

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2014**

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine month period ended 30 September 2014

CONTENTS	Page(s)
Independent auditors' report on review of interim financial statements	1
Condensed consolidated interim financial statements	
Condensed consolidated statement of financial position	2-3
Condensed consolidated statement of profit or loss	4
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7-8
Notes to the condensed consolidated interim financial statements	9-18



KPMG
2nd Floor
Area 25, C Ring Road
PO Box 4473, Doha
State of Qatar

Telephone +974 4457 6444
Fax +974 4442 5626
Website www.kpmg.com.qa

Independent auditors' report on review of condensed consolidated interim financial statements to the Board of Directors of Qatar Electricity & Water Company Q.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Qatar Electricity & Water Company Q.S.C. (the "Company"), and its subsidiaries (together referred to as the "Group"), which comprise;

- condensed consolidated statement of financial position as at 30 September 2014;
- condensed consolidated statement of profit or loss for the three month and nine month periods ended 30 September 2014;
- condensed consolidated statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2014;
- condensed consolidated statement of changes in equity for the nine month period ended 30 September 2014;
- condensed consolidated statement of cash flows for the nine month period ended 30 September 2014 and;
- notes to the condensed consolidated interim financial statements.

The Board of Directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 30 September 2014 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Other matter

The Group's comparative consolidated audited financial statements as at and for the year ended 31 December 2013, and comparative reviewed condensed consolidated interim financial statements as at and for the nine month period ended 30 September 2013 were audited / reviewed by another auditor, whose audit report dated 5 February 2014 / review report dated 28 October 2013, expressed an unqualified audit opinion / review conclusion respectively thereon.

12 October 2014
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry Number 251

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

In Qatari Riyals '000'

	Notes	30 September 2014	31 December 2013
		(Reviewed)	(Audited)
ASSETS			
Current assets			
Bank balances and cash		1,142,597	1,725,570
Accounts receivable and prepayments		707,839	585,434
Inventories		176,118	275,656
Finance lease receivables	5	137,845	137,884
		<u>2,164,399</u>	<u>2,724,544</u>
Assets classified as held for sale	6	29,846	29,846
Total current assets		<u>2,194,245</u>	<u>2,754,390</u>
Non-current assets			
Property, plant and equipment	7	5,316,435	5,054,542
Intangible assets		91,045	95,522
Investment in associates	8	272,586	115,487
Subordinated loan receivable from a joint venture		--	16,711
Available-for-sale investments		520,595	454,146
Investment in joint ventures	9	1,535,003	703,845
Finance lease receivables	5	1,674,156	1,775,050
Other non-current assets		24,162	25,441
Goodwill		30,813	30,813
Total non-current assets		<u>9,464,795</u>	<u>8,271,557</u>
Total assets		<u>11,659,040</u>	<u>11,025,947</u>

Continued.....

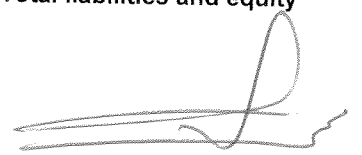
The attached notes 1 to 17 form an integral part of these condensed consolidated interim financial statements.

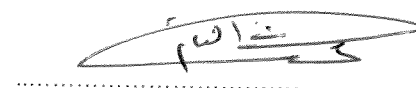
QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2014

In Qatari Riyals '000'

	Notes	30 September 2014 <i>(Reviewed)</i>	31 December 2013 <i>(Audited)</i>
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accruals		624,560	682,680
Interest bearing loans and borrowings	10	300,280	313,192
Other term loans		--	100,000
Derivatives	11	156,959	168,907
Deferred income		6,792	6,792
Total current liabilities		<u>1,088,591</u>	<u>1,271,571</u>
Non-current liabilities			
Interest bearing loans and borrowings	10	3,764,462	3,360,923
Deferred income		8,490	13,583
Employees' end of service benefits		43,346	39,320
Total non-current liabilities		<u>3,816,298</u>	<u>3,413,826</u>
Total liabilities		<u>4,904,889</u>	<u>4,685,397</u>
Equity			
Capital and reserves			
Share capital	12	1,100,000	1,000,000
Legal reserve		550,000	500,000
General reserve		3,241,834	3,241,834
Cash flow hedging reserve		(1,775,337)	(1,687,525)
Fair value reserve		351,403	284,955
Retained earnings		3,041,130	2,771,540
Equity attributable to owners of the Company		<u>6,509,030</u>	<u>6,110,804</u>
Non-controlling interests		245,121	229,746
Total equity		<u>6,754,151</u>	<u>6,340,550</u>
Total liabilities and equity		<u>11,659,040</u>	<u>11,025,947</u>


.....
Dr. Mohamed Bin Saleh Al-Sada
Chairman


.....
Mr. Issa Bin Shahin Al-Ghanim
Vice Chairman

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

QATAR ELECTRICITY & WATER COMPANY Q.S.C.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 For the nine month period ended 30 September 2014

In Qatari Riyals '000'

	Notes	For the three month period ended 30 September		For the nine month period ended 30 September	
		2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>
Sales	13	812,091	806,426	2,249,608	2,211,172
Cost of sales		(439,984)	(422,273)	(1,273,095)	(1,202,571)
Gross profit		372,107	384,153	976,513	1,008,601
General and administrative expenses		(50,502)	(52,800)	(158,684)	(178,981)
Finance costs		(29,023)	(38,997)	(79,990)	(147,562)
Gain on sale of available for sale investments		--	--	--	43,675
Deferred income		1,698	1,698	5,094	5,094
Interest income		3,458	4,191	11,907	13,236
Dividend income		--	--	24,756	21,495
Other income		57,484	3,685	112,752	15,059
Share of profit of associates		1,666	6,504	10,696	13,484
Share of profit of joint ventures		105,907	115,734	292,856	279,144
Profit for the period		462,795	424,168	1,195,900	1,073,245
Attributable to:					
Owners of the Company		454,023	417,253	1,169,590	1,054,159
Non-controlling interests		8,772	6,915	26,310	19,086
Total		462,795	424,168	1,195,900	1,073,245
Earnings per share					
Basic and diluted earnings per share (expressed in QR per share)	14	4.13	3.79	10.63	9.58

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

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine month period ended 30 September 2014

In Qatari Riyals '000'

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>
Profit for the period	462,795	424,168	1,195,900	1,073,245
Other comprehensive income for the period				
<i>Items that are or may be reclassified to profit or loss:</i>				
Gain from cash flow hedges of the Company and its subsidiaries	20,641	7,516	11,948	84,662
Share of income/ (expense) in other comprehensive income from joint ventures*	13,943	(53,539)	(53,320)	91,405
Share of income/ (expense) in other comprehensive income from associates *	2,699	6,298	(46,440)	2,094
Unrealized gain/ (loss) on available-for-sale investments	66,394	(871)	66,448	15,623
Other comprehensive income/ (expense) for the period	103,677	(40,596)	(21,364)	193,784
Total comprehensive income for the period	566,472	383,572	1,174,536	1,267,029
Attributable to:				
Owners of the Company	557,700	376,658	1,148,226	1,242,739
Non-controlling interests	8,772	6,914	26,310	24,290
	566,472	383,572	1,174,536	1,267,029

* Share of income/ (expense) in other comprehensive income from joint ventures and associates comprise of gain/ (loss) from cash flow hedges.

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

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine month period ended 30 September 2014

In Qatari Riyals '000'

	Attributable to owners of the Company						Total	Non-controlling interest	Total
	Share capital	Legal reserve	General reserve	Cash flow hedging reserve	Fair value Reserve Fair value	Retained earnings			
Balance at 1 January 2013 (Audited)	1,000,000	500,000	3,241,834	(1,961,126)	233,814	2,152,247	5,166,769	215,402	5,382,171
Profit for the period	--	--	--	--	--	1,054,159	1,054,159	19,086	1,073,245
Other comprehensive income	--	--	--	172,957	15,623	--	188,580	5,204	193,784
Dividends paid for 2012 (Note 12)	--	--	--	--	--	(730,000)	(730,000)	(13,851)	(743,851)
Balance at 30 September 2013 (Reviewed)	<u>1,000,000</u>	<u>500,000</u>	<u>3,241,834</u>	<u>(1,788,169)</u>	<u>249,437</u>	<u>2,476,406</u>	<u>5,679,508</u>	<u>225,841</u>	<u>5,905,349</u>
Balance at 1 January 2014 (Audited)	1,000,000	500,000	3,241,834	(1,687,525)	284,955	2,771,540	6,110,804	229,746	6,340,550
Profit for the period	--	--	--	--	--	1,169,590	1,169,590	26,310	1,195,900
Other comprehensive income	--	--	--	(87,812)	66,448	--	(21,364)	--	(21,364)
Dividends paid for 2013 (Note 12)	--	--	--	--	--	(750,000)	(750,000)	(10,935)	(760,935)
Issue of bonus shares (Note 12)	100,000	--	--	--	--	(100,000)	--	--	--
Transfer to legal reserve	--	50,000	--	--	--	(50,000)	--	--	--
Balance at 30 September 2014 (Reviewed)	<u>1,100,000</u>	<u>550,000</u>	<u>3,241,834</u>	<u>(1,775,337)</u>	<u>351,403</u>	<u>3,041,130</u>	<u>6,509,030</u>	<u>245,121</u>	<u>6,754,151</u>

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

QATAR ELECTRICITY & WATER COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2014

In Qatari Riyals '000'

	For the nine month period ended 30 September	
	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>
OPERATING ACTIVITIES		
Profit for the period	1,195,900	1,073,245
<i>Adjustments for:</i>		
Share of profits from associates	(10,696)	(13,484)
Share of profits from joint ventures	(292,856)	(279,144)
Depreciation	337,402	337,872
Amortization of intangible asset	4,477	4,477
Provision for employees' end of service benefits	4,955	4,192
Impairment allowance for slow moving inventories	14,409	18,527
Finance costs	79,990	147,562
Gain on sale of available for sale investments	--	(43,675)
Deferred income recognized	(5,093)	(5,094)
Interest income	(11,907)	(13,236)
Gain on disposal of property, plant and equipment	(313)	--
Adjustment of property, plant and equipment	--	5,340
Dividend income	(24,756)	(21,495)
	<u>1,291,512</u>	<u>1,215,087</u>
<i>Change in:</i>		
Inventories	85,129	26,116
Accounts receivable and prepayments	(122,405)	(190,836)
Finance lease receivables	100,933	70,848
Accounts payable and accruals	(58,120)	(219,275)
Cash generated from operations	<u>1,297,049</u>	<u>901,940</u>
Finance costs paid	(79,990)	(147,562)
Employees' end of service benefits paid	(929)	(722)
Net cash from operating activities	<u>1,216,130</u>	<u>753,656</u>

Continued.....

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

QATAR ELECTRICITY & WATER COMPANY Q.S.C.**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For the nine month period ended 30 September 2014

In Qatari Riyals '000'

	For the nine month period ended 30 September	
	2014 (Reviewed)	2013 <i>(Reviewed)</i>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(599,427)	(469,581)
Proceeds from sale of property, plant and equipment	445	4
Proceeds from sale of available for sale investments	--	65,027
Dividend income received	24,756	21,495
Dividends received from associates	6,286	5,439
Dividends received from joint ventures	393,877	308,331
Investment in associates	(199,129)	--
Investment in joint ventures	(985,500)	--
Net movement in other non-current asset	1,279	(10,030)
Interest received	11,907	13,236
Net cash used in investing activities	(1,345,506)	(66,079)
FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(750,000)	(730,000)
Repayment of subordinated loan from joint venture	16,711	164,149
Net proceeds from interest bearing loans and borrowings	290,627	(1,349,895)
Dividends paid by subsidiaries to non-controlling interest	(10,935)	(13,851)
Net cash used in financing activities	(453,597)	(1,929,597)
Net decrease in cash and cash equivalents	(582,973)	(1,242,020)
Cash and cash equivalents at beginning of period	1,725,570	2,689,515
Cash and cash equivalents at end of period	1,142,597	1,447,495

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

1. REPORTING ENTITY

Qatar Electricity & Water Company Q.S.C. (the "Company") is a public shareholding company incorporated in the State of 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 condensed consolidated financial statements as at and for the nine month period ended 30 September 2014 ("the consolidated interim financial statements") comprise the Company and its subsidiaries (together referred as the "Group") and the Company's interests in joint ventures and associates.

The Group is primarily involved in the production of electricity and water. The Company's shares are listed on Qatar Exchange.

These consolidated interim financial statements of Qatar Electricity and Water Company Q.S.C. include the following subsidiaries:

		<i>Country of incorporation</i>	<i>Percentage of holding</i>
Ras Laffan Operating Company W.L.L.	Subsidiary	Qatar	100%
Ras Laffan Power Company Limited (Q.S.C.)	Subsidiary	Qatar	80%

The consolidated interim financial statements include the share of income and other comprehensive income of the following joint ventures and associates using equity accounting:

		<i>Country of incorporation</i>	<i>Percentage of holding</i>
Q Power Q.S.C.	Joint venture	Qatar	55%
Mesaieed Power Company Limited	Joint venture	Qatar	40%
Ras Girtas Power Company Limited	Joint venture	Qatar	45%
Nebras Power Q.S.C.	Joint venture	Qatar	60%
AES Oasis Limited	Associate	Caymen Island	38.89%
Phoenix Power Company S.A.O.C	Associate	Oman	15%
Phoenix Operation and Maintenance Company L.L.C	Associate	Oman	15%

These consolidated interim financial statements were authorised for issue by the Board of Directors on 12 October 2014.

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 20.28% of the total revenues of the Group for the period ended 30 September 2014 (30 September 2013: 20.32%). 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

a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and have been presented in Qatari Riyals ("QR"), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2013. In addition, results for the nine month period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014. Costs that are incurred unevenly during the financial year are anticipated or deferred in the consolidated interim financial statements only if it would be appropriate to anticipate or defer such costs to the end of the financial year.

b) Judgments and estimates

In preparing these consolidated interim financial statements, management make judgments, 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.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

4. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2013. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2014.

Changes in accounting policies

The Group has adopted the following amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014. The adoption of these amendments had no significant impact on the consolidated interim financial statements.

Amendments to IAS 32 on offsetting financial assets and financial liabilities (2011)

Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32) clarify the offsetting criteria IAS 32 by explaining when an entity currently has a legally enforceable right to set off and when gross settlement is equivalent to net settlement.

Amendments to IAS 39 on Novation of Derivatives and Continuation of Hedge Accounting (2013)

Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39 provides relief from discontinuing hedge accounting if certain criteria are met.

Amendments to IAS 36 on recoverable amount disclosures for non-financial assets

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) have expanded disclosures of recoverable amounts when the amounts are based on fair value less costs of disposals and impairment is recognized.

5. FINANCE LEASE RECEIVABLES

Finance lease receivables represent the lease receivables of Ras Laffan Power Company Limited Q.S.C. 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.

	30 September 2014	31 December 2013
	(Reviewed)	(Audited)
Finance leases – gross receivable	3,033,410	3,263,567
Unearned finance income	(1,221,409)	(1,350,633)
Present value of minimum lease payment receivable	1,812,001	1,912,934

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

Current portion	137,845	137,884
Non-current portion	1,674,156	1,775,050
Total	1,812,001	1,912,934

6. ASSETS CLASSIFIED AS HELD FOR SALE

The Company intends to dispose Al Wajbah Station in the next 12 months which is acquired by the Company on January 1, 2003 from KAHRAMAA along with other RAF A SAT stations, Al Saliyah and Doha South Super. The Company discontinued the operations of its Al Wajbah power production during 2010 as per the instructions received from the Government of State of Qatar. The Company remains committed and is now intending to dispose Al Wajbah station along with other two RAF A SAT stations, Al Saliyah and Doha South Super as contracts with KAHRAMAA for these two stations are expiring on 31 December 2014, and accordingly has requested potential buyers who have already submitted their bids for Al Wajbah station to provide a quotation including RAF A SAT stations, Al Saliyah and Doha South Super. As of reporting date, Al Saliyah and Doha South Super stations are not accounted as assets classified held for sale since the terms of contract with KAHRAMAA requires the Company to supply electricity until expiry of contract i.e. 31 December 2014, hence these assets are not available for immediate sale in its present condition.

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Production facilities</u>	<u>Furniture, fixtures and office equipment</u>	<u>Motor vehicles</u>	<u>"C" inspection costs</u>	<u>Capital spares</u>	<u>Capital work in progress</u>	<u>Total</u>
Cost:							
At 1 January 2014 (<i>Audited</i>)	8,031,378	25,541	6,555	292,365	50,487	860,412	9,266,738
Additions	--	721	1,041	--	--	597,665	599,427
Transfers	--	--	--	66,751	--	(66,751)	--
Retirements/disposals	--	(4)	(790)	(40,545)	--	--	(41,339)
At 30 September 2014 (<i>Reviewed</i>)	<u>8,031,378</u>	<u>26,258</u>	<u>6,806</u>	<u>318,571</u>	<u>50,487</u>	<u>1,391,326</u>	<u>9,824,826</u>
Accumulated Depreciation:							
At 1 January 2014 (<i>Audited</i>)	3,991,656	22,167	4,781	177,775	15,817	--	4,212,196
Charge for the period	296,748	1,194	931	36,644	1,885	--	337,402
Retirements/disposals	--	(1)	(661)	(40,545)	--	--	(41,207)
At 30 September 2014 (<i>Reviewed</i>)	<u>4,288,404</u>	<u>23,360</u>	<u>5,051</u>	<u>173,874</u>	<u>17,702</u>	<u>--</u>	<u>4,508,391</u>
Net carrying amounts:							
At 30 September 2014 (<i>Reviewed</i>)	<u>3,742,974</u>	<u>2,898</u>	<u>1,755</u>	<u>144,697</u>	<u>32,785</u>	<u>1,391,326</u>	<u>5,316,435</u>

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<u>Production facilities</u>	<u>Furniture, fixtures and office equipment</u>	<u>Motor vehicles</u>	<u>“C” inspection costs</u>	<u>Capital spares</u>	<u>Capital work in progress</u>	<u>Total</u>
Cost:							
At 1 January 2013 (<i>Audited</i>)	8,035,159	24,794	6,524	258,107	50,487	186,519	8,561,590
Additions	3,819	754	88	84,612	--	673,893	763,166
Transfers/reclassifications	(5,340)	--	--	--	--	--	(5,340)
Retirements/disposals	(2,260)	(7)	(57)	(50,354)	--	--	(52,678)
At 31 December 2013 (<i>Audited</i>)	<u>8,031,378</u>	<u>25,541</u>	<u>6,555</u>	<u>292,365</u>	<u>50,487</u>	<u>860,412</u>	<u>9,266,738</u>
Accumulated Depreciation:							
At 1 January 2013 (<i>Audited</i>)	3,593,542	20,401	3,522	182,403	13,466	--	3,813,334
Charge for the year	400,374	1,769	1,316	45,725	2,351	--	451,535
Retirements/disposals	(2,260)	(3)	(57)	(50,353)	--	--	(52,673)
At 31 December 2013 (<i>Audited</i>)	<u>3,991,656</u>	<u>22,167</u>	<u>4,781</u>	<u>177,775</u>	<u>15,817</u>	<u>--</u>	<u>4,212,196</u>
Net carrying amounts:							
At 31 December 2013 (<i>Audited</i>)	<u>4,039,722</u>	<u>3,374</u>	<u>1,774</u>	<u>114,590</u>	<u>34,670</u>	<u>860,412</u>	<u>5,054,542</u>

8. INVESTMENT IN ASSOCIATES

The Company has the following investments in associates:

	<i>Country of incorporation</i>	<i>Ownership</i>	30 September 2014 <i>(Reviewed)</i>	31 December 2013 <i>(Audited)</i>
Phoenix Power Company S.A.O.C (i)	Oman	15%	160,730	--
Phoenix Operation and Maintenance Company L.L.C (ii)	Oman	15%	672	475
AES Oasis Limited (iii)	Cayman Islands	38.89%	111,184	115,012
			272,586	115,487

- (i) The business of the Company (still in the start-up stage) is to design, construct, own, operate and maintain a high efficiency gas fired power generation facility with a minimum capacity of 2,000 MW to be located at Sur, in the Sultanate of Oman.
- (ii) The business of the Company (still in the start-up stage) is to provide operation and maintenance service to the project company above pursuant to the operation and maintenance contract.
- (iii) The Company entered into an agreement with IDB Infrastructure Fund L.P, a Company incorporated in the Kingdom of Bahrain, on February 8, 2012 to purchase 38.89% of shares of AES Oasis Ltd, a Company incorporated in Cayman Islands. AES Oasis Ltd. is 60% owner of AES Jordan Holding Co., a Company incorporated in Cayman Islands which is a joint venture with Mitsui & Co Ltd of Japan which owns and operates a 370MW combined cycle gas fired power in Almanakher, Jordan.

9. INVESTMENT IN JOINT VENTURES

The Company has the following investments in joint ventures:

	<i>Country of incorporation</i>	<i>Ownership</i>	30 September 2014 <i>(Reviewed)</i>	31 December 2013 <i>(Audited)</i>
Q Power Q.S.C.	Qatar	55%	325,962	358,332
Mesaieed Power Company Limited*	Qatar	40%	--	--
Ras Girtas Power Company Limited*	Qatar	45%	--	126,513
Nebras Power Q.S.C.	Qatar	60%	1,209,041	219,000
			1,535,003	703,845

Except for Nebras Power Q.S.C, other joint venture companies are engaged in the production of electricity and water. Nebras Power Q.S.C is established to invest in power and water projects outside the State of Qatar and expected to be operational during the last quarter of 2014.

* The carrying value of the investment has been reduced to zero due to the recognition of total comprehensive losses of the joint ventures.

10. INTEREST BEARING LOANS AND BORROWINGS

	30 September 2014	31 December 2013
	<i>(Reviewed)</i>	<i>(Audited)</i>
Loan 1	1,373,310	1,396,239
Loan 2	753,898	771,916
Loan 3	376,132	385,122
Loan 4	708,596	831,667
Loan 5	125,752	56,498
Loan 6	764,967	272,039
	<u>4,102,655</u>	<u>3,713,481</u>
Less: financing arrangement costs	<u>(37,913)</u>	<u>(39,366)</u>
	<u>4,064,742</u>	<u>3,674,115</u>

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

Current portion	300,280	313,192
Non-current portion	<u>3,764,462</u>	<u>3,360,923</u>
Total	<u>4,064,742</u>	<u>3,674,115</u>

11. DERIVATIVES

	30 September 2014	31 December 2013
	<i>(Reviewed)</i>	<i>(Audited)</i>
Cash flow hedge of the Company and its subsidiaries	<u>156,959</u>	<u>168,907</u>

12. SHARE CAPITAL

	30 September 2014	31 December 2013
	<i>(Reviewed)</i>	<i>(Audited)</i>
<i>Authorised, issued and fully paid:</i>		
110,000,000 (31 December 2013: 100,000,000) shares of QR 10 each	<u>1,100,000</u>	<u>1,000,000</u>

	30 September 2014		31 December 2013	
	<i>Number of shares in '000'</i>	<i>QR '000'</i>	<i>Number of shares in '000'</i>	<i>QR '000'</i>
At the beginning of the period	100,000	1,000,000	100,000	1,000,000
Issue of bonus shares	<u>10,000</u>	<u>100,000</u>	<u>--</u>	<u>--</u>
At the end of the period	<u>110,000</u>	<u>1,100,000</u>	<u>100,000</u>	<u>1,000,000</u>

On 27 February 2014, the Company issued bonus shares (ordinary shares) at the rate of 1 share for every 10 shares held by the ordinary shareholders upon obtaining approval from the shareholders in the Extra Ordinary General Meeting held on 25 February 2014.

Cash dividend paid

During the period, the Company declared and paid cash dividend of QR 7.5 per share totaling to QR 750,000 thousand (2013 - QR 7.3 per share totaling to QR 730,000 thousand).

13. SALES

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2014	2013	2014	2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Sales represent revenue generated from the supply of:				
- Electricity	456,364	457,297	1,216,628	1,203,895
- Water	309,714	301,311	896,582	870,100
Lease income from plant leases:				
- Ras Laffan Power Company Limited Q.S.C.	46,013	47,818	136,398	137,177
	812,091	806,426	2,249,608	2,211,172

14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of shares outstanding during the period. During the nine month period ended 30 September 2014, the Company issued bonus shares and accordingly, the previously reported earnings per share have been restated.

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2014	2013	2014	2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period attributable to owners of the Company	454,023	417,253	1,169,590	1,054,159
Weighted average number of shares outstanding during the period (shares in '000') *	110,000	110,000	110,000	110,000
Basic and diluted earnings per share (expressed in QR per share)	4.13	3.79	10.63	9.58

*The weighted average number of shares for the purpose of calculating earnings per share has been calculated as follows:

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2014	2013	2014	2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Qualifying shares at the beginning of the period (shares in '000')	100,000	100,000	100,000	100,000
Effect of issue of bonus shares (shares in '000')	10,000	10,000	10,000	10,000
Weighted average number of shares at the end of the period (shares in '000')	110,000	110,000	110,000	110,000

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.

15. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2014	31 December 2013
	(Reviewed)	<i>(Audited)</i>
<i>Commitments:</i>		
Capital commitments	<u>382,047</u>	<u>845,098</u>
<i>Contingent liabilities:</i>		
Bank guarantees, corporate guarantees and documentary credits	<u>294,441</u>	<u>631,596</u>

16. RELATED PARTY DISCLOSURES

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.

Related party transactions

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

Transaction	Name of the related party	For the three month period ended 30 September		For the nine month period ended 30 September	
		2014	2013	2014	2013
		(Reviewed)	<i>(Reviewed)</i>	(Reviewed)	<i>(Reviewed)</i>
<i>Sales:</i>					
Revenue from sale of electricity	KAHRAMAA	456,364	457,297	1,216,628	1,203,895
Revenue from sale of water	KAHRAMAA	306,047	295,832	886,206	859,978
	Qatar Petroleum	3,667	5,479	10,376	10,122
Lease income from plant leases	KAHRAMAA	46,013	47,818	136,398	137,177
<i>Cost of sales:</i>					
Cost of gas consumed	Qatar Petroleum	240,877	224,544	631,812	582,297
<i>Other income:</i>					
Interest on bank deposits	Qatar National Bank	3,287	3,039	10,393	11,183

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

	30 September 2014		31 December 2013	
	Trade receivables	Trade and accrued expenses	Trade receivables	Trade and accrued expenses
	(Reviewed)	(Reviewed)	<i>(Audited)</i>	<i>(Audited)</i>
KAHRAMAA	<u>639,359</u>	<u>4,702</u>	<u>471,019</u>	<u>5,047</u>
Qatar Petroleum	<u>2,668</u>	<u>153,963</u>	<u>2,837</u>	<u>117,972</u>

16. 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 30 September		For the nine month period ended 30 September	
	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>	2014 <i>(Reviewed)</i>	2013 <i>(Reviewed)</i>
Short term benefits	7,706	5,807	25,728	20,565

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000	Total QR'000
30 September 2014				
<u>Assets measured at fair value</u>				
Available-for-sale investments - quoted equity shares	520,595	--	--	520,595
<u>Liabilities measured at fair value</u>				
Derivatives - interest rate swaps	--	156,959	--	156,959
31 December 2013				
<u>Assets measured at fair value</u>				
Available-for-sale investments - quoted equity shares	454,146	--	--	454,146
<u>Liabilities measured at fair value</u>				
Derivatives - interest rate swaps	--	168,907	--	168,907

During the period ended 30 September 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities carried at amortised cost approximates their carrying amount, hence not included in the above fair value hierarchy.