

**QATAR ELECTRICITY & WATER COMPANY Q.S.C.
DOHA - QATAR**

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2011**

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the nine month period ended September 30, 2011

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INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Board of Directors
Qatar Electricity & Water Company Q.S.C.
Doha-Qatar**

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Electricity & Water Company Q.S.C. (the "Company") and its subsidiaries and jointly controlled entities (together referred as the "Group"), comprising the interim condensed consolidated statement of financial position as at September 30, 2011, and the related interim condensed consolidated statements of income and comprehensive income for the three and nine month period then ended and the related interim condensed consolidated changes in equity and cash flows for the nine month period then ended, and certain selected notes. The interim condensed consolidated financial statements of the Company for the nine month period ended at September 30, 2010 were reviewed and the consolidated financial statements as at December 31, 2010 were audited by another auditor, whose reports dated October 19, 2010 and February 14, 2011 respectively, expressed unqualified review and audit opinions on those statements.

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". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our 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 the 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.

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 International Accounting Standard 34 "Interim Financial Reporting".

For Deloitte & Touche



Muhammad Bahemia
License No. 103

Doha - Qatar
October 27, 2011

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended September 30, 2011

	Notes	For the three month period ended September 30,		For the nine month period ended September 30,	
		2011	2010	2011	2010
		QR '000 (Reviewed)	QR '000 (Reviewed)	QR '000 (Reviewed)	QR '000 (Reviewed)
Sales	4	1,219,524	944,298	3,343,271	2,344,689
Cost of sales		<u>(637,934)</u>	<u>(483,325)</u>	<u>(1,686,593)</u>	<u>(1,290,880)</u>
GROSS PROFIT		581,590	460,973	1,656,678	1,053,809
EXPENSES					
General and administration expenses		(48,538)	(46,323)	(158,965)	(111,112)
Finance costs		(181,709)	(132,708)	(539,175)	(297,914)
Liquidated damages to KAHRAMAA		--	(7,655)	--	(113,480)
OTHER INCOME					
Interest income		7,171	35,217	28,198	96,862
Dividend income		--	--	12,553	11,368
Profit on disposal of property, plant and equipment		112	--	174	--
Share of profits from associates		--	11,921	--	29,335
Deferred income		1,698	1,698	5,094	5,094
Other operating income		82	12,461	696	21,952
Share of liquidated damages of joint venture companies		--	29,274	--	126,805
Miscellaneous income / (expense)		<u>21,379</u>	<u>(48)</u>	<u>67,284</u>	<u>11,731</u>
NET PROFIT FOR THE PERIOD		381,785	364,810	1,072,537	834,450
Net profit attributable to owners of the parent		<u>374,814</u>	<u>364,810</u>	<u>1,046,578</u>	<u>834,450</u>
Net profit attributable to non- controlling interests		<u>6,971</u>	<u>--</u>	<u>25,959</u>	<u>--</u>
BASIC EARNING PER SHARE (Expressed in QR per share)	5	<u>3.75</u>	<u>3.65</u>	<u>10.47</u>	<u>8.34</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended September 30, 2011

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2011	2010	2011	2010
	QR '000 (Reviewed)	QR '000 (Reviewed)	QR '000 (Reviewed)	QR '000 (Reviewed)
NET PROFIT FOR THE PERIOD	381,785	364,810	1,072,537	834,450
Other comprehensive income / (loss) for the period				
Losses from cash flow hedges of the Company	(58,617)	(44,752)	(69,110)	(125,577)
Share from cash flow hedge of associates, subsidiaries and joint venture companies	(532,879)	(431,301)	(636,114)	(1,286,680)
Unrealised gains / (losses) on available-for-sale investments	(22,128)	29,724	(21,819)	11,218
Other comprehensive loss for the period	(613,624)	(446,329)	(727,043)	(1,401,039)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	(231,839)	(81,519)	345,494	(566,589)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2011

	Notes	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,379,275	5,974,100
Goodwill		108,798	108,798
Available-for-sale investments		349,926	358,238
Investments in associates		32,917	--
Finance lease receivables	7	11,802,953	11,699,832
Other non-current assets		16,988	23,815
Total non-current assets		17,690,857	18,164,783
Current assets			
Inventories		294,824	294,583
Finance lease receivables	7	458,091	135,836
Accounts receivable and prepayments		1,267,870	1,454,036
Cash and bank balances		2,665,283	2,074,176
Total current assets		4,686,068	3,958,631
TOTAL ASSETS		22,376,925	22,123,414


THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

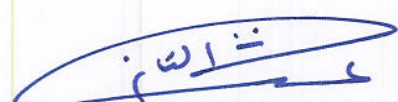
QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2011

	Notes	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital		1,000,000	1,000,000
Legal reserve		500,000	500,000
General reserve		3,241,834	3,241,834
Retained earnings		1,046,578	600,000
Other components of equity		(2,308,815)	(1,579,040)
Equity attributable to owners of the parent		3,479,597	3,762,794
Non-controlling interests		195,513	175,570
Total equity		3,675,110	3,938,364
Non-current liabilities			
Interest-bearing loans and borrowings	8	13,524,082	12,445,717
Other term loans		231,943	351,941
Deferred income		28,866	33,959
Employees' end of service benefits		73,831	64,035
Derivatives	9	2,511,704	1,806,480
Total non-current liabilities		16,370,426	14,702,132
Current liabilities			
Accounts payable and accruals		1,856,370	1,857,107
Interest-bearing loans and borrowings	8	342,257	1,513,047
Other term loans		125,970	105,972
Deferred income		6,792	6,792
Total current liabilities		2,331,389	3,482,918
TOTAL LIABILITIES		18,701,815	18,185,050
TOTAL EQUITY AND LIABILITIES		22,376,925	22,123,414


Abdulla Bin Hamad Al- Attiyah
Chairman


Issa Shahin Al-Ghanim
Vice Chairman

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended September 30, 2011

	Share capital QR '000	Legal reserve QR'000	General reserve QR'000	Retained earnings QR'000	Cash flow hedge reserve QR'000	Fair value reserve QR'000	Non- controlling interest QR'000	Total QR'000
Balance at January 1, 2011 (Audited)	1,000,000	500,000	3,241,834	600,000	(1,776,189)	197,149	175,570	3,938,364
Total comprehensive income (loss)	--	--	--	1,046,578	(707,956)	(21,819)	28,691	345,494
Dividends paid for 2010	--	--	--	(600,000)	--	--	(8,748)	(608,748)
Balance at September 30, 2011 (Reviewed)	1,000,000	500,000	3,241,834	1,046,578	(2,484,145)	175,330	195,513	3,675,110

	Share capital QR'000	Legal reserve QR'000	General reserve QR'000	Retained earnings QR'000	Cash flow hedge reserve QR'000	Fair value reserve QR'000	Non- controlling interest QR'000	Total QR'000
Balance at January 1, 2010 (Audited)	1,000,000	500,000	2,707,888	500,000	(1,238,808)	120,610	--	3,589,690
Total comprehensive income (loss)	--	--	--	834,450	(1,412,257)	11,218	--	(566,589)
Dividends paid for 2009	--	--	--	(500,000)	--	--	--	(500,000)
Balance at September 30, 2010 (Reviewed)	1,000,000	500,000	2,707,888	834,450	(2,651,065)	131,828	--	2,523,101

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended September 30, 2011

	For the nine month period ended September 30,	
	2011 QR'000 (Reviewed)	2010 QR'000 (Reviewed)
OPERATING ACTIVITIES		
Net profit for the period	1,072,537	834,450
Adjustments for:		
Depreciation	379,977	348,270
Profit on disposal of property, plant and equipment	(171)	--
Provision for employees' end of service benefits	11,569	7,367
Provision for inventory obsolescence	13,626	14,598
Finance costs	539,175	297,914
Deferred income recognized	(5,094)	(5,094)
Deferred expense recognized	6,827	--
Interest income	(28,198)	(96,862)
Dividend income	(12,553)	(11,368)
Share of profit from associate companies	--	(29,335)
	<u>1,977,695</u>	<u>1,359,940</u>
Working capital changes:		
Inventories	(13,867)	(2,304)
Accounts receivable and prepayments	186,166	(216,090)
Finance lease receivables	8,799	(343,100)
Accounts payable and accruals	(737)	466,730
	<u>2,158,056</u>	<u>1,265,176</u>
Cash from operations	2,158,056	1,265,176
Finance costs paid	(539,175)	(297,914)
Employees' end of service benefits paid	(1,773)	(1,393)
	<u>1,617,108</u>	<u>965,869</u>
Net cash from operating activities	1,617,108	965,869
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(219,506)	(1,380,585)
Dividend received from associate	--	4,556
Interest received	28,198	96,862
Investments in associates	(32,917)	--
Proceeds from sale of property, plant and equipment	351	--
Dividends received	12,553	11,368
Purchase of available for sale investments	(13,507)	(6,465)
	<u>(224,828)</u>	<u>(1,274,264)</u>
Net cash used in investing activities	(224,828)	(1,274,264)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended September 30, 2011

	For the nine month period ended September 30,	
	2011	2010
	QR'000	QR'000
	(Reviewed)	(Reviewed)
FINANCING ACTIVITIES		
Dividends paid	(608,748)	(500,000)
Drawdown of interest bearing loans and borrowings	1,300,990	1,409,583
Repayment of bank borrowings	(1,393,415)	(41,174)
Repayment of other term loans	(100,000)	(100,000)
Net cash (used in)/from financing activities	(801,173)	768,409
Net increase in cash and cash equivalents	591,107	460,014
Cash and cash equivalents at beginning of period	2,074,176	2,306,962
Cash and cash equivalents at end of period	2,665,283	2,766,976

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

1. CORPORATE INFORMATION

Qatar Electricity & Water Company Q.S.C. (the "Company") is a public shareholding company incorporated in Qatar on March 16, 1992. The Company's registered office is at QIMCO building, West Bay, Corniche Road, P.O. Box 22046, Doha, State of Qatar. The interim condensed consolidated financial statements of the Company for the nine month period ended September 30, 2011 comprise the financial information of the Company, its subsidiaries and jointly controlled entities (together referred as the "Group"). The Group is primarily involved in the production of electricity and water. The Company's shares are listed on Qatar Exchange.

The structure of the Group, included in the interim condensed consolidated financial statements of Qatar Electricity and Water Company Q.S.C. is as follows:

		<i><u>Country of incorporation</u></i>	<i><u>Percentage of holding</u></i>
Ras Laffan Operating Company W.L.L.	Subsidiary	Qatar	100%
Ras Laffan Power Company Limited (Q.S.C.)	Subsidiary	Qatar	80%
Q Power Q.S.C.	Jointly controlled entity	Qatar	55%
Mesaieed Power Company Limited	Jointly controlled entity	Qatar	40%
Ras Girtas Power Company Limited	Jointly controlled entity	Qatar	45%

The interim condensed consolidated financial statements of the Group for the nine month period ended September 30, 2011 were authorised for issue by the Board of Directors on October 27, 2011.

2. AGREEMENT WITH QATAR GENERAL ELECTRICITY & WATER CORPORATION (KAHRAMAA) FOR ACQUISITION OF STATIONS

During 2003, the Company entered into an agreement with Qatar General Electricity & Water Corporation (KAHRAMAA) for the acquisition of the following stations:

- Ras Abu Fontas A (RAF A)
- Al Wajbah
- Al Saliyah
- Doha South Super

Article 6 of the agreement states that the agreement is conditional and shall not become effective among others, unless an Emiri decree granting the Company a concession to use the land on which the plants are located has been promulgated, is in full force and effect. Article 6.2 of the said agreement also states that in the event the Emiri decree is not granted by June 1, 2003 the parties shall meet to discuss and agree a solution and to the extent necessary, the said agreement shall be amended to reflect any such solution needed.

As at the end of the reporting period, the Emiri decree has not been obtained by the Company. The revenues from these stations accounted for 14.59.% of the total revenues of the Company for the period ended September 30, 2011 (September 30, 2010: 17%). No amendments have been made to the above agreement since both parties are continuing the discussions and are confident of obtaining the Emiri decree in due course.

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2010 except for the adoption of certain revised standards which are effective as of January 1, 2011. Adoption of these standards did not have any effect on the financial position or performance of the Company other than certain presentation changes. These interim condensed consolidated financial statements should be read in conjunction with the 2010 annual financial statements and notes attached thereto.

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. In addition, results for the nine month ended September 30, 2011 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2011.

The interim condensed consolidated financial statements are prepared in Qatari Riyals and all values are rounded to the nearest thousands (QR'000) except when otherwise indicated.

In accordance with the agreement signed with the Government of the State of Qatar on October 10, 1999 for the purchase of Ras Abu Fontas B station and sale of its electricity and water and the mechanism for the calculation of annual revenue signed with the Ministry of Energy, Industry, Electricity and Water on July 13, 2000, an adjustment is to be made to the annual revenue in the annual financial statements to reflect the guaranteed revenue.

The interim condensed consolidated financial statements are not subject to such adjustments, as the agreement requires that adjustments be made only to the annual figures.

Sales from RAFA, Al Wajbah, Al Saliyah and Doha South Super are accounted for as per the terms of the Power and Water purchase agreement with KAHRAMAA. Adjustments are made on monthly basis to the financial statements to reflect the guaranteed revenue. However, settlement is done on annual basis.

Sales from Dukhan desalination plant are accounted for in accordance with the Water Purchase Agreement signed with Qatar Petroleum. Adjustments are made on monthly basis to financial statements to reflect the guaranteed revenue. However, settlement is done on annual basis.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim condensed consolidated financial statements only if it would be appropriate to anticipate or defer such costs to the end of the financial year.

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

4. SALES

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2011	2010	2011	2010
	QR'000	QR'000	QR'000	QR'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Sales represent revenue generated from the supply of:				
Electricity	590,816	519,496	1,525,995	1,244,019
Water	373,336	295,664	1,060,438	802,063
Lease income from plant leases:				
- Ras Laffan Power Co	52,060	--	162,032	--
- Q Power Q.S.C.	36,492	37,320	109,206	111,287
- Mesaieed Power Company Limited	68,277	64,535	195,628	160,037
- Ras Girtas Power Company Limited	98,543	27,283	289,972	27,283
	<u>1,219,524</u>	<u>944,298</u>	<u>3,343,271</u>	<u>2,344,689</u>

The Group primarily operates integrated plants for the generation of electricity and desalination water in the State of Qatar. The water desalination process is completely dependent upon electricity generation. Electricity and water processes are interrelated and are subject to similar risks and returns. Production is sold to two customers. The management has determined that the Group is considered to have a single operating segment.

5. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2011	2010	2011	2010
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Net profit for the period attributable to owners of the parent (in QR'000)	<u>374,814</u>	<u>364,810</u>	<u>1,046,578</u>	<u>834,450</u>
Weighted average number of shares outstanding during the period (in shares)	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Basic earnings per share (expressed in QR per share)	<u>3.75</u>	<u>3.65</u>	<u>10.47</u>	<u>8.34</u>

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.

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

6. PROPERTY, PLANT AND EQUIPMENT

	Production facilities QR'000	Furniture, fixtures and office equipment QR'000	Motor vehicles QR'000	"C" inspection costs QR'000	Capital spares QR'000	Capital work in progress QR'000	Total QR'000
Cost:							
At January 1, 2011	8,154,187	26,996	7,501	261,464	140,162	446,099	9,036,409
Additions	2,860	3,598	1,708	31,310	--	180,030	219,506
Transfers	19,501	--	--	--	--	(453,675)	(434,174)
Disposals	--	--	(850)	(11,753)	--	--	(12,603)
At September 30, 2011	8,176,548	30,594	8,359	281,021	140,162	172,454	8,809,138
Depreciation:							
At January 1, 2011	2,874,350	16,593	3,592	135,946	31,828	--	3,062,309
Charge for the period	306,983	2,987	1,238	63,378	5,391	--	379,977
Relating to disposals	--	--	(670)	(11,753)	--	--	(12,423)
At September 30, 2011	3,181,333	19,580	4,160	187,571	37,219	--	3,429,863
Net carrying amounts:							
At September 30, 2011 (Reviewed)	4,995,215	11,014	4,199	93,450	102,943	172,454	5,379,275
At December 31, 2010 (Audited)	5,279,837	10,403	3,909	125,518	108,334	446,099	5,974,100

Note:

During 2010, the Company discontinued the operations of its Al Wajba power production facility as per instructions received from the government of the State of Qatar. Negotiations for compensation are in process with the Ministry of Finance. Management believes it can recover the full carrying value of the facility and thus no impairment loss has been provided in these interim condensed consolidated financial statements.

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

7. FINANCE LEASE RECEIVABLES

Finance lease receivables represent the proportionate share of lease receivables from Q Power Q.S.C. and Mesaieed Power Company Limited Q.S.C and also include lease receivables from Ras Laffan Power Company Limited Q.S.C. The jointly controlled entities and the subsidiary adopted IFRIC 4 *Determining Whether an Arrangement Contains a Lease* which became effective from January 1, 2006 in accounting for their self-constructed production facilities.

	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
Finance leases – gross receivable	26,576,164	26,675,565
Unearned finance income	(14,315,120)	(14,839,897)
Net investment in finance leases	12,261,044	11,835,668
Classified in the statement of interim condensed consolidated financial position as follows:		
Current portion	458,091	135,836
Non-current portion	11,802,953	11,699,832
	12,261,044	11,835,668

8. INTEREST-BEARING LOANS AND BORROWINGS

	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
Loan 1	1,524,483	1,543,947
Loan 2	1,188,120	1,214,172
Loan 3	2,818,916	2,678,716
Loan 4	873,095	890,096
Loan 5	435,602	444,084
Loan 6	1,093,500	1,093,500
Loan 7	4,853,242	4,919,807
Loan 8	1,167,083	1,254,509
	13,954,041	14,038,831
Less: financing arrangement costs	(87,702)	(80,067)
	13,866,339	13,958,764

Classified in the statement of interim condensed consolidated financial position are as follows:

Current portion	342,257	1,513,047
Non-current portion	13,524,082	12,445,717
	13,866,339	13,958,764

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

9. DERIVATIVES

	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
Share in fair value of cash flow hedge of jointly controlled entities	2,108,096	1,458,321
Cash flow hedge of the company and its subsidiaries	403,608	348,159
	<u>2,511,704</u>	<u>1,806,480</u>

10. INVESTMENTS IN JOINT VENTURE COMPANIES (Q POWER Q.S.C., MESAIEED POWER COMPANY LIMITED Q.S.C. AND RAS GIRTAS POWER COMPANY LIMITED Q.S.C.)

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entities, on a combined basis after intercompany adjustments at September 30, 2011 and December 31, 2010 and for the nine month period ended September 30, 2011, which are included in the financial statements are as follows:

	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
Current assets	1,459,316	298,953
Non-current assets	8,748,968	7,971,710
Current liabilities	(2,878,086)	(1,570,745)
Non-current liabilities	(8,683,276)	(7,613,982)
	<u>(1,353,078)</u>	<u>(914,064)</u>

For the nine month period ended September 30,

	2011 QR'000 (Reviewed)	2010 QR'000 (Reviewed)
Revenues	1,243,796	666,841
Cost of sales	(579,177)	(319,272)
Administrative expenses	(18,335)	(109,879)
Finance costs	(389,105)	(222,627)
Other income	57,305	155,998
	<u>314,484</u>	<u>171,061</u>
Profit for the period		

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

11. COMMITMENTS AND CONTINGENT LIABILITIES

	September 30, 2011 QR'000 (Reviewed)	December 31, 2010 QR'000 (Audited)
<i>Commitments:</i>		
Capital commitments (i)	--	31,802
Operating lease commitment (ii)	10,426	10,711
<i>Contingent liabilities:</i>		
Bank guarantees and documentary credits	502,051	226,637

Notes:

(i) Capital commitments include the following:

The proportionate commitment of the Company in Ras Girtas Power Company Limited Q.S.C. as at September 30, 2011 which amounts to QR Nil (December 31, 2010: QR 31.80 million).

(ii) Operating lease commitment includes:

The proportionate share in Mesaieed Power Company Limited Q.S.C. operating lease commitment in accordance with the land lease agreement with Qatar Petroleum, where jointly controlled entity is contingently liable for the value of annual rent for the term of the lease agreement for the land on which the jointly controlled entity has constructed its plant facilities. The future lease commitments are as follows:

	September 30, 2011 QR'000 (Reviewed)	December 31 2010 QR'000 (Audited)
Due in one year	382	382
Due in 2-5 years	2,003	1,908
Due in more than 5 years	8,041	8,421
	10,426	10,711

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

12. RELATED PARTY DISCLOSURES

Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

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

		For the three month period ended September 30,		For the nine month period ended September 30,	
		2011	2010	2011	2010
		QR'000	QR'000	QR'000	QR'000
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
<i>Sales:</i>					
Revenue from sale of electricity	KAHRAMAA	772,845	519,496	1,708,024	1,244,019
Revenue from sale of water	KAHRAMAA	188,071	292,118	868,673	792,037
	Qatar Petroleum	3,236	3,546	9,736	10,026
Lease income from plant leases	KAHRAMAA	255,372	129,138	756,838	298,607
<i>Cost of sales:</i>					
Cost of gas consumed	Qatar Petroleum	353,698	218,690	870,524	588,469
<i>Other income:</i>					
Interest on bank deposits	Qatar National Bank	3,914	16,086	12,851	52,798

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

		September 30, 2011		December 31, 2010	
		Accounts receivables	Accounts and other payables	Accounts receivables	Accounts and other payables
		QR'000	QR'000	QR'000	QR'000
		(Reviewed)	(Reviewed)	(Audited)	(Audited)
KAHRAMAA		1,014,968	3,866	356,989	62,367
Qatar Petroleum		3,233	350,300	3,474	344,667

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2011

12. RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel

The remuneration of directors and members of key management during the period are as follows:

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2011	2010	2011	2010
	QR'000	QR'000	QR'000	QR'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Management remuneration	5,213	4,024	22,041	17,045
Directors' sitting fees	4,375	2,925	13,125	8,775

13. COMPARATIVE FIGURES

Certain amounts in the 2010 interim condensed consolidated financial statements and supporting note disclosures have been reclassified to conform to the current period's presentation. Such reclassifications do not have an impact on the previously reported profit for the period or retained earnings.