

**QATAR INDUSTRIAL MANUFACTURING
COMPANY Q.S.C.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**AS AT AND FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2014**

Qatar Industrial Manufacturing Company Q.S.C.

Condensed consolidated interim financial information
As at and for the Three month period ended 31 March 2014

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COMPILATION REPORT

To
The Board of Directors
Qatar Industrial Manufacturing Company Q.S.C.
Doha
State of Qatar

Introduction

We have compiled the accompanying condensed consolidated interim financial information of Qatar Industrial Manufacturing Company Q.S.C. (the "Company") as at 31 March 2014 based on the information provided to us by the management. These condensed consolidated interim financial information comprise the statement of financial position as at 31 March 2014 and the statement of profit or loss and other comprehensive income for the three month period then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility

These condensed consolidated interim financial information and the accuracy and completeness of the information used to compile them are management responsibility.

Accountant's responsibility

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these condensed consolidated interim financial information on the basis of accounting applied by the management to preparing the condensed consolidated interim financial information. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these condensed consolidated interim financial information. Accordingly, we do not express an audit opinion or a review conclusion on whether these condensed consolidated interim financial information are prepared in accordance with the basis of accounting applied by the management.

Accordingly, these condensed consolidated interim financial information are for the management use only, and may not be suitable for other purposes.

Our compilation report is intended solely for Board of Directors use in a capacity as the management of the Company.

27 April 2014
Doha
State of Qatar

Accountant's Signature

**Condensed Consolidated Interim Statement of Financial Position
At 31 March 2014**

	<i>Note</i>	31 March 2014 (Unaudited and Unreviewed)	<i>31 December 2013 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment		435,671,795	431,597,944
Investment properties		45,887,839	45,887,839
Equity – accounted investees	2	619,208,059	552,632,540
Other financial assets		204,013,495	195,440,392
Due from related parties	3.a	104,057,974	99,275,728
Total non-current assets		<u>1,408,839,162</u>	<u>1,324,834,443</u>
Current assets			
Inventories		35,523,225	37,339,166
Trade and other receivables		92,345,379	82,396,831
Due from related parties	3.b	21,480,436	24,058,245
Held for trading investments		11,084,998	9,168,289
Cash and cash at banks	4	114,253,335	161,671,511
Total current assets		<u>274,687,373</u>	<u>314,634,042</u>
TOTAL ASSETS		<u>1,683,526,535</u>	<u>1,639,468,485</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5	475,200,000	396,000,000
Legal reserve		250,000,000	250,000,000
General reserve		43,970,860	43,970,860
Revaluation reserve		182,499,480	182,499,480
Fair value reserve		104,223,356	91,576,949
Retained earnings		412,123,352	445,291,242
Equity attributable to equity holders of the company		<u>1,468,017,048</u>	<u>1,409,338,531</u>
Non – controlling interests		34,039,089	32,385,694
TOTAL EQUITY		<u>1,502,056,137</u>	<u>1,441,724,225</u>
LIABILITIES			
Non-current liabilities			
Borrowings – noncurrent portion		43,724,260	45,641,636
Notes payable		-	1,798,400
Employees’ end of service benefits		13,812,997	13,011,617
Total non-current liabilities		<u>57,537,257</u>	<u>60,451,653</u>
Current liabilities			
Bank overdraft	4	3,007,838	2,044,582
Borrowings – current portion		14,805,889	14,594,972
Trade and other payables		69,046,800	78,695,640
Notes payables		-	3,608,328
Due to related parties	3.c	37,072,614	38,349,085
Total current liabilities		<u>123,933,141</u>	<u>137,292,607</u>
TOTAL LIABILITIES		<u>181,470,398</u>	<u>197,744,260</u>
TOTAL EQUITY AND LIABILITIES		<u>1,683,526,535</u>	<u>1,639,468,485</u>

Sheikh Abdulrahman Bin Moh’d Bin Jabor Al-Thani
Chairman

Mr. Abdulrahman Al Ansari
Chief Executive Officer

The notes on pages 4 to 6 form an integral part of these condensed consolidated interim financial information.

**Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the nine month period ended 31 March 2014**

	Note	Three month period ended 31 March	
		2014 (Unaudited and Unreviewed)	2013 (Unaudited and Unreviewed)
Sales		84,459,345	82,137,538
Costs of sales		(66,905,110)	(65,781,473)
Gross profit		17,554,235	16,356,065
Other income		1,826,923	2,307,482
General and administrative expenses		(13,177,417)	(10,309,256)
Share of results from equity – accounted investees	2	32,025,057	25,932,078
Income from investments		10,083,722	8,119,320
Finance costs		(639,538)	(449,817)
Net profit for the period		47,672,982	41,955,872
Attributable to:			
Equity holders of the company		46,019,587	40,389,230
Non-controlling interests		1,653,395	1,566,642
		47,672,982	41,955,872
Other comprehensive income			
Net change in fair value of available for sale financial assets		9,179,758	355,324
Other comprehensive income for the period		9,179,758	355,324
Total comprehensive income for the period		56,852,740	42,311,196
Attributable to:			
Equity holders of the company		55,199,345	40,744,554
Non-controlling interests		1,653,395	1,566,642
		56,852,740	42,311,196
Basic earnings per share (QR/share)	6	0.97	0.85

The notes on pages 4 to 6 form an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information For the three month period ended 31 March 2014

1 STATUS AND ACTIVITIES

Qatar Industrial Manufacturing Company (Q.S.C.), (the “Company”) was incorporated on February 11, 1990 by an Amiri Decree No 54 of 1990 under Commercial Registration number 12991. The Company is engaged in industrial manufacturing and various types of industrial investments inside and outside the State of Qatar.

The condensed consolidated interim financial information include the financial information of the branches which are listed below:

	<u>Commercial register number</u>
National Paper Industries	12991/2
Qatar Acids	12991/3
Qatar Sand Treatment Plant	12991/4
Qatar Paving Stones	12991/5

Also the condensed consolidated interim financial information include the financial information of the controlled subsidiaries listed below:

	<u>Percentage of holding</u>	
	2014	2013
Klj Organic – Qatar W.L.L.	60%	60%
Qatar Metals Coating Company W.L.L. (*)	50%	50%

(*) The financial information of Qatar Metal Coating Company W.L.L. “Subsidiary” is consolidated in this condensed consolidated interim financial information as Qatar Industrial Manufacturing Company “Parent” has the power to govern the financial and operating policies of the subsidiary.

2 EQUITY – ACCOUNTED INVESTEEES

	<i>Nationality</i>	<i>Ownership</i>	2014	2013
			(Unaudited and Unreviewed)	(Audited)
Amiantit Qatar Pipes Company W.L.L.	Qatar	40%	22,306,009	22,083,353
Qatar Saudi Gypsum Industries Company W.L.L.	Qatar	33%	27,911,389	26,899,905
Qatar Clay Bricks Company Q.S.C. (*)	Qatar	46.35%	27,917,673	27,824,172
Qatar Plastic Products Company W.L.L.	Qatar	33%	23,244,828	22,697,250
Qatar Jet Fuel Company W.L.L.	Qatar	40%	322,050,094	294,917,452
Qatar Aluminum Extrusion Company Q.S.C.	Qatar	40%	16,043,398	16,026,893
Gasal Company Q.S.C.	Qatar	29.5%	151,388,960	113,253,753
National Food Company Q.S.C.	Qatar	20%	13,487,762	13,434,016
Gulf Formaldehyde Company Q.S.C.	Qatar	20%	14,057,946	14,695,746
Other investments	Qatar	-	800,000	800,000
			<u>619,208,059</u>	<u>552,632,540</u>

(*) The Ministry of Environment sent a letter to the Company to stop the extraction of quarry that used currently by the Company as they have an intention to use the same area as a natural reserve. The Company's operations will continue based on the current inventory and as the date of this report the Company's management is still negotiating the decision of the future activity of the Company to reach the appropriate decision relating to its going concern.

**Notes to the Condensed Consolidated Interim Financial Information
For the three month period ended 31 March 2014**

2 EQUITY – ACCOUNTED INVESTEEES (CONTINUED)

The movement in equity – accounted investees during the year are as follows:

	31 March 2014	31 December 2013
	(Unaudited and Unreviewed)	(Audited)
At 1 January	552,632,540	516,754,721
Acquisition during the period	-	800,000
Capital increase	31,032,436	23,915,027
Net share of results from equity – accounted investees	32,025,057	145,752,547
Dividends received	(400,000)	(142,795,575)
Company's share of change in fair value reserve	4,085,823	8,950,724
Other transactions	(167,797)	(744,904)
	619,208,059	552,632,540

3 RELATED PARTY DISCLOSURE

These represent transactions with related parties, i.e. shareholders, directors and senior management of the Group and the companies of which they have a significant influence on it. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Due from a related party – noncurrent portion:

	31 March 2014	31 December 2013
	(Unaudited and Unreviewed)	(Audited)
Gasal Q.S.C. - loan "associate"	99,457,974	99,275,728
Sarplast Qatar W.L.L. - loan "affiliated"	4,600,000	-
	104,057,974	99,275,728

(b) Due from related parties – current portion:

	31 March 2014	31 December 2013
	(Unaudited and Unreviewed)	(Audited)
Gasal Q.S.C. - loan "associate"	14,749,322	17,808,691
Sarplast Qatar W.L.L. - loan "affiliate"	400,000	-
Qatar Aluminium Extrusion Company Q.S.C. "associate"	38,654	38,654
Qatar Saudi Gypsum Company W.L.L. "associate"	81,560	-
Qatar Plastic Products Company W.L.L. "associate"	4,700,000	4,700,000
Amiantit Qatar Pipes Company W.L.L. "associate"	53,384	53,384
Other related party	1,457,516	1,457,516
	21,480,436	24,058,245

(c) Due to related parties:

	31 March 2014	31 December 2013
	(Unaudited and Unreviewed)	(Audited)
Qatar Steel Q.S.C. "affiliate"	26,352,064	27,917,551
Qatar Clay Bricks Company Q.S.C. "associate"	218,350	146,400
KIJ Organic – India "Affiliated"	10,502,200	10,285,134
	37,072,614	38,349,085

**Notes to the Condensed Consolidated Interim Financial Information
For the three month period ended 31 March 2014**

4 CASH AND CASH AT BANKS

	<i>31 March 2014 (Unaudited and Unreviewed)</i>	<i>31 December 2013 (Audited)</i>
Cash	64,156	69,622
Bank accounts	98,628,567	133,877,548
Term deposits	15,560,612	27,724,341
Cash and cash at banks	114,253,335	161,671,511
Less: Bank overdraft	(3,007,838)	(2,044,582)
Term deposits (more than 3 months)	(10,000,000)	(10,000,000)
Cash and cash equivalents	101,245,497	149,626,929

5 SHARE CAPITAL

	<i>31 March 2014 (Unaudited and Unreviewed)</i>	<i>31 December 2013 (Audited)</i>
Authorized, issued and fully paid up share capital 47,520,000 (2013 - 39,600,000 shares) of QR 10 per share	475,200,000	396,000,000

At the ordinary general meeting held on 2 March 2014, the shareholders approved bonus shares of 20% of share's par value (2013 - cash dividends of 30%).

6 BASIC EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary outstanding shares during the period as follows:

	Three month period ended 31 March	
	2014	2013
	<i>(Unaudited and Unreviewed)</i>	<i>(Unaudited and Unreviewed)</i>
Profit for the period attributable to equity holders of the Company	46,019,587	40,389,230
Weighted average number of shares outstanding during the period	47,520,000	47,520,000
Basic earnings per share (QR/share)	0.97	0.85

Basic earnings per share for the period ended 31 March 2013 before retroactive restatement for the bonus shares issue amounted to QR 1.02.