United Development Company Q.P.S.C

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2016

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Three months period ended 31 March 2016

	Note	*For the Three months Period Ended 31 March* 2016 (Unaudited) QR'000	2015 (Unaudited) QR'000
Revenue		458,099	399,732
Cost of revenue		(158,600)	(135,111)
Gross profit		**299,499**	264,621
Dividend income		17,658	20,021
Other operating income		60,904	97,920
General, administrative, sales and marketing expenses		(87,717)	(90,136)
Operating profit		**290,344**	292,426
Finance income		8,697	7,674
Finance costs		(30,656)	(33,731)
Net finance cost		**(21,959)**	(26,057)
Net share of results of associates		2,956	3,800
Profit for the period		**271,341**	270,169
Profit attributable to :			
Equity holders of the parent		258,889	261,804
Non-controlling interests		12,452	8,365
Profit for the period		**271,341**	270,169
Earnings per share			
Basic and diluted earnings per share	6	**0.73**	0.74

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three months period ended 31 March 2016

	Note	*For the Three months Period Ended 31 March* 2016 (Unaudited) QR'000	2015 (Unaudited) QR'000
Profit for the period		**271,341**	270,169
Other comprehensive (loss)			
Other comprehensive (loss) to be reclassified to profit or loss in subsequent periods:			
Net change in fair value of available-for-sale financial assets	14	(93,549)	(20,349)
Total comprehensive income for the period		**177,792**	249,820
Total comprehensive income attributable to:			
Equity holders of the parent		165,340	241,455
Non-controlling interests		12,452	8,365
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**177,792**	249,820

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	***31 March 2016 (Unaudited) QR'000***	*31 December 2015 (Audited) QR'000*
ASSETS			
Non-current assets			
Property, plant and equipment	7	4,549,522	4,499,199
Investment properties	8	8,699,325	8,704,709
Intangible assets	9	3,065	3,678
Investment in associates	10	308,997	308,600
Accounts and other receivables - long term		140,165	140,165
Available-for-sale financial assets	11	355,908	449,456
Total non-current assets		**14,056,982**	14,105,807
Current assets			
Inventories, net		1,447,913	1,369,647
Accounts and other receivables –current, net		1,518,464	1,385,514
Cash and cash equivalents	12	1,645,368	2,277,347
Total current assets		**4,611,745**	5,032,508
Total assets		**18,668,727**	19,138,315
EQUITY AND LIABILITIES			
Equity			
Issued capital	13	3,540,862	3,540,862
Legal reserve		1,547,102	1,521,213
Other reserves	14	1,500,457	1,594,006
Retained earnings		3,959,416	4,257,545
Equity attributable to equity holders of the parent		**10,547,837**	10,913,626
Non-controlling interest		385,377	372,925
Total equity		**10,933,214**	11,286,551
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	15	4,148,851	3,429,677
Retention payable		110,460	100,139
Accounts and other payables – long term		73,455	69,175
Employees' end of service benefits		35,586	38,213
Total non-current liabilities		**4,368,352**	3,637,204
Current liabilities			
Accounts and other payables		2,603,162	2,663,773
Interest bearing loans and borrowings	15	589,362	1,377,014
Retention payable		174,637	173,773
Total current liabilities		**3,367,161**	4,214,560
Total liabilities		**7,735,513**	7,851,764
Total equity and liabilities		**18,668,727**	19,138,315

These interim condensed consolidated financial statements were approved by the Board of Directors and were signed on their behalf by the following on 25 April 2016.

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Turki Mohammed Khaled Al Khater
Chairman of the Board

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three months period ended 31 March 2016

	Attributable to equity holders of the parent						
	Issued Capital QR'000	*Legal reserve QR'000*	*Other reserves (Note 14) QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total equity QR'000*
Balance at 1 January 2016 (Audited)	3,540,862	1,521,213	1,594,006	4,257,545	10,913,626	372,925	11,286,551
Total comprehensive income for the period							
Profit for the period	-	-	-	258,889	258,889	12,452	271,341
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	(93,549)	-	(93,549)	-	(93,549)
Total other comprehensive income	-	-	(93,549)	-	(93,549)	-	(93,549)
Total comprehensive income for the period	-	-	(93,549)	258,889	165,340	12,452	177,792
Transfer to legal reserve	-	25,889	-	(25,889)	-	-	-
Dividend declared	-	-	-	(531,129)	(531,129)	-	(531,129)
Total transactions with equity holders	-	25,889	-	(557,018)	(531,129)	-	(531,129)
Balance at 31 March 2016 *(Unaudited)*	**3,540,862**	**1,547,102**	**1,500,457**	**3,959,416**	**10,547,837**	**385,377**	**10,933,214**

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Three months period ended 31 March 2016

	Attributable to equity holders of the parent						
	Issued Capital QR'000	*Legal reserve QR'000*	*Other reserves QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total equity QR'000*
Balance at 1 January 2015 (Audited)	3,540,862	1,452,249	1,680,128	4,098,763	10,772,002	347,045	11,119,047
Total comprehensive income for the period							
Profit for the period	-	-	-	261,804	261,804	8,365	270,169
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	(20,349)	-	(20,349)	-	(20,349)
Total other comprehensive income	-	-	(20,349)	-	(20,349)	-	(20,349)
Total comprehensive income for the period	-	-	(20,349)	261,804	241,455	8,365	249,820
Transfer to legal reserve	-	26,180	-	(26,180)	-	-	-
Dividend declared	-	-	-	(442,608)	(442,608)	(19,404)	(462,012)
Total transactions with equity holders	-	26,180	-	(468,788)	(442,608)	(19,404)	(462,012)
Balance at 31 March 2015 *(Unaudited)*	3,540,862	1,478,429	1,659,779	3,891,779	10,570,849	336,006	10,906,855

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three months period ended 31 March 2016

	Note	***31 March 2016 (Unaudited) QR'000***	*31 March 2015 (Unaudited) QR'000*
OPERATING ACTIVITIES			
Profit for the period		**271,341**	270,169
Adjustments to reconcile profit to net cash flows:			
Net share of results of associates		(2,956)	(3,800)
Depreciation		17,504	18,458
Amortization & Write off of intangible asset		613	344
Loss on disposal of property, plant & equipment		-	57
Write off of property, plant & equipment		-	4,482
Net finance income and costs		21,959	26,057
Dividend income		(17,658)	(20,021)
Provision for employees' end of service benefits		1,955	2,499
		292,758	298,245
Working capital adjustments:			
Inventories, net		19,589	48,072
Accounts and other receivables – current, net		(128,172)	(126,882)
Accounts and other payables		(63,612)	69,470
Retention payable		11,185	12,252
Cash generated from operating activities		131,748	301,157
Finance cost paid		(35,245)	(39,012)
Employees' end of service benefits paid		(4,483)	(544)
Net cash flows from operating activities		**92,020**	**261,601**
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(160,935)	(137,190)
Proceeds from sale of property, plant and equipment		-	254
Interest received		11,479	9,702
Dividend received from associates		2,560	-
Dividend received from other investee companies		11,724	20,021
Additions to investment properties		(1,088)	(957)
Time deposits with maturities more than three months		440,934	52,829
Net cash flow from/ (used in) investing activities		**304,674**	**(55,341)**
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		107,134	657,498
Repayment of interest bearing loans and borrowings		(178,068)	(790,136)
Dividend paid		(516,805)	(444,557)
Net cash flows used in financing activities		**(587,739)**	**(577,195)**
Net decrease in cash and cash equivalents		(191,045)	(370,935)
Cash and cash equivalents at the beginning of the period	12	1,053,570	2,435,061
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12	**862,525**	**2,064,126**

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

United Development Company Q.P.S.C. (the "Company") was incorporated as a Qatari Public Shareholding Company in accordance with the Emiri Decree No 2 on 2 February 1999 whose shares are publicly traded. The registered office of the Company is situated in Doha and its registered office address is P.O box 7256, Doha, State of Qatar. The interim condensed consolidated financial statements of the Company as at and for the three months ended 31March 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates. Information regarding the Group's structure is provided in Note 3.

The principal activity of the Group is to contribute and invest in infrastructure and utilities, hydrocarbon and energy, urban development, environment related businesses, marina and related services, fashion, hospitality and leisure, business management, advertising, providing information technology solutions and insurance agency activities.

Pursuant to the Emiri Decree No 17 of 2004, the Company has been provided with a right to develop an island off the shore of Qatar for the sale and/or lease of properties. The Company is presently engaged in the development of this area known as "Pearl Qatar project". The Pearl Qatar project involves reclamation of land covering an area of 985 acres (4.2 million square meters) into a manmade island and the development of the island into various districts comprising housing beachfront villas, town homes, luxury apartments, retail shopping complex, penthouses, five star hotels, marinas and schools with related infrastructure and community facilities. The reclamation and the development of the land is being performed on a mix use development basis which was substantially completed in 2011.

The interim condensed consolidated financial statements of the Group for the Three months period ended 31 March 2016 were authorised for issue in accordance with a resolution of the Board of the Directors on 25 April 2016.

2 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

They do not include all of the information required for a full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2015.

The interim condensed consolidated financial statements are prepared and presented in Qatari Riyals rounded to nearest thousands, except when otherwise indicated.

The consolidated financial statements of the Group as at and for the year ended 31 December 2015 are available upon request from the Company's registered office or at www.udcqatar.com.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

New and amended standards and interpretations
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The Group has not early adopted any other standards, interpretation or amendments that has been issued but is not yet effective.

Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard and amendment is described below:

Annual Improvements 2012-2014 Cycle
These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***
Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 ***Financial Instruments: Disclosures***
Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 ***Employee Benefits***
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively. The amendment did not have any material impact on the Group.

IAS 34 ***Interim Financial Reporting***
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments did not have any impact on the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Improvements 2012-2014 Cycle (continued)

Amendments to IAS 1 *Disclosure Initiative*
The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. These amendments did not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27 *Equity Method in Separate Financial Statements*
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016. These amendments did not have any impact on the Group’s consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Improvements 2012-2014 Cycle (continued)
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016. These amendments did not have any impact on the Group.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	**Effective date**
IFRS 9 *Financial Instruments*	*January 01, 2018*
IFRS 15 *Revenue from Contracts with Customers*	*January 01, 2018*

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of United Development Company Q.P.S.C. and all its subsidiaries as at 31 March 2016. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The interim condensed consolidated financial statements include the financial statements of United Development Company Q.P.S.C. and its subsidiaries listed in the following table:

	Country of incorporation	% equity interest **2016**	% equity interest 2015
Qatar District Cooling Company Q.C.S.C	Qatar	**51**	51
Ronautica Middle East O.M.C.	Qatar	**100**	100
The Pearl Qatar Company O.M.C.	Qatar	**100**	100
Hospitality Development Company O.M.C.	Qatar	**100**	100
United Fashion Company O.M.C.	Qatar	**100**	100
Medina Centrale Company O.M.C.	Qatar	**100**	100
Abraj Quartier Company O.M.C.	Qatar	**100**	100
United Facilities Management Company O.M.C	Qatar	**100**	100
Scoop Media and Communication Company O.M.C.	Qatar	**100**	100
Pragmatech Company O.M.C.	Qatar	**100**	100
Glitter O.M.C	Qatar	**100**	100
Insure Plus O.M.C.	Qatar	**100**	100
Madina Innova O.M.C	Qatar	**100**	100
The Pearl Owners Corporation O.M.C	Qatar	**100**	100
United Development Investment Company	Cayman Island	**100**	100
United Technology Solutions O.M.C	Qatar	**100**	100
Porto Arabia Retail Company 1	Cayman Island	**100**	100
Leisure and Resorts O.M.C	Qatar	**100**	100

Qatar District Cooling Company Q.C.S.C, is a material partly owned subsidiary of the Group and is engaged in the construction, owning and operation of district cooling systems. It consolidates Installation Integrity 2006 W.L.L. (100%) and Cool Tech Qatar W.L.L. (100%) in its consolidated financial statements.

The accumulated balance of material non-controlling interest disclosed in the statement of financial position of QR 386,167 thousands as at 31 March 2016 (2015: QR 373,873 thousands) relates to the 49% equity interest in Qatar District Cooling Company Q.C.S.C that is not owned by the Group. Profit allocated to the material non-controlling interest amounted to QR 12,294 thousands (2015: QR 8,219 thousands).

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Ronautica Middle East O.M.C. is involved in the development, operation of marina and sale of marine related equipment. During 2008, the capital of Ronautica Middle East O.M.C. was increased from QR 30 million to QR 100 million. The increase in capital was fully paid by the Group, which increased its equity interest from 60% to 88%. During 2009, the Group purchased the non-controlling interest of Ronautica Middle East O.M.C., which increased its equity interest from 88% to 100%.

The Pearl Qatar Company O.M.C activity is in the real estate sector.

Hospitality Development Company O.M.C. (HDC) is engaged in the investment and management of restaurants and sales and purchases of fast moving consumer goods in the hospitality sector. HDC consolidates Lebanese Restaurants Development L.L.C (84%), Flavour of Mexico L.L.C (90%), The Rising Sun L.L.C (95.68%), Urban Restaurant Development L.L.C (90%) and Wafflemaster Restaurant L.L.C (100%,) in its consolidated financial statements. During the year 2011, the capital of the company was increased from QR 18.250 million to QR 50 million.

HDC took the decision to discontinue the operations of Modern Lebanese Restaurant L.L.C (90%) and China Square L.L.C (80.01%), respectively from 31 May 2014 and 30 September 2015. The liquidation process is still ongoing.

United Fashion Company O.M.C. (UFC) is engaged in fashion retailing. The mandate of the Company is to acquire top international names for brand franchising and operating in the Middle East. UFC consolidates Rony Nacouzi (60%) in its consolidated financial statements. During the year 2011, the capital of the company was increased from QR 18.250 million to QR 80 million

The operation of Hiref Middle East W.L.L which had a 51% stake in 2014 was officially closed as of 30 September 2014 and the liquidating process is still ongoing.

Medina Centrale Company O.M.C. is engaged in the investment of real estate properties.

Abraj Quartier Company O.M.C activity is in the development of real estate properties.

United Facilities Management Company O.M.C is engaged in facility management activity.

Scoop Media and Communication Company O.M.C activity is in the advertising sector.

PragmaTech Company O.M.C. activity is in providing information technology solutions. During the year 2012, a decision was taken to close this company’s branch in Lebanon.

Glitter O.M.C. activity is to provide cleaning related services.

Insure plus O.M.C activity is to provide technical services and risk related services of an insurance nature to the Group.

Madina Innova O.M.C is engaged in providing registry and master community services at the Pearl Qatar.

The Pearl Owners Corporation O.M.C is engaged in property management support services.

United Development Investment Company is engaged in development and investment of real estate activities.

United Technology Solutions O.M.C is engaged in providing information technology solutions.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Porto Arabia Retail Company 1 is engaged in real estate rental activities.

Leisure and Resorts O.M.C activity is to operate and develop hotels and resorts.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group consolidates all the entities where it has the power to govern the financial and operating policies.

4 ESTIMATES

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

In preparing this interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of shares outstanding during the period.

	For the Three months Period Ended 31 March	
	2016 (Unaudited) QR'000	*2015 (Unaudited) QR'000*
Profit for the period attributable to the equity holders of the Parent	258,889	261,804
Weighted average number of shares outstanding during the period (000')	354,086	354,086
Basic and diluted earnings per share (QR)	**0.73**	0.74

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

7 PROPERTY, PLANT AND EQUIPMENT

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Net book value at 1 January	4,499,199	4,001,168
Additions for the period / year	160,935	607,410
Transfers	(93,108)	(5,200)
Depreciation for the period / year	(17,504)	(75,217)
Net disposal	-	(601)
Impairment including revaluation loss	-	(28,361)
Net carrying value at the end of the period/year	**4,549,522**	**4,499,199**

8 INVESTMENT PROPERTIES

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Balance at 1 January	8,704,709	8,394,340
Additions - development costs incurred during the period/year	1,088	37,189
Transfers (to)/from inventory	(6,472)	150,692
Fair value gain	-	122,488
Balance at the end of the period/year	**8,699,325**	8,704,709

9 INTANGIBLE ASSETS

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Balance at 1 January	3,678	4,466
Additions	-	462
Net transfers	-	355
Write off	(298)	-
Amortisation for the period / year	(315)	(1,454)
Impairment	-	(151)
Balance at the end of the period/year	**3,065**	3,678

10 INVESTMENTS IN ASSOCIATES

The Group has the following investments in associate companies:

	Country of incorporation	*Shareholding*	***31 March 2016 (Unaudited) QR'000***	*31 December 2015 (Audited) QR'000*
Middle East Dredging Company Q.S.C. (note a)	Qatar	45.9%	-	-
Al-Seef Limited Q.S.C. (note b)	Qatar	20%	256,480	254,506
United Readymix W.L.L. (note c)	Qatar	32%	51,438	53,015
ASTECO Qatar (note d)	Qatar	30%	1,079	1,079
			308,997	308,600

Notes:

(a) Middle East Dredging Company Q.S.C. (the associate) is involved in project related dredging and reclamation activities in the Gulf States and other neighbouring countries. The equity holding in the associate was impaired in full during 2013.

(b) Al-Seef Limited Q.S.C. is engaged in production and selling of Linear Alkyl Benzene (LAB), downstream petrochemical products and essential feedstock to worldwide detergent manufacturing industries.

(c) United Readymix W.L.L. is engaged in the production and sale of ready-mix concrete and other building materials.

(d) ASTECO Qatar is involved in property management activity. During the year 2014, a decision was taken to liquidate the Company. The liquidation process is currently being carried out.

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Available-for-sale financial assets – quoted shares	351,908	445,456
Available-for-sale financial assets – unquoted shares	4,000	4,000
	355,908	449,456

As of 31 March 2016, unquoted equity investments are carried at cost due to non-availability of quoted market prices or other reliable measures of fair value.

12 CASH AND CASH EQUIVALENTS

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Cash on hand and bank balances	1,645,368	2,277,347
Less: Reserves/time deposits maturing after 90 days	(782,843)	(1,223,777)
Cash and cash equivalents as per statement of cash flows	**862,525**	1,053,570

Time deposits carry interest at commercial rates.

13 ISSUED CAPITAL

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Authorised, issued and fully paid up capital:		
354,086,248 ordinary shares of QR 10 each (2015 : 354,086,248 ordinary shares of QR 10 each)	**3,540,862**	3,540,862
Number of shares ('000')		
On issue at the beginning of the period/year	**354,086**	354,086
On issue at the end of the period/year	**354,086**	354,086

At 31 March 2016, the authorised share capital comprised 354,086,248 ordinary shares (2015: 354,086,248 ordinary shares), all shares have a par value of QR 10. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividend, as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Group's residual assets.

14 OTHER RESERVES

	Fair value reserve QR'000	*Cash flow hedge reserve QR'000*	*Asset revaluation reserve QR'000*	***Total 31 March 2016 (Unaudited) QR'000***	*Total 31 December 2015 (Audited) QR'000*
Balance at 1 January (Audited)	96,484	(7,511)	1,505,033	1,594,006	1,680,128
Decrease	(93,549)	-	-	(93,549)	(86,122)
Balance at the end of the period/year	**2,935**	**(7,511)**	**1,505,033**	**1,500,457**	1,594,006

Fair value reserve
The fair value reserve is used to record the changes, other than impairment losses in the fair value of available-for-sale financial assets.

Cash flow hedge reserve
The cash flow hedge reserve represents the Group's share of other comprehensive income of associates.

Asset revaluation reserve
The asset revaluation reserve is used to record increases in the fair value of property, plant and equipment that were subject to fair valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

15 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2016 (Unaudited) QR'000	*31 December 2015 (Audited) QR'000*
Balance at 1 January	4,840,091	5,098,334
Draw downs/utilization	107,134	1,679,861
Repayments	(178,068)	(1,938,104)
	4,769,157	4,840,091
Less: Unamortized finance cost associated with raising finance	(30,944)	(33,400)
Balance at the end of the period/year	**4,738,213**	**4,806,691**
Presented in the statement of financial position as:		
Current liability	589,362	1,377,014
Non-current liability	4,148,851	3,429,677
	4,738,213	**4,806,691**

16 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

Urban development: This includes real estate development and constructions activities.

Hydrocarbon & energy: This includes production and sale of chemicals and hydrocarbon materials.

Hospitality & leisure: This includes investment and development of hotel, leisure facilities and selling of luxurious items.

Infrastructure & utilities: This includes construction and management of district cooling systems and marina activities.

Other operations include providing advertising and information technology solution services and insurance agency services.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (established in Cayman Island) and Porto Arabia Retail Company 1 (established in Cayman Island). However these companies do not have any material operations outside Qatar and therefore majority of the Group assets are located in Qatar. Accordingly there are no distinctly identifiable geographical segments in the Group for the year ended 31 March 2016.

17 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with the current period presentation. However, such reclassifications did not have any effect on the net profit and equity of the comparative period.