

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

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2011**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2011

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<i>2011</i>	<i>2010</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR '000</i>	<i>QR '000</i>
Revenue	<b>1,076,400</b>	1,109,878
Direct costs	<b>(817,020)</b>	(718,801)
<b>GROSS PROFIT</b>	<b>259,380</b>	391,077
Finance income	<b>13,114</b>	22,784
Net gains (losses) on financial assets at fair value through profit or loss	<b>(174)</b>	1,420
Other income	<b>30,395</b>	26,826
Share of (loss) profit of an associate	<b>(334)</b>	221
Finance expenses	<b>(9,663)</b>	(10,893)
Impairment loss on available-for-sale investments	<b>(13,683)</b>	-
General and administrative expenses	<b>(91,950)</b>	(72,865)
<b>PROFIT FOR THE PERIOD</b>	<b>187,085</b>	358,570
<b>Other comprehensive income</b>		
Net movement in the fair value of available-for-sale investments	<b>(4,221)</b>	(5,530)
Loss on available for sale investments	<b>13,683</b>	-
Exchange difference on translation of foreign operations	<b>(8)</b>	-
	<b>9,454</b>	(5,530)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>196,539</b>	353,040
<b>Earnings per share</b>		
Basic and diluted earnings per share (Qatari Riyals)	<b>1.38</b>	2.65

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	<i>30 September 2011 (Unaudited) QR '000</i>	<i>31 December 2010 (Audited) (Restated) QR '000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,175,359	1,944,528
Investment properties	1,131	63,242
Properties under development	-	93,616
Investment in an associate	1,046	1,388
Available-for-sale investments	48,630	82,735
Other noncurrent assets	1,162	-
	<u>2,227,328</u>	<u>2,185,509</u>
<b>Current assets</b>		
Inventories	73,224	61,856
Due from related parties	188,673	301,134
Accounts receivable and prepayments	316,914	413,270
Insurance receivables	252,464	290,134
Financial assets at fair value through profit or loss	142,537	142,712
Cash and bank balances	1,146,354	826,794
	<u>2,120,167</u>	<u>2,035,900</u>
<b>TOTAL ASSETS</b>	<u><u>4,347,494</u></u>	<u><u>4,221,409</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,351,570	1,351,570
Legal reserve	120,090	120,090
General reserve	74,516	74,516
Foreign currency translation reserve	(8)	-
Fair value reserve	(1,517)	(10,979)
Retained earnings	719,456	708,075
<b>Total equity</b>	<u>2,264,106</u>	<u>2,243,272</u>
<b>Non-current liabilities</b>		
Loans and borrowings	751,698	677,783
Employees' end of service benefits	14,899	13,005
	<u>766,596</u>	<u>690,788</u>
<b>Current liabilities</b>		
Due to related parties	94,275	61,732
Accounts payable, insurance payables and accruals	1,031,341	1,045,703
Loans and borrowings	188,210	179,914
Bank overdrafts	2,966	-
	<u>1,316,791</u>	<u>1,287,349</u>
<b>Total liabilities</b>	<u>2,083,388</u>	<u>1,978,137</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,347,494</u></u>	<u><u>4,221,409</u></u>

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Dr. Mohamed Saleh Al-Sada  
Chairman & Managing Director

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Saeed Mubarak Al-Muhanadi  
Vice-Chairman

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Restated)

For the nine months ended 30 September 2011

	<i>Share capital QR '000</i>	<i>Legal reserve QR '000</i>	<i>General reserve QR '000</i>	<i>Foreign currency translation reserve QR '000</i>	<i>Fair value reserve QR '000</i>	<i>Retained earnings QR '000</i>	<i>Total QR '000</i>
Balance at 1 January 2011, as previously reported	1,351,570	120,090	74,516	-	(36,444)	733,540	2,243,272
Prior period adjustment	-	-	-	-	25,465	(25,465)	-
Balance at 1 January 2011, as restated	1,351,570	120,090	74,516	-	(10,979)	708,075	2,243,272
Profit for the period	-	-	-	-	-	187,085	187,085
Other comprehensive income for the period	-	-	-	(8)	9,462	-	9,454
Total comprehensive income for the period	-	-	-	(8)	9,462	187,085	196,539
Dividends paid	-	-	-	-	-	(175,704)	(175,704)
Balance at 30 September 2011 (Unaudited)	<b>1,351,570</b>	<b>120,090</b>	<b>74,516</b>	<b>(8)</b>	<b>(1,517)</b>	<b>719,456</b>	<b>2,264,106</b>

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Restated) (CONTINUED)

For the nine months ended 30 September 2011

	<i>Share capital QR '000</i>	<i>Legal reserve QR '000</i>	<i>General reserve QR '000</i>	<i>Foreign currency translation reserve QR '000</i>	<i>Fair value reserve QR '000</i>	<i>Retained earnings QR '000</i>	<i>Total QR '000</i>
Balance at 1 January 2010, as previously reported	1,351,570	94,713	74,516	-	(31,059)	560,497	2,050,237
Prior period adjustment	-	-	-	-	25,465	(25,465)	-
Balance at 1 January 2010, as restated	1,351,570	94,713	74,516	-	(5,594)	535,032	2,050,237
Profit for the period	-	-	-	-	-	358,570	358,570
Other comprehensive income for the period	-	-	-	-	(5,531)	-	(5,531)
Total comprehensive income for the period	-	-	-	-	(5,531)	358,570	353,039
Dividends paid	-	-	-	-	-	(229,771)	(229,771)
Balance at 30 September 2010 (Unaudited)	1,351,570	94,713	74,516	-	(11,125)	663,831	2,173,505

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2011

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<i>2011</i>	<i>2010</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR '000</i>	<i>QR '000</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	187,085	358,570
Adjustments for:		
Depreciation	130,230	122,056
Impairment loss on available-for-sale investments	13,683	-
Provision for employees' end of service benefits	4,072	4,315
Finance expenses	9,663	10,893
Loss on sale of property, plant and equipment	12,480	(6,532)
Share of loss (profit) of an associate	334	(221)
Net (gains) losses on financial assets at fair value through profit or loss	174	(1,420)
Finance income	(8,395)	(17,972)
Net gain on sale of available-for-sale investments	-	(12,235)
Dividend income	-	(1,537)
Net operating profit before working capital changes	349,326	455,917
Inventories	(11,368)	2,806
Accounts receivable, insurance receivables and prepayments	246,487	(154,148)
Accounts payable, insurance payables and accruals	18,179	144,538
Cash from operations	602,624	449,113
End of service benefits paid	(2,178)	(2,521)
Net cash from operating activities	600,446	446,592
<b>INVESTING ACTIVITIES</b>		
Receipt of finance income	8,395	18,975
Proceeds from sale of property, plant and equipment	2,361	13,274
Net Movement in available for sale investments	(7,666)	28,098
Net Movement in investment properties	175,810	-
Disposal of investments	4,735	-
Acquisition of property, plant and equipment and projects under development	(364,330)	(171,581)
Movements in deposits maturing after 90 days	70,010	(38,668)
Net cash used in investing activities	(110,685)	(149,902)
<b>FINANCING ACTIVITIES</b>		
Net movement in loans and borrowings	85,177	36,117
Dividends paid	(175,704)	(229,771)
Finance expenses paid	(9,663)	(10,893)
Net cash used in financing activities	(100,191)	(204,547)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>389,570</b>	<b>92,143</b>
Cash and cash equivalents at 1 January	463,900	400,934
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>853,471</b>	<b>493,076</b>