United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2017

United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Three months period ended 31 March 2017

	Note	For the three months Period Ended 31 March	
		2017 (Unaudited) QR'000	*2016 (Unaudited) QR'000*
Revenue		768,508	458,099
Cost of revenue		(479,912)	(158,600)
Gross profit		**288,596**	**299,499**
Dividend income		1,245	17,658
Other operating income		55,262	60,904
Profit on sale of available-for-sale financial assets		5,938	-
General, administrative, sales and marketing expenses		(83,182)	(87,717)
Operating profit		**267,859**	**290,344**
Finance income		13,994	8,697
Finance costs		(44,935)	(30,656)
Net finance cost		**(30,941)**	**(21,959)**
Net share of results of associates		7,032	2,956
Profit for the period		**243,950**	**271,341**
Profit attributable to :			
Equity holders of the parent		230,766	258,889
Non-controlling interests		13,184	12,452
Profit for the period		**243,950**	**271,341**
Earnings per share			
Basic earnings per share	6	**0.65**	**0.73**

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three months period ended 31 March 2017

	Note	*For the Three months Period Ended 31 March*	
		2017	*2016*
		(Unaudited)	*(Unaudited)*
		QR'000	*QR'000*
Profit for the period		**243,950**	271,341
Other comprehensive income			
Other comprehensive (loss)/profit to be reclassified to profit or loss in subsequent periods:			
Net change in fair value of available-for-sale financial assets	14	(3,942)	(93,549)
Total comprehensive income for the period		**240,008**	**177,792**
Total comprehensive income attributable to:			
Equity holders of the parent		226,824	165,340
Non-controlling interests		13,184	12,452
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**240,008**	**177,792**

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	***31 March 2017 (Unaudited) QR'000***	*31 December 2016 (Audited) QR'000*
Assets			
Non-current assets			
Property, plant and equipment	7	3,211,860	3,231,194
Investment properties	8	8,848,852	8,861,377
Intangible assets	9	6,654	6,838
Investment in associates	10	318,616	316,385
Accounts and other receivables - long term		363,058	368,415
Available-for-sale financial assets	11	58,349	90,444
Total non-current assets		**12,807,389**	12,874,653
Current assets			
Inventories, net		1,625,076	1,997,627
Work In Progress		32,426	20,034
Accounts and other receivables – current, net		1,934,953	2,265,087
Cash and cash equivalents	12	1,923,829	1,565,883
Total current assets		**5,516,284**	5,848,631
TOTAL ASSETS		**18,323,673**	18,723,284
Equity and liabilities			
Equity			
Share capital	13	3,540,862	3,540,862
Legal reserve		1,606,612	1,583,535
Other reserves	14	1,123,903	1,275,975
Retained earnings		4,411,028	4,497,817
Equity attributable to equity holders of the parent		**10,682,405**	10,898,189
Non-controlling interest		**403,795**	411,632
Total equity		**11,086,200**	11,309,821
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	15	3,178,139	3,272,796
Retention payable		18,625	17,545
Accounts and other payables – long term		90,937	88,344
Employees' end of service benefits		36,293	34,795
Total non-current liabilities		**3,323,994**	3,413,480
Current liabilities			
Accounts and other payables		2,491,603	2,589,031
Interest bearing loans and borrowings	15	1,261,676	1,245,125
Retentions payable		160,200	165,827
Total current liabilities		**3,913,479**	3,999,983
Total liabilities		**7,237,473**	7,413,463
TOTAL EQUITY AND LIABILITIES		**18,323,673**	18,723,284

These interim condensed consolidated financial statements were approved by the Board of Directors on 17th April 2017 and were signed on their behalf by the following:

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Turki Mohammed Khaled Al Khater
Chairman of the Board

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three months period ended 31 March 2017

	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 2017 (Audited)	3,540,862	1,583,535	1,275,975	4,497,817	10,898,189	411,632	11,309,821
Total comprehensive income for the period							
Profit for the period	-	-	-	230,766	230,766	13,184	243,950
Other comprehensive income							
Transfer of Revaluation Gain	-	-	(148,130)	148,130	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	(3,942)	-	(3,942)	-	(3,942)
Total other comprehensive income	-	-	(152,072)	148,130	(3,942)	-	(3,942)
Total comprehensive income for the period	-	-	(152,072)	378,896	226,824	13,184	240,008
Transfer to legal reserve	-	23,077	-	(23,077)	-	-	-
Dividend paid	-	-	-	(442,608)	(442,608)	(21,021)	(463,629)
Total transactions with equity holders	-	23,077	-	(465,685)	(442,608)	(21,021)	(463,629)
Balance at 31 March 2017 *(Unaudited)*	**3,540,862**	**1,606,612**	**1,123,903**	**4,411,028**	**10,682,405**	**403,795**	**11,086,200**

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Three months period ended 31 March 2017

	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 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 16 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three months period ended 31 March 2017

	Note	***31 March 2017 (Unaudited) QR'000***	*31 March 2016 (Unaudited) QR'000*
OPERATING ACTIVITIES			
Profit for the period		**243,950**	271,341
Adjustments to reconcile profit to net cash flows:			
Net share of results of associates		(7,032)	(2,956)
Depreciation		25,642	17,504
Amortization of intangible assets		275	613
Profit on disposal of property, plant & equipment		(41)	-
Profit on sale of available-for-sale financial assets		(5,938)	-
Net finance income and costs		30,941	21,959
Dividend income		(1,245)	(17,658)
Provision for employees' end of service benefits		2,713	1,955
		289,265	292,758
Working capital adjustments:			
Accounts and other receivables - long term		5,357	-
Inventories, net		385,401	19,589
Work In Progress		(12,392)	-
Accounts and other receivables – current, net		327,538	(128,172)
Accounts and other payables		(107,203)	(63,612)
Retention payable		(4,547)	11,185
Cash generated from operating activities		883,419	131,748
Finance cost paid		(43,441)	(35,245)
Employees' end of service benefits paid		(1,203)	(4,483)
Net cash flows from operating activities		**838,775**	**92,020**
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(7,205)	(160,935)
Additions to intangible assets		(91)	-
Proceeds from sale of property, plant and equipment		87	-
Interest received		17,441	11,479
Dividend received from associates		4,800	2,560
Dividend received from other investee companies		1,245	11,724
Proceeds from sale of available-for-sale financial assets		34,090	-
Additions to investment properties		(325)	(1,088)
Time deposits with maturities more than three months		(1,003,291)	440,934
Net cash flow (used in)/from investing activities		**(953,249)**	**304,674**
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		68,526	107,134
Repayment of interest bearing loans and borrowings		(148,931)	(178,068)
Dividend paid		(450,466)	(516,805)
Net cash flows used in financing activities		**(530,871)**	**(587,739)**
Net decrease in cash and cash equivalents		(645,345)	(191,045)
Cash and cash equivalents at the beginning of the period	12	1,094,799	1,053,570
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12	**449,454**	**862,525**

The attached notes 1 to 16 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 31 March 2017 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 and providing information technology solutions.

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 2017 were authorised for issue in accordance with a resolution of the Board of the Directors on 17April 2017.

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 and for the year ended 31 December 2016.

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 2016 are available upon request from the Company’s registered office or at www.udcqatar.com.

3 SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group

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 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The following amended accounting standards became effective in 2017 and have been adopted by the Company in preparation of these interim condensed financial statements as applicable. Whilst they did not have any impact on these interim condensed financial statements, they may require additional disclosures in the annual financial statements for the year ended 31 December 2017.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of the amendments will result in additional disclosures provided by the Group.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted by the Group (continued)

Annual Improvements 2012-2014 Cycle (continued)

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. These amendments do not have any 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 do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 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 classified 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. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

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 Consolidated Financial Statements. 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 Investments in Associates and Joint Ventures 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 are applied retrospectively and do not have any impact on the Group as the Group does not apply the consolidation exception.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2017. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Below is a list of subsidiaries included in the financial statements:

	Country of incorporation	% equity interest 2017	2016
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 Al-Mutahida 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 404,535 thousands as at 31 March 2017 (31 December 2016: QR 412,292 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 13,265 thousands (2016: QR 12,295 thousands).

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 for China Square has been completed and for Modern Lebanese Restaurant L.L.C is still ongoing.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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. During 2016 during the year the operation of Rony Nacouzi was sold to a third party.

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

Abraj Al-Mutahida 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.

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.

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.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit recognised on the loss of control is recognised in the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that the control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of the influence retained.

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 2016.

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 2016.

6 BASIC 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	
	2017 (Unaudited) QR'000	*2016 (Unaudited) QR'000*
Profit for the period attributable to the equity holders of the Parent	230,766	258,889
Weighted average number of shares outstanding during the period (000')	**354,086**	354,086
Basic earnings per share (QR)	**.65**	.73

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 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Net book value at 1 January	3,231,194	4,499,199
Additions for the period / year	7,205	449,656
Transfers	(851)	(1,602,739)
Depreciation for the period / year	(25,642)	(101,992)
Net disposal	(46)	(8,827)
Write off	-	(4,103)
Net carrying value at the end of the period/year	**3,211,860**	3,231,194

8 INVESTMENT PROPERTIES

	31 March 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Balance at 1 January	8,861,377	8,704,709
Additions - development costs incurred during the period/year	325	4,356
Net Transfers	(12,850)	152,312
Balance at the end of the period/year	**8,848,852**	8,861,377

9 INTANGIBLE ASSETS

	31 March 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Balance at 1 January	6,838	3,678
Additions	91	1,404
Net transfers	-	4,250
Write off	-	(295)
Amortisation for the period / year	(275)	(2,199)
Balance at the end of the period/year	**6,654**	6,838

10 INVESTMENTS IN ASSOCIATES

The Group has the following investments in associate companies:

	Country of incorporation	*Shareholding*	***31 March 2017 (Unaudited) QR'000***	*31 December 2016 (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%	259,691	256,648
United Readymix W.L.L. (note c)	Qatar	32%	58,925	59,737
			318,616	316,385

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.

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 March 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Available-for-sale financial assets – quoted shares – Inside Qatar	2,784	2,770
Available-for-sale financial assets – quoted shares – Outside Qatar	51,565	83,674
Available-for-sale financial assets – unquoted shares	4,000	4,000
	58,349	90,444

As of 31 March 2017, 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 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Cash on hand and bank balances	1,923,829	1,565,883
Less: Reserves/time deposits maturing after 90 days	(1,474,375)	(471,084)
Cash and cash equivalents as per statement of cash flows	**449,454**	1,094,799

Time deposits carry interest at commercial rates.

13 ISSUED CAPITAL

	31 March 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Authorised, issued and fully paid up capital:		
354,086,248 ordinary shares of QR 10 each		
(2016 : 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 2017, the authorised share capital comprised 354,086,248 ordinary shares (2016: 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 31March 2017 (Unaudited) QR'000*	*Total 31 December 2016 (Audited) QR'000*
Balance at 1 January (Audited)	4,921	(7,427)	1,278,481	1,275,975	1,594,006
Decrease	(3,942)	-	(148,130)	(152,072)	(318,031)
Balance at the end of the period/year	**979**	**(7,427)**	**1,130,351**	**1,123,903**	1,275,975

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 2017 (Unaudited) QR'000	*31 December 2016 (Audited) QR'000*
Balance at 1 January	4,547,236	4,840,089
Draw downs/utilization	68,526	356,160
Repayments	(148,931)	(649,013)
	4,466,831	4,547,236
Less: Unamortized finance cost associated with raising finance	(27,016)	(29,315)
Balance at the end of the period/year	**4,439,815**	4,517,921
Presented in the statement of financial position as:		
Current liability	1,261,676	1,245,125
Non-current liability	3,178,139	3,272,796
	4,439,815	4,517,921

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 service.

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 period ended 31 March 2017.