

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION

30 September 2012

Qatar Industrial Manufacturing Company Q.S.C.
Interim Consolidated Financial information
As at and for the three months period ended 30 September 2012

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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 interim consolidated financial information of Qatar Industrial Manufacturing Company Q.S.C. and its branches, subsidiaries and associates (the "Group"), which comprise the interim consolidated statement of financial position as at 30 September 2012, the interim consolidated 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 interim consolidated 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 interim financial information. We have not audited or reviewed this interim consolidated financial information and accordingly express no assurance thereon.

Confirmation

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

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

21 October 2012
Doha
State of Qatar

Accountant's Signature

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 September 2012

	30 September 2012 (Unaudited) (Not reviewed)	31 December 2011 (Audited)	30 September 2011 (Unaudited) (Not reviewed)
ASSETS			
Non-current assets			
Property, plant and equipment	384,907,371	364,553,198	390,663,310
Investment properties	45,887,839	45,887,839	45,887,839
Due from related parties	2.a 87,055,373	78,432,632	83,183,136
Available-for-sale financial assets	195,770,656	204,537,512	225,501,126
Investment in associates	3 458,160,706	470,632,782	438,717,284
Total non-current assets	1,171,781,945	1,164,043,963	1,183,952,695
Current assets			
Inventories	26,893,090	27,582,822	40,765,775
Held for sale Investments	-	-	11,107,976
Trade and other receivables	98,783,543	78,540,996	45,776,808
Due from related parties	2.b 20,785,584	12,982,199	12,605,092
Cash and cash equivalents	5 160,950,553	153,195,805	120,420,110
Total current assets	307,412,770	272,301,822	230,675,761
TOTAL ASSETS	1,479,194,715	1,436,345,785	1,414,628,456
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	11,618,908	9,321,945	8,500,890
Notes payable	6 2,952,873	7,300,973	21,201,178
Borrowings – non current portion	43,978,159	31,093,569	42,694,941
Total non-current liabilities	58,549,940	47,716,487	72,397,009
Current liabilities			
Trade and other payables	60,712,562	67,115,260	30,672,248
Due to related parties	2.c 33,833,903	27,894,616	29,866,620
Borrowings – current portion	17,814,068	10,726,925	7,765,880
Bank overdraft	6,906,306	1,109,315	910,000
Total current liabilities	119,266,839	106,846,116	69,214,748
TOTAL LIABILITIES	177,816,779	154,562,603	141,611,757
EQUITY			
Share capital	7 396,000,000	396,000,000	396,000,000
Legal reserve	250,000,000	250,000,000	195,187,461
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	91,219,616	97,829,648	133,942,495
Retained earnings	309,207,314	282,708,537	288,278,214
Equity attributable to Equity Holders of the Parent	1,272,897,270	1,253,008,525	1,239,878,510
Non – controlling interests	28,480,666	28,774,657	33,138,189
Total equity	1,301,377,936	1,281,783,182	1,273,016,699
TOTAL LIABILITIES AND EQUITY	1,479,194,715	1,436,345,785	1,414,628,456

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

Mr. Abdulrahman Al Ansari
Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Nine months period ended 30 September 2012

	Note	Nine month period ended 30 September	
		2012 (Unaudited) (Not reviewed)	2011 (Unaudited) (Not reviewed)
Sales		272,409,077	247,637,444
Costs of sales		(218,338,789)	(189,812,200)
Gross profit		54,070,288	57,825,244
Share of results of associates		115,864,836	122,345,313
Income from investments		8,149,238	8,171,665
Other income		5,914,407	5,272,655
Expenses:			
General and administrative expenses		(30,904,350)	(27,943,375)
Impairment of available-for-sale investments		(3,089,633)	(1,053,393)
Net Profit for the period from continuing operations		150,004,786	164,618,109
Discontinued operations :			
Loss from discontinued operations	4	-	(7,194,848)
PROFIT FOR THE PERIOD		150,004,786	157,423,261
Attributable to:			
Equity holders of the Parent		145,298,777	151,874,619
Non-controlling interests		4,706,009	5,548,642
		<u>150,004,786</u>	<u>157,423,261</u>
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		6,610,031	33,167,610
Other comprehensive income for the period		<u>6,610,031</u>	<u>33,167,610</u>
Total comprehensive income for the period		156,614,817	190,590,871
Attributable to:			
Equity holders of the Parent		151,908,808	185,042,229
Non-controlling interests		4,706,009	5,548,642
		<u>156,614,817</u>	<u>190,590,871</u>
Basic and diluted earnings per share	8	3.67	3.84

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months period ended 30 September 2012

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

	Percentage of holding	
	2012	2011
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%
Qatar Nitrogen Company (Q.S.C) – (liquidated)	-	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:*

	30 September 2012 (Unaudited) (Not reviewed)
Gasal Q.S.C. – loan receivable	87,055,373

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

	30 September 2012 (Unaudited) (Not reviewed)
Gasal Q.S.C. – loan receivable	9,667,931
Qatar Plastic Products Company “Associate”	4,700,000
Gulf Formadehyde Company	6,300,000
Others	117,653
	20,785,584

(c) *Balances due from related parties:*

	30 September 2012 (Unaudited) (Not reviewed)
Qatar Steel Q.S.C.	33,832,063
National Food Company C.Q.S.C. “Associate”	1,840
	33,833,903

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months period ended 30 September 2012

3 INVESTMENT IN ASSOCIATES

	<i>Ownership</i>	<i>30 September 2012 (Unaudited) (Not reviewed)</i>	<i>Company's share from Capital (Unaudited) (Not reviewed)</i>
Aminatit Qatar Pipes Company W.L.L.	40%	20,207,820	14,880,000
Qatar Saudi Gypsum Industries Company W.L.L	33%	25,186,239	13,333,333
Qatar Clay Bricks Company W.L.L.	46.35%	25,816,923	23,175,000
Qatar Plastic Products Company W.L.L.	33%	18,992,010	9,000,000
Qatar Jet Fuel Company W.L.L.	40%	261,724,235	40,000,000
Qatar Aluminum Extrusion Company	40%	17,145,081	20,000,000
Gasal Company Q.S.C.	29.5%	77,303,571	48,085,611
National Food Company (Q.S.C.)	20%	11,784,827	10,000,000
		458,160,706	178,473,944

4 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 15 February 2009 the Board of Directors of Qatar Nitrogen Company, a former subsidiary, approved the liquidation of the subsidiary. On 14 March 2011 the Company received the final liquidation report from the liquidator and on 18 April 2011 the Company received an amount of QR 5,550,872 as a final settlement from the liquidation. During the year ended 2011, the Group has recognized a loss from the liquidation amounting to QR 7,194,848.

5 CASH AND CASH EQUIVALENTS

	<i>30 September 2012 (Unaudited) (Not reviewed)</i>
Cash	77,187
Current accounts	42,593,421
Call accounts	98,076,687
Term deposits	20,203,258
	160,950,553

6 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% and the notes payable due within one year have been reflected in trade and other payables.

7 SHARE CAPITAL

At the extraordinary general meeting held on 4 March 2012, the shareholders approved the Board of Directors proposal for cash dividends of 30%.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months period ended 30 September 2012

8 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:

	Nine months period ended 30 September	
	2012	2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(Not reviewed)</i>	<i>(Not reviewed)</i>
Profit for the period attributable to equity holders of the Company	145,298,777	151,874,619
Weighted average number of shares outstanding during the period	39,600,000	39,600,000
Basic and diluted earnings per share	3.67	3.84
	Nine months period ended 30 September	
	2012	2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(Not reviewed)</i>	<i>(Not reviewed)</i>
Profit for the period from continuing operations	150,004,786	164,618,109
Non-controlling interests	(4,706,009)	(5,548,642)
Profit from continuing operations for the period attributable to equity holders of the Parent Company	145,298,777	159,069,467
Weighted average number of shares outstanding during the period	39,600,000	39,600,000
Basic and diluted earnings per share from continuing operation	3.67	4.02