

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

**CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**31 March 2013**

**Qatar Industrial Manufacturing Company Q.S.C.**  
**Condensed Consolidated Interim Financial information**  
**As at and for the three months period ended 31 March 2013**

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<b>Contents</b>	<b>Page</b>
Compilation Report	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of comprehensive income	3
Notes to the condensed consolidated interim financial information	4-5

## COMPILATION REPORT

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

### **Introduction**

On the basis of information provided by the management, we have compiled the condensed consolidated interim financial information of Qatar Industrial Manufacturing Company Q.S.C. and its branches, subsidiaries and associates (the "Group"), which comprise the condensed consolidated interim statement of financial position as at 31 March 2013, the condensed consolidated interim statement of comprehensive income for the period then ended and the notes.

### **Management's responsibility**

Management is responsible for the accuracy and completeness of the information provided and the condensed consolidated interim financial information based thereon.

### **Accountant's responsibility**

Our responsibility as accountants is to perform our engagement in accordance with the International Standard on Related Services (ISRS 4410).

In accordance with the professional standard applicable to compilation engagements, our procedures were limited primarily to gathering, processing, classifying and summarizing condensed consolidated interim financial information. We have not audited or reviewed this condensed consolidated interim financial information and accordingly express no assurance thereon.

### **Confirmation**

Based on the information provided to us, we have compiled the condensed consolidated interim financial information in accordance with the accounting principles selected by the entity's management.

The condensed consolidated interim financial information is for the board of directors' purposes and does not necessarily include all disclosures that might otherwise be appropriate.

18 April 2013  
Doha  
State of Qatar

*Accountant's Signature*

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 March 2013

	<i>31 March 2013 (Unaudited) (Not reviewed)</i>	<i>31 December 2012 (Audited)</i>	<i>31 March 2012 (Unaudited) (Not reviewed)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	410,614,814	410,133,133	368,214,345
Investment properties	45,887,839	45,887,839	45,887,839
Due from related parties	2.a 78,308,994	81,177,034	75,617,477
Other financial assets	189,856,498	158,542,822	194,326,933
Investment in associates	3 552,085,614	516,754,721	500,048,618
<b>Total non-current assets</b>	<b>1,276,753,759</b>	<b>1,212,495,549</b>	<b>1,184,095,212</b>
<b>Current assets</b>			
Held for trading investments	7,958,000	7,958,000	-
Inventories	29,806,947	30,372,470	27,765,253
Trade and other receivables	91,126,459	94,548,163	96,758,825
Due from related parties	2.b 16,171,031	16,147,169	14,533,683
Cash and cash equivalents	4 119,044,022	172,049,050	103,143,196
<b>Total current assets</b>	<b>264,106,459</b>	<b>321,074,852</b>	<b>242,200,957</b>
<b>TOTAL ASSETS</b>	<b>1,540,860,218</b>	<b>1,533,570,401</b>	<b>1,426,296,169</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits	11,403,424	11,273,321	10,373,154
Notes payable	5 -	1,481,904	5,808,053
Borrowings – noncurrent portion	58,676,144	50,993,262	30,383,166
<b>Total non-current liabilities</b>	<b>70,079,568</b>	<b>63,748,487</b>	<b>46,564,373</b>
<b>Current liabilities</b>			
Trade and other payables	117,164,691	71,190,973	157,165,768
Notes payables	5 5,862,328	5,819,069	-
Due to related parties	2.c 35,825,178	37,949,146	-
Borrowings – current portion	4,800,000	13,193,563	9,922,843
Bank overdraft	41,770,781	5,631,076	4,169,908
<b>Total current liabilities</b>	<b>205,422,978</b>	<b>133,783,827</b>	<b>171,258,519</b>
<b>TOTAL LIABILITIES</b>	<b>275,502,546</b>	<b>197,532,314</b>	<b>217,822,892</b>
<b>EQUITY</b>			
Share capital	6 396,000,000	396,000,000	396,000,000
Legal reserve	250,000,000	250,000,000	250,000,000
General reserve	43,970,860	43,970,860	43,970,860
Revaluation reserve	182,499,480	182,499,480	182,499,480
Fair value reserve	68,699,339	68,344,015	89,069,229
Retained earnings	288,566,605	366,977,375	215,967,704
<b>Equity attributable to Equity Holders of the Parent</b>	<b>1,229,736,284</b>	<b>1,307,791,730</b>	<b>1,177,507,273</b>
Non – controlling interests	35,621,388	28,246,357	30,966,004
<b>Total equity</b>	<b>1,265,357,672</b>	<b>1,336,038,087</b>	<b>1,208,473,277</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,540,860,218</b>	<b>1,533,570,401</b>	<b>1,426,296,169</b>

She ikh Abdulrahman Bin Moh'd Bin Jabor Al-Thani  
Chairman

Mr. Abdulrahman Al Ansari  
Chief Executive Officer

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2013

	Note	Three months period ended 31 March	
		2013 (Unaudited) (Not reviewed)	2012 (Unaudited) (Not reviewed)
Sales		82,137,538	93,136,765
Costs of sales		(65,781,473)	(73,694,049)
<b>Gross profit</b>		<b>16,356,065</b>	<b>19,442,716</b>
Share of results of associates		25,932,078	30,726,173
Income from investments		8,119,320	12,285,043
Other income		2,307,482	2,265,969
<b>Expenses:</b>			
General and administrative expenses		(10,309,256)	(9,884,162)
Interest expense		(449,817)	(585,224)
<b>NET PROFIT FOR THE PERIOD</b>		<b>41,955,872</b>	<b>54,250,515</b>
<b>Attributable to:</b>			
Equity holders of the Parent		40,389,230	52,059,168
Non-controlling interests		1,566,642	2,191,347
		<b>41,955,872</b>	<b>54,250,515</b>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial assets		355,324	(8,760,419)
<b>Other comprehensive income for the period</b>		<b>355,324</b>	<b>(8,760,419)</b>
<b>Total comprehensive income for the period</b>		<b>42,311,196</b>	<b>45,490,096</b>
<b>Attributable to:</b>			
Equity holders of the Parent		40,744,554	43,298,749
Non-controlling interests		1,566,642	2,191,347
		<b>42,311,196</b>	<b>45,490,096</b>
<b>Basic and diluted earnings per share</b>	7	<b>1.02</b>	<b>1.31</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months period ended 31 March 2013

**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 Company and those related to its subsidiaries (together referred to as the “Group”). The condensed consolidated interim financial statements of the Group include the financial statements of the parent and controlled subsidiaries listed below:

	Percentage of holding	
	2013	2012
Qatar Acids Company	100%	100%
Qatar Sand Treatment Plant	100%	100%
National Paper Industries	100%	100%
Qatar Paving Stones	100%	100%
Klj Organic – Qatar (Q.S.C.)	51%	51%
Qatar Metal Coating Company W.L.L.	50%	50%

**2 RELATED PARTY TRANSACTIONS**

These represent transactions with related parties, i.e. shareholders, directors and senior management of the Group, companies of which they are principal owners and associated companies. Pricing policies and terms of these transactions are approved by the Group’s management.

(a) Balances due from a related party – long term:

	31 March 2013 (Unaudited) (Not reviewed)	31 December 2012 (Audited)	31 March 2012 (Unaudited) (Not reviewed)
Gasal Q.S.C. – loan receivable	<u>78,308,994</u>	<u>81,177,034</u>	<u>75,617,477</u>

(b) Balances due from related parties – short term:

	31 March 2013 (Unaudited) (Not reviewed)	31 December 2012 (Audited)	31 March 2012 (Unaudited) (Not reviewed)
Gasal Q.S.C. – loan receivable	11,294,880	11,285,529	9,729,562
Qatar Aluminium Extrusion Company “Associate”	38,654	38,654	-
Qatar Plastic Products Company “Associate”	4,700,000	4,700,000	4,700,000
Others	137,497	122,986	104,121
	<u>16,171,031</u>	<u>16,147,169</u>	<u>14,533,683</u>

(c) Balances due to related parties:

	31 March 2013 (Unaudited) (Not reviewed)	31 December 2012 (Audited)	31 March 2012 (Unaudited) (Not reviewed)
Qatar Steel Q.S.C.	26,959,227	32,857,056	-
Qatar Clay Bricks Company Q.S.C.C.	436,344	-	-
KIJ Organic – India “Sister company”	8,101,766	5,092,090	-
Others	327,841	-	-
	<u>35,825,178</u>	<u>37,949,146</u>	<u>-</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months period ended 31 March 2013

**3 INVESTMENT IN ASSOCIATES**

	<i>Ownership</i>	<b>31 March 2013</b> <i>(Unaudited)</i> <i>(Not reviewed)</i>	<b>31 December 2012</b> <i>(Audited)</i>
Aminatit Qatar Pipes Company W.L.L.	40%	21,074,500	20,764,895
Qatar Saudi Gypsum Industries Company W.L.L.	33%	25,071,984	24,395,171
Qatar Clay Bricks Company Q.S.C.C.	46.35%	25,844,325	25,134,184
Qatar Plastic Products Company W.L.L.	33%	20,819,588	20,040,354
Qatar Jet Fuel Company W.L.L.	40%	322,652,702	302,542,762
Qatar Aluminum Extrusion Company Q.S.C.	40%	15,928,409	16,133,100
Gasal Company Q.S.C.	29.5%	94,498,372	82,286,638
National Food Company Q.S.C.	20%	12,528,062	12,517,545
Gulf Formaldehyde Company S.A.Q.	20%	13,667,672	12,940,072
		<b><u>552,085,614</u></b>	<b><u>516,754,721</u></b>

**4 CASH AND CASH EQUIVALENTS**

	<b>31 March 2013</b> <i>(Unaudited)</i> <i>(Not reviewed)</i>	<b>31 December 2012</b> <i>(Audited)</i>	<b>31 March 2012</b> <i>(Unaudited)</i> <i>(Not reviewed)</i>
Cash	166,234	38,907	69,440
Current accounts	59,901,056	29,957,826	39,505,844
Call accounts	42,924,593	113,536,907	40,601,778
Term deposits	16,052,139	28,515,410	22,966,134
	<b><u>119,044,022</u></b>	<b><u>172,049,050</u></b>	<b><u>103,143,196</u></b>

**5 NOTES PAYABLE**

This is the discounted amount of long term notes payable that were used to finance the acquisition of the investment property in 2007. The discount rate used was 6.5%.

**6 SHARE CAPITAL**

At the extraordinary general meeting held on 3 March 2013, the shareholders approved the Board of Directors proposal for cash dividends of 30%.

**7 BASIC AND DILUTED EARNING PER SHARE**

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 shares in issue during the period as follows:

	<b>Three months period ended 31 March</b>	
	<b>2013</b> <i>(Unaudited)</i> <i>(Not reviewed)</i>	2012 <i>(Unaudited)</i> <i>(Not reviewed)</i>
Profit for the period attributable to equity holders of the Company	<b><u>40,389,230</u></b>	<b><u>52,059,168</u></b>
Weighted average number of shares outstanding during the period	<b><u>39,600,000</u></b>	<b><u>39,600,000</u></b>
Basic and diluted earnings per share	<b><u>1.02</u></b>	<b><u>1.31</u></b>