Tamweel PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2008 (UNAUDITED)

ERNST & YOUNG

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TAMWEEL PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Tamweel PJSC and its subsidiaries (the 'Group') as of 31 March 2008, comprising of the interim consolidated balance sheet as at 31 March 2008 and the related interim consolidated statements of income, changes in equity and cash flow for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst & Young

Signed by
Naushad Anwar
Partner
Registration No. 489

16 April 2008
Dubai, United Arab Emirates

A member firm of Ernst & Young Global Limited

Tamweel PJSC and its subsidiaries

CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2008 (Unaudited)

	Note	Three months ended 31 March 2008 AED'000	31 March 2007 AED'000
Income from Islamic financing and investing assets		139,513	61,232
Fees, commission and other income		29,601	8,200
Income from sale of properties held for sale		155,866	17,577
Income from sale of development property, net		736	4,566
OPERATING INCOME		325,716	91,575
General and administrative expenses		(59,224)	(19,600)
PROFIT BEFORE DEPOSITORS' SHARE OF PROFIT		266,492	71,975
Depositors' share of profit		(90,145)	(21,506)
PROFIT FOR THE PERIOD		176,347	50,469
Earnings per share:			
Basic earnings per share (AED)	3	0.18	0.05
Diluted earnings per share (AED)	3	0.17	0.05

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

Tamweel PJSC and its subsidiaries

CONSOLIDATED BALANCE SHEET

At 31 March 2008

	31 March 2008 AED'000 (Unaudited)	*31 December 2007 AED'000 (Audited)*
ASSETS		
Bank balances and cash	**778,291**	189,761
Advances, prepayments and other receivables	**634,632**	647,055
Properties held for sale	**1,424,275**	2,308,694
Investment properties	**45,301**	45,301
Other investments	**66,753**	70,338
Islamic financing and investing assets	**6,635,280**	5,216,539
Property and equipment	**42,241**	36,040
TOTAL ASSETS	**9,626,773**	8,513,728
LIABILITIES AND EQUITY		
Liabilities		
Zakat payable	**32,129**	27,682
Accounts payable, accruals and other liabilities	**792,059**	808,749
Financing obligations	**6,736,202**	5,631,329
Total liabilities	**7,560,390**	6,467,760
Equity		
Share capital	**1,000,000**	1,000,000
Employees' benefit plan	**(9,577)**	(9,577)
Statutory reserve	**136,452**	136,452
General reserve	**480,124**	480,124
Special reserve	**52,290**	52,290
Cumulative changes in fair value	**413**	365
Convertible bonds equity component	**69,534**	-
Retained earnings	**337,147**	168,314
Proposed dividends	**-**	218,000
Total equity	**2,066,383**	2,045,968
TOTAL LIABILITIES AND EQUITY	**9,626,773**	8,513,728

Chief Executive Officer
16 April 2008

Chairman
16 April 2008

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

Tamweel PJSC and its subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

Period ended 31 March 2008 (Unaudited)

	Three months ended	
	31 March 2008	*31 March2007*
	AED'000	*AED'000*
OPERATING ACTIVITIES		
Profit for the period	**176,347**	50,469
Adjustments for:		
Depreciation	**811**	730
Amortisation of deferred cost	**2,162**	-
Provision for employees' benefits	**937**	158
Provision against Islamic financing and investing assets	**6,255**	-
Changes in fair value of investment properties	**-**	(2,239)
Depositors' share of profit	**90,145**	21,506
	276,657	70,624
Working capital changes:		
Islamic financing and investing assets	**(1,424,996)**	(430,581)
Financing obligations	**84,093**	486,475
Properties held for sale	**884,419**	(149,078)
Trading investments	**3,633**	(1,119)-
Advances, prepayments and other receivables	**10,262**	(134,788)
Accounts payable, accruals and other liabilities	**(243,671)**	125,834
Cash used in operations	**(409,603)**	(32,633)
Depositors' share of profit paid	**(81,551)**	(10,332)
Zakat paid	**(2,674)**	(153)
Employees' benefits paid	**(194)**	-
Net cash used in operating activities	**(494,022)**	(43,118)
INVESTING ACTIVITY		
Purchase of property and equipment	**(7,012)**	(2,181)
Cash used in investing activity	**(7,012)**	(2,181)
FINANCING ACTIVITIES		
Proceeds from issue of convertible bonds	**1,090,314**	-
Directors' fee	**(750)**	-
Cash from financing activities	**1,089,564**	-
Increase / (decrease) in cash and cash equivalents	**588,530**	(45,299)
Cash and cash equivalents at 1 January	**189,761**	380,181
CASH AND CASH EQUIVALENTS AT 31 MARCH	**778,291**	334,882

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

Tamweel PJSC and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2008 (Unaudited)

	Share capital	*Employees' benefit plan*	*Statutory reserve*	*General reserve*	*Special reserve*	*Cumulative changes in fair value*	*Convertible bonds equity component*	*Retained earnings*	*Proposed dividends*	*Total*
	AED '000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Balance at 1 January 2007	1,000,000	(11,100)	91,305	435,000	25,837	208	-	78,329	200,000	1,819,579
Gain on available-for-sale investments recognised directly in equity	-	-	-	-	-	38	-	-	-	38
Total income for the period recognised directly in equity	-	-	-	-	-	38	-	-	-	38
Profit for the period	-	-	-	-	-	-	-	50,469	-	50,469
Total income for the period		-	-	-	-	38	-	50,469	-	50,507
Transfer to special reserve	-	-	-	-	4,306	-	-	(4,306)	-	-
Dividends approved	-	-	-	-	-	-	-	-	(200,000)	(200,000)
Directors' fees	-	-	-	-	-	-	-	(375)	-	(375)
Balance at 31 March 2007	**1,000,000**	**(11,100)**	**91,305**	**435,000**	**30,143**	**246**	**-**	**124,117**	**-**	**1,669,711**
Balance at 1 January 2008	1,000,000	(9,577)	136,452	480,124	52,290	365	-	168,314	218,000	2,045,968
Gain on available-for-sale investments recognised directly in equity	-	-	-	-	-	48	-	-	-	48
Total income for the period recognised directly in equity	-	-	-	-	-	48	-	-	-	48
Profit for the period	-	-	-	-	-		-	176,347	-	176,347
Total income for the period	-	-	-	-	-	48	-	176,347	-	176,395
Dividends approved	-	-	-	-	-	-	-	-	(218,000)	(218,000)
Directors' fees	-	-	-	-	-	-	-	(750)	-	(750)
Zakat provision for 2007	-	-	-	-	-	-	-	(7,121)	-	(7,121)
Convertible bonds equity component	-	-	-	-	-	-	69,534	-	-	69,534
Cost of vested shares under employees' benefit plan	-	-	-	-	-	-	-	357	-	357
Balance at 31 March 2008	**1,000,000**	**(9,577)**	**136,452**	**480,124**	**52,290**	**413**	**69,534**	**337,147**	**-**	**2,066,383**

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

1 THE COMPANY AND ITS OPERATIONS

Tamweel PJSC (the "Company") was registered on 3 June 2006 as a Public Joint Stock Company in accordance with UAE Federal Law No (8) of 1984, as amended. The share capital of the Company comprises 1,000,000,000 shares of AED 1 each. Previously, the Company was operating as Tamweel LLC with a paid up share capital of AED 450 million (450,000 shares of AED 1,000 each).

The Company is licensed by the UAE Central Bank as a finance company and is primarily engaged in Islamic Sharia'a compliant financing and investment activities such as Ijara, Murabaha, Istisna'a etc. The activities of the Group are conducted in accordance with Islamic Sharia'a, which prohibits usury, and within the provisions of its Articles and Memorandum of Association. The Group is also engaged in the business of property development and trading.

During the period, the Group has obtained the license from Real Estate Regulatory Authority, Dubai, United Arab Emirates to start the Escrow Management Services operations and consequently, the Group started those operations during the current period.

The head office of the Group is located at Business Avenue Building, Emirate of Dubai, UAE. The Group also has one branch each in the Emirates of Dubai, Abu Dhabi and Sharjah.

The Group consists of Tamweel PJSC (the Parent Company) and its following subsidiaries registered up to 31 March 2008

Subsidiaries	Beneficial ownership	Principal activity	Country of incorporation
Tamweel Egypt for Real Estate Finance	100%	Sharia compliant financing and investing activities	Egypt
Tamleek Egypt Limited	100%	Holding Company	Jebel Ali Free Zone Dubai, UAE
Tahfeez Egypt Limited	100%	Holding Company	Jebel Ali Free Zone Dubai, UAE

The above subsidiaries have yet to commence their commercial operations.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2007 except for the following new policies which were adopted by the Group on consolidation of the subsidiaries and issuance of convertible Sukuk bonds during the period:

Consolidation
The consolidated financial statements comprise the financial statements of Tamweel PJSC (the Company) and its Subsidiaries (together the "Group"). The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2 ACCOUNTING POLICIES - continued

Convertible Sukuk bonds
Convertible Sukuk bonds that can be settled at the option of the issuer are recorded as compound financial instrument. The equity component of the convertible bonds is calculated as the excess of issue proceeds over the present value of the future profit and principal payments, discounted at the market rate of profit applicable to similar liabilities that do not have a conversion option.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007. In addition, results for the 3 months ended 31 March 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

3 EARNINGS PER SHARE – BASIC AND DILUTED

The following table shows the profit and shares data used in the basic and diluted earnings per share calculation:

	Three months ended	
	31 March 2008	*31 March 2007*
	AED'000	*AED'000*
Basic earnings per share		
Profit for the period net of directors remuneration of AED 750 thousand (2007 AED 375 thousand)	**175,597**	50,094
	Number of shares	
Weighted average number of ordinary shares	**1,000,000,000**	1,000,000,000
Basic earnings per shares (AED)	**0.18**	0.05
Diluted earnings per share		
Profit for the period net of directors remuneration of AED 750 thousand (2007 AED 375 thousand)	**187,280**	50,094
	Number of shares	
Weighted average number of ordinary shares	**1,103,119,000**	1,000,000,000
Diluted earnings per shares (AED)	**0.17**	0.05

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financials statements for issuance.

4 CONVERTIBLE SUKUK BONDS

In January 2008, the Group issued convertible bonds in the form of Trust Certificates / Sukuk-al-Mudarabah ("the Sukuk") for a total value of USD 300 million. The Sukuk, which is structured to conform to the principles of Islamic Shariah, was approved by the Group's shareholders at an Extraordinary General Meeting held in April 2007. The Sukuk matures in year 2013 and has a fixed profit rate of 4.31% to be paid on a quarterly basis in arrear. The reference share price for conversion, to which an exchange premium of 20.5% will apply, was taken as the closing price of the Parent Company's share as of 13 December 2007. The Sukuk is secured by Parent Company's Islamic and financing assets in accordance with the principles of Islamic Shariah.

4 CONVERTIBLE SUKUK BONDS - continued

Each Trust Certificate may be redeemed at the option of the issuer at any time after year 1 to the maturity date, as governed under the Terms of the subscription. On exercise of option, at the option of the Group, either shares will be issued at reference share price or an equivalent sum of cash will be paid based on the arithmetic average of the volume weighted average price of the shares on each trading day during the last 10 consecutive days into number of shares would have been issued under equity settlement. The Group may also voluntarily redeem the Trust Certificates under certain conditions.

Convertible Sukuk has been included under financing obligations in the balance sheet as follows:

	31 March 2008 AED'000
Proceeds from issue of convertible bonds	**1,101,840**
Less: Issuance costs	**11,526**
Net proceeds from issuance of convertible bonds	**1,090,314**
Less: Equity component on initial recognition	**69,534**
Liability component on initial recognition	**1,020,780**
Add: Profit accrued up to period end	**11,683**
	1,032,463
Less: Current portion of profit classified under accounts payable, accruals and other liabilities	**8,970**
	1,023,493

5 SEGMENTAL INFORMATION

Primary segment information
For management purposes the Group is organised into two major business segments:

Islamic financing and investing activities

Property development

These segments are the basis on which the Group reports its segment information.

Segmental information for the three months ended 31 March was as follows:

	2008				*2007*			
	Islamic financing and investing activities AED'000	***Property development AED'000***	***Other AED'000***	***Total AED'000***	*Islamic financing and investing activities AED'000*	*Property development AED'000*	*Other AED'000*	*Total AED'000*
Gross income	**139,513**	**156,602**	**29,601**	**325,716**	61,232	4,566	25,777	91,575
Provision for impairment	**(6,255)**	**-**	**-**	**(6,255)**	-	-	-	-
Allocable expenses	**(45,740)**	**(32,810)**	**(418)**	**(78,968)**	(16,984)	(2,238)	-	(19,222)
Segment result	**87,518**	**123,792**	**29,183**	**240,493**	44,248	2,328	25,777	72,353
Unallocated expenses				**(64,146)**				(21,884)
Profit for the period				**176,347**				50,469

No secondary segment information has been provided as the Group operates only in the United Arab Emirates.

6 COMMITMENTS AND CONTINGENT LIABILITIES

		Commitments	
		31 March 2008	*31 December 2007*
		AED'000	*AED'000*
Irrevocable commitments to extend credit	6.1	**4,341,722**	3,423,021
Purchase of properties	6.2	**81,888**	81,888
Contribution to share capital	6.3	**395,372**	429,769
Property development	6.4	**8,231**	10,581
		4,827,213	3,945,259

6.1 This represents contractual commitments to provide Islamic financing. Commitments generally have fixed expiry dates, or other termination clauses, and normally require the payment of a fee. Since these may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

6.2 This represents commitments to property developers in respect of property purchases.

6.3 This represents a commitment to subscribe to the share capital of the Companies.

6.4 This represents contracts for capital expenditure outstanding at the balance sheet date.

Contingencies
There have been no significant changes in contingent liabilities since 31 December 2007.