2012                  | 38,862   | 240,657                      | 47,565  | 419,575                 | 80,654                                     | 78,341  | -  | 905,654                  |
| Charge for the year                | 1,231  | 22,841                       | 6,755   | 48,293                  | 6,854                                      | 5,502   | -  | 91,476                   |
| Relating to disposals              | -  | -                            | -   | (298)                   | -  | (1,475)   | -  | (1,773)                  |
| Relating to write-offs             | -  | -                            | (2,587)   | -                       | -  | -   | -  | (2,587)                  |
| At 30 June 2012                    | <u>40,093</u>  | <u>263,498</u>               | <u>51,733</u>   | <u>467,570</u>          | <u>87,508</u>                              | <u>82,368</u>   | <u>-</u>   | <u>992,770</u>           |
| Net carrying amounts:              |  |                              |   |                         |  |   |  |                          |
| <b>At 30 June 2012 (Unaudited)</b> | <b><u>32,547</u></b>                                   | <b><u>745,274</u></b>        | <b><u>64,453</u></b>  | <b><u>1,084,086</u></b> | <b><u>75,085</u></b>                       | <b><u>52,455</u></b>                                    | <b><u>572,554</u></b>                                | <b><u>2,626,454</u></b>  |

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 6 PROPERTY, PLANT AND EQUIPMENT (continued)

|                               | <i>Freehold<br/>land and<br/>buildings<br/>QR '000</i> | <i>Aircrafts<br/>QR '000</i> | <i>Capitalised<br/>maintenance<br/>expenditures<br/>QR '000</i> | <i>Rigs<br/>QR '000</i> | <i>Plant and<br/>machinery<br/>QR '000</i> | <i>Other<br/>property and<br/>equipment<br/>QR '000</i> | <i>Capital<br/>work-in-<br/>progress<br/>QR '000</i> | <i>Total<br/>QR '000</i> |
|-------------------------------|--|------------------------------|---|-------------------------|--|---|--|--------------------------|
| Cost:                         |  |                              |   |                         |  |   |  |                          |
| At 1 January 2011             | 40,921   | 939,942                      | 108,858   | 1,290,795               | 122,718                                    | 100,508   | 82,918   | 2,686,660                |
| Additions                     | 205  | 39,648                       | 11,474  | 13,063                  | 3,246                                      | 11,919  | 449,834  | 529,389                  |
| Transfers                     | 2,892  | 10,054                       | 757   | 50,329                  | 21,751                                     | 12,034  | (97,817)   | -                        |
| Disposals                     | -  | -                            | -   | (8,263)                 | (3,045)                                    | (830)   | -  | (12,138)                 |
| Write-offs                    | -  | -                            | (5,695)   | -                       | -  | -   | -  | (5,695)                  |
| At 31 December 2011           | <u>44,018</u>  | <u>989,644</u>               | <u>115,394</u>  | <u>1,345,924</u>        | <u>144,670</u>                             | <u>123,631</u>  | <u>434,935</u>                                       | <u>3,198,216</u>         |
| Depreciation:                 |  |                              |   |                         |  |   |  |                          |
| At 1 January 2011             | 36,829   | 196,780                      | 42,403  | 340,225                 | 63,065                                     | 62,830  | -  | 742,132                  |
| Charge for the year           | 2,033  | 43,877                       | 10,857  | 83,092                  | 19,440                                     | 16,167  | -  | 175,466                  |
| Relating to disposals         | -  | -                            | -   | (3,742)                 | (1,851)                                    | (656)   | -  | (6,249)                  |
| Relating to write-offs        | -  | -                            | (5,695)   | -                       | -  | -   | -  | (5,695)                  |
| At 31 December 2011           | <u>38,862</u>  | <u>240,657</u>               | <u>47,565</u>   | <u>419,575</u>          | <u>80,654</u>                              | <u>78,341</u>   | <u>-</u>   | <u>905,654</u>           |
| Net carrying amounts:         |  |                              |   |                         |  |   |  |                          |
| At 31 December 2011 (Audited) | <u>5,156</u>   | <u>748,987</u>               | <u>67,829</u>   | <u>926,349</u>          | <u>64,016</u>                              | <u>45,290</u>   | <u>434,935</u>                                       | <u>2,292,562</u>         |

# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 7 INVESTMENT PROPERTIES

|   | <i>Land</i><br><i>QR '000</i> | <i>Buildings</i><br><i>QR '000</i> | <i>Total</i><br><i>QR '000</i> |
|---|-------------------------------|------------------------------------|--------------------------------|
| <b>Cost</b>   |                               |                                    |                                |
| At 30 June 2012   | <u>1,125</u>                  | <u>3,287</u>                       | <u>4,412</u>                   |
| <b>Depreciation:</b>                                    |                               |                                    |                                |
| At 30 June 2012   | <u>-</u>                      | <u>3,287</u>                       | <u>3,287</u>                   |
| <b>Net carrying amounts at 30 June 2012 (Unaudited)</b> | <b><u>1,125</u></b>           | <b><u>-</u></b>                    | <b><u>1,125</u></b>            |
| Net carrying amounts at 31 December 2011 (Audited)      | <u>1,125</u>                  | <u>-</u>                           | <u>1,125</u>                   |

Notes:

- (i) The management is of the view that the fair value of the land and buildings as at 30 June 2012, relating to Gulf Helicopters Company Q.S.C. approximates its fair value as at 31 December 2011.

### 8 HELD-TO-MATURITY INVESTMENTS

|                 | <i>30 June</i><br><i>2012</i><br><i>(Unaudited)</i><br><i>QR '000</i> | <i>31 December</i><br><i>2011</i><br><i>(Audited)</i><br><i>QR '000</i> |
|-----------------|---|---|
| Debt securities | <u>85,394</u>   | <u>72,598</u>   |

At 30 June 2012, the fair value held-to-maturity investments amounted to QR 89.50 million (31 December 2011: QR 73.53 million).

### 9 AVAILABLE-FOR-SALE INVESTMENTS

|   | <i>30 June</i><br><i>2012</i><br><i>(Unaudited)</i><br><i>QR '000</i> | <i>31 December</i><br><i>2011</i><br><i>(Audited)</i><br><i>QR '000</i> |
|---|---|---|
| Quoted equity investments in Qatari public shareholding companies | 56,193  | 48,965  |
| Unquoted securities   | <u>-</u>  | <u>2</u>  |
|   | <b><u>56,193</u></b>  | <b><u>48,967</u></b>  |
| At cost   | 47,631  | 49,109  |
| Net movement in fair value of investments                         | <u>8,562</u>  | <u>(142)</u>  |
|   | <b><u>56,193</u></b>  | <b><u>48,967</u></b>  |

# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR '000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR '000</i> |
|--|---|---|
| Held for trading (i)                                 | 70,378  | 57,607  |
| Designated as fair value through profit or loss (ii) | <u>143,634</u>                                      | <u>40,547</u>   |
|  | <u><b>214,012</b></u>                               | <u><b>98,154</b></u>                                  |

(i) These represent financial assets held with a bank which are acquired and incurred principally for the purpose of selling or repurchasing it in the near term or to take advantage of short term market movements.

(ii) The Group invested in bonds linked to equity index and these have been designated as financial asset through profit and loss because of inability to separate the embedded derivative from the host contract either at acquisition date or at a subsequent financial reporting date, hence the entire combined contract has been classified as financial asset through profit and loss.

### 11 CASH AND CASH EQUIVALENTS

|   | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR '000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR '000</i> |
|---|---|---|
| Cash in hand  | 1,036   | 469   |
| Balances with banks   |   |   |
| - Current and call accounts                                     | 357,121   | 196,983   |
| - Other term deposits with maturities of less than three months | 262,471   | 280,589   |
| - Term deposits with maturities in excess of three months       | <u>609,001</u>                                      | <u>615,513</u>  |
| Total bank balances and cash                                    | 1,229,629   | 1,093,554   |
| Less: Term deposits with maturities in excess of 3 months       | <u>(609,001)</u>                                    | <u>(615,513)</u>                                      |
| Cash and cash equivalents for statement of cash flows           | <u><b>620,628</b></u>                               | <u><b>478,041</b></u>                                 |

### 12 SHARE CAPITAL

|   | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR '000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR '000</i> |
|---|---|---|
| <i>Authorised, issued and paid up capital</i>                 |   |   |
| 148,672,700 ordinary shares of QAR 10 each                    |   |   |
| (31 December 2011: 135,157,000 ordinary shares of QR 10 each) | <u><b>1,486,727</b></u>                             | <u><b>1,351,570</b></u>                               |



# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 12 SHARE CAPITAL (continued)

|  | <i>30 June<br/>2012<br/>(Unaudited)<br/>No of shares</i> | <i>31 December<br/>2011<br/>(Audited)<br/>No of shares</i> |
|--|--|--|
| Balance at the beginning of the period | <b>135,157,000</b>                                       | 135,157,000  |
| Bonus share issue                      | <b>13,515,700</b>  | -  |
| Balance at the end of the period       | <b><u>148,672,700</u></b>                                | <u>135,157,000</u>   |

Notes:

- (1) At the Annual General Assembly held on 26 March 2012, the shareholders approved a dividend payment of QR 1.30 per share totalling QR 175.7 million as dividends for the year ended 31 December 2011 (For the year ended 2010: QR 1.30 dividend per share totalling QR 175.7 million as dividend for the year ended 31 December 2010).
- (2) A 10% bonus share issue was approved by the shareholders at the Annual General Assembly on 26 March 2012.

### 13 LOANS AND BORROWINGS

|   | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR '000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR '000</i> |
|---|---|---|
| <i>Syndicated borrowings:</i>   |   |   |
| Loan 1  | <b>32,667</b>                                       | 39,200  |
| Loan 2  | <b>98,477</b>                                       | 116,382   |
| Loan 3  | <b>165,620</b>                                      | 186,322   |
| Loan 4  | <b>56,056</b>                                       | 61,152  |
| Loan 5  | <b>46,577</b>                                       | 46,577  |
| Loan 6  | <b>391,804</b>                                      | 272,636   |
| Loan 7  | <b>101,920</b>                                      | -   |
| Loan 8  | <b>618,827</b>                                      | -   |
|   | <b><u>1,511,948</u></b>                             | <u>722,269</u>  |
| Various other borrowings  | <b>286,353</b>                                      | 239,513   |
|   | <b><u>1,798,301</u></b>                             | <u>961,782</u>  |
| Less: Unamortised finance cost associated with raising finance                    | <b>(17,046)</b>                                     | (12,822)  |
|   | <b><u>1,781,255</u></b>                             | <u>948,960</u>  |
| Presented in the interim consolidated statement of financial position as follows: |   |   |
| Non-current portion   | <b>1,430,250</b>                                    | 757,972   |
| Current portion   | <b>351,005</b>                                      | 190,988   |
|   | <b><u>1,781,255</u></b>                             | <u>948,960</u>  |

# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 14 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, 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.

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

|                                     | <i>Six months ended</i> |                    |
|-------------------------------------|-------------------------|--------------------|
|                                     | <i>30 June</i>          |                    |
|                                     | <i>2012</i>             | <i>2011</i>        |
|                                     | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|                                     | <i>QR '000</i>          | <i>QR '000</i>     |
| Revenue                             | <b>319,097</b>          | 250,709            |
| Direct and other operating expenses | <b>24,252</b>           | 55,984             |
| Other income                        | -                       | 10,591             |

|   | <i>30 June 2012</i> |                 | <i>31 December 2011</i> |                 |
|---|---------------------|-----------------|-------------------------|-----------------|
|   | <i>(Unaudited)</i>  |                 | <i>(Audited)</i>        |                 |
|   | <i>Receivables</i>  | <i>Payables</i> | <i>Receivables</i>      | <i>Payables</i> |
|   | <i>QR'000</i>       | <i>QR'000</i>   | <i>QR'000</i>           | <i>QR'000</i>   |
| Qatar Petroleum and other related parties | <b>371,414</b>      | <b>239,421</b>  | 194,936                 | 100,595         |

|   | <i>30 June</i>     | <i>30 June</i>     |
|---|--------------------|--------------------|
|   | <i>2012</i>        | <i>2011</i>        |
|   | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
|   | <i>QR'000</i>      | <i>QR'000</i>      |
| <i>Compensation of key management personnel</i>         |                    |                    |
| Salaries and other benefits (including director's fees) | <b>8,855</b>       | 8,695              |

### 15 CONTINGENCIES AND COMMITMENTS

|                                      | <i>30 June</i>     | <i>31 December</i> |
|--------------------------------------|--------------------|--------------------|
|                                      | <i>2012</i>        | <i>2011</i>        |
|                                      | <i>(Unaudited)</i> | <i>(Audited)</i>   |
|                                      | <i>QR'000</i>      | <i>QR'000</i>      |
| <i>Contingent liabilities:</i>       |                    |                    |
| Guarantees against performance bonds | <b>37,420</b>      | 2,475              |
| Letter of credits                    | <b>7,346</b>       | 8,536              |

It is not anticipated that any material liabilities will arise from the contingent liabilities which were issued in the normal course of the business.

# Gulf International Services Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

### 15 CONTINGENCIES AND COMMITMENTS (continued)

|   | <i>30 June<br/>2012<br/>(Unaudited)<br/>QR'000</i> | <i>31 December<br/>2011<br/>(Audited)<br/>QR'000</i> |
|---|--|--|
| <i>Commitments:</i>                                       |  |  |
| Capital commitments                                       | <u>1,569,887</u>                                   | <u>1,035,399</u>                                     |
| Estimated capital expenditure approved but not contracted | <u>39,960</u>                                      | <u>75,110</u>  |

### 16 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the period by the weighted average number of equity shares outstanding at the end of the reporting period.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

|   | <i>Six months ended<br/>30 June</i> |                             |
|---|-------------------------------------|-----------------------------|
|   | <i>2012<br/>(Unaudited)</i>         | <i>2011<br/>(Unaudited)</i> |
| Profit for the period (QR'000)            | <u>196,487</u>                      | <u>140,667</u>              |
| Weighted average number of equity shares  | <u>148,672,700</u>                  | <u>148,672,700</u>          |
| Basic and diluted earnings per share (QR) | <u>1.32</u>                         | <u>0.95</u>                 |

Basic earnings per share for the prior year is stated after adjusting the weighted average number of shares for the effect of bonus issue during the period.

The weighted average numbers of shares have been calculated as follows:

|  | <i>30 June<br/>2012<br/>(Unaudited)<br/>No of shares</i> | <i>30 June<br/>2011<br/>(Unaudited)<br/>/Restated<br/>No of shares</i> |
|--|--|--|
| Qualifying shares at the beginning of the period | <u>135,157,000</u>                                       | 135,157,000  |
| Effect of bonus share issue                      | <u>13,515,700</u>  | <u>13,515,700</u>  |
| Qualifying shares at the end of the period       | <u>148,672,700</u>                                       | <u>148,672,700</u>   |

**17 OPERATING SEGMENTS**

The Group has four (4) reportable segments, as described below. The segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the segments, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Insurance; providing a range of insurance and reinsurance services to Qatar Petroleum ("QP") and its subsidiaries and its affiliates.
- Aviation; provider of helicopter transportation services in Qatar. Also operating as a provider of helicopter transportation services in Middle East and North Africa (MENA region).
- Drilling related services to the QP Group and its international co-ventures.
- Catering; provides catering services to QP and its subsidiaries and affiliates as well as to other third parties

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 17 OPERATING SEGMENTS (continued)

##### 30 June 2012 (Unaudited)

|   | <i>Insurance</i><br><i>QR'000</i> | <i>Drilling</i><br><i>QR'000</i> | <i>Aviation</i><br><i>QR'000</i> | <i>Catering</i><br><i>QR'000</i> | <i>Total</i><br><i>QR'000</i> |
|---|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------|
| Total external revenue                                      | 284,429                           | 298,453                          | 246,231                          | 60,959                           | 890,072                       |
| Inter-segment revenue                                       | <u>(1,856)</u>                    | <u>-</u>                         | <u>-</u>                         | <u>(1,262)</u>                   | <u>(3,118)</u>                |
| Net revenue   | <u>282,573</u>                    | <u>298,453</u>                   | <u>246,231</u>                   | <u>59,697</u>                    | <u>886,954</u>                |
| Net profit before income tax and inter-segment eliminations | <u>32,681</u>                     | <u>74,114</u>                    | <u>95,304</u>                    | <u>4,707</u>                     | <u>206,806</u>                |
| Total assets  | <u>1,863,744</u>                  | <u>2,066,575</u>                 | <u>1,191,157</u>                 | <u>481,084</u>                   | <u>5,602,560</u>              |
| 30 June 2011 (Unaudited)                                    | <i>Insurance</i><br><i>QR'000</i> | <i>Drilling</i><br><i>QR'000</i> | <i>Aviation</i><br><i>QR'000</i> | <i>Catering</i><br><i>QR'000</i> | <i>Total</i><br><i>QR'000</i> |
| Total external revenue                                      | 244,033                           | 240,706                          | 234,030                          | -                                | 718,769                       |
| Inter-segment revenue                                       | <u>(1,642)</u>                    | <u>-</u>                         | <u>-</u>                         | <u>-</u>                         | <u>(1,642)</u>                |
| Net revenue   | <u>242,391</u>                    | <u>240,706</u>                   | <u>234,030</u>                   | <u>-</u>                         | <u>717,127</u>                |
| Net profit before income tax and inter-segment eliminations | <u>6,246</u>                      | <u>59,650</u>                    | <u>83,985</u>                    | <u>-</u>                         | <u>149,881</u>                |
| Total assets (At 31 December 2011) ( <i>Audited</i> )       | <u>1,566,797</u>                  | <u>1,709,702</u>                 | <u>1,188,698</u>                 | <u>-</u>                         | <u>4,465,197</u>              |

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 17 OPERATING SEGMENTS (continued)

##### Reconciliation of reportable segments profit or loss

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          |                    |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Unaudited)</i> |
|   | <i>QR'000</i>           | <i>QR'000</i>      |
| Total profit for reportable segments  | 206,806                 | 149,881            |
| Other un-allocable profit or loss (represents profit or loss of parent Company including dividends from the subsidiaries and joint venture) | 150,623                 | 271,666            |
| Elimination of dividends paid to parent company by subsidiaries and joint venture   | <u>(160,942)</u>        | <u>(280,880)</u>   |
| Consolidated profit for the period  | <u>196,487</u>          | <u>140,667</u>     |
|   | <i>30 June</i>          | <i>31 December</i> |
|   | <i>2012</i>             | <i>2011</i>        |
|   | <i>(Unaudited)</i>      | <i>(Audited)</i>   |
|   | <i>QR'000</i>           | <i>QR'000</i>      |
| <b>Reconciliation of reportable segments total assets</b>   |                         |                    |
| Total assets for reportable segments  | 5,602,560               | 4,465,197          |
| Other un-allocable assets   | 2,513,945               | 1,388,470          |
| Elimination of investments in subsidiaries and joint venture  | (1,873,026)             | (1,248,443)        |
| Elimination of inter-segment assets   | <u>(83,242)</u>         | <u>-</u>           |
| Consolidated total assets for the period  | <u>6,160,237</u>        | <u>4,605,224</u>   |

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss or total assets since 31 December 2011.

## Gulf International Services Q.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

#### 18 COMPARATIVE INFORMATION

During 2008, the Group acquired 33% share capital in Fereej Real Estate Company Q.S.C.. Fereej Real Estate Company Q.S.C. operates in Qatar and is primarily engaged in real estate investment, property management and property rentals.

On 17 August 2011, the Board of Directors of Fereej Real Estate Company Q.S.C. have resolved and approved the voluntary dissolution. Therefore, the interim condensed consolidated statement of income for the period ended 30 June 2011 includes the Group's proportionate share of the interim condensed statement of income of its Joint Venture.

The Group's share of the assets, liabilities and loss of the joint venture at 30 June 2011, and the period then ended, respectively, which are included in the interim consolidated statement of financial position were as follows:

|                     | <i>Six months ended 30 June</i> |                    |
|---------------------|---------------------------------|--------------------|
|                     | <i>2012</i>                     | <i>2011</i>        |
|                     | <i>QR</i>                       | <i>QR</i>          |
| Current assets      | -                               | 14,247,307         |
| Non-current assets  | -                               | 158,145,817        |
| Current liabilities | -                               | (8,289,664)        |
|                     | <u>-</u>                        | <u>164,103,460</u> |
| Loss for the period | <u>-</u>                        | <u>227,384</u>     |

Also certain amounts reported in the prior period have been reclassified to conform to current period presentation. Such reclassification did not affect previously reported equity or net profit of the Group.