

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

**CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2011**

Qatar Industrial Manufacturing Company (Q.S.C)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2011

In Qatar Riyals

	31 MARCH 2011 (UNAUDIT)	31 MARCH 2010 (UNAUDIT)	31 DEC 2010 (AUDITED)
Assest			
Non-current assets :			
Property, plant and equipment	373,676,712	388,230,213	367,661,902
Investments in associates	418,779,927	346,810,497	387,732,919
Investments available for sale	214,098,875	190,342,110	197,933,279
Due from related party	75,566,903	-----	75,566,903
Investment property	45,887,839	45,887,839	45,887,839
Total Non-current assets	1,128,010,256	971,270,659	1,074,782,842
Current Assets :			
Inventories	30,951,540	44,161,852	25,225,643
Accounts receivable and prepayments	53,274,957	28,617,315	50,840,660
Cash and cash equivalents	156,527,329	123,805,739	135,812,434
Due from related party	4,824,538	45,675,041	8,962,672
Assest of adisposal group classified as held	52,113,743	51,964,629	52,113,743
Total current assets	297,692,107	294,224,576	272,955,152
Total assets	1,425,702,363	1,265,495,235	1,347,737,994
Equity and liabilities			
Capital	396,000,000	360,000,000	360,000,000
Legal reserve	185,132,590	150,000,000	180,000,000
General reserve	43,970,860	53,713,608	43,970,860
Fair value reserve	129,515,361	62,021,827	100,774,885
Revaluation reserve	182,499,480	182,499,480	182,499,480
Proposed dividends	-----	-----	90,000,000
Proposed bonus share	-----	-----	36,000,000
Retained Earning	197,784,375	167,012,381	151,591,056
Attributable to equity holders of parent	1,134,902,666	975,247,296	1,144,836,281
Minority interest	72,788,295	72,667,791	69,380,581
Total Shareholders equity	1,207,690,961	1,047,915,087	1,214,216,862
Non-current liabilities			
Borrowings	45,897,789	44,121,404	40,535,648
Employees' end of service benefit	5,196,681	6,955,301	6,725,023
Note payable	19,984,266	19,665,480	12,074,719
Total non-current liabilities	71,078,736	70,742,185	59,335,390
Current liabilities			
Bank overdraft	231,531	6,220,432	2,220,767
Due to related party	479,412	318,224	77,517
Borrowings	3,184,812	4,400,000	7,975,974
Accounts payables and accruals	142,250,581	135,127,977	63,125,154
Liabilities associated with disposal group classified as held for sale	786,330	771,330	786,330
Total current liabilities	146,932,666	146,837,963	74,185,742
Total equity and liabilities	1,425,702,363	1,265,495,235	1,347,737,994

The Financial statement were authorised for issue by company management on April 20th 2011

Sheikh Abdulrahman Bin Mohamed Bin Jabir Al –Thani

Abulrahman Al- Ansari

Chairman

Chief Executive Officer

Qatar Industrial Manufacturing Company (Q.S.C)

CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED 31 MARCH 2011

In Qatar Riyals

	31 MARCH 2011 (Un Audit)	31 MARCH 2010 (Un Audit)
Sales	95.624.951	92,706,698
Cost of sales	(66.427.555)	(66,522,707)
Gross profit	29.197.396	26,183,991
Share of result of associates	30,697,008	27,156,578
Other Income	8.623.329	7,160,518
	68.517.733	60,501,087
Expenses		
General and administration	(13.806.639)	(12,540,210)
Net Profit from continuing operations	54.711.094	47,960,877
Discontinued operation		
Profit from discontinued operation	22,529	55,000
Net profit of the period Attributable to :	54.733.623	48,015,877
Equity holder of the parent		
minority interest	<u>(3,407,714)</u>	<u>(1,025,986)</u>
Net profit for the period attributable to share holder of the Company	<u>51.325.909</u>	<u>46,989,891</u>
Earnings per share of QR 10 each	1.29	1,31
Number of shares	39,600,000	36,000,000

Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 March 2011 In Qatar Riyals

1 ACTIVITIES

Qatar Industrial Manufacturing Company (Q.S.C.) was incorporated on 11 February 1990 by an Amiri Decree No. 54 of 1990. The company is engaged in various types of investments inside and outside the State of Qatar in accordance with sound commercial and economical practices especially in the industrial sector.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation:

The consolidated financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB).

b) Accounting convention

The consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of investments available for sale.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements have been presented in Qatari Riyals.

c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those enterprises in which the Company holds over 50% of the share capital or enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statement of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries at the balance sheet date:

	<i>Percentage of holding</i>
K.L.J.Organic - Qatar	51%
Qatar Metal Coating Company W.L.L.	50%
Qatar Acids Company	100%
Qatar Sand Treatment Plant	100%
National Paper Industries Company	100%
Qatar Nitrogen Company (Q.S.C.)(under liq)	50%
Qatar Paving Stone	100%

Qatar Acids Company, Qatar Sand Treatment Plant and National Paper Industries Company are registered in Qatar as branches of Qatar Industrial Manufacturing Company (Q.S.C).

(ii) Associates

Associates are those enterprises in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company's share of the total recognised gains and losses of associates accounted on equity method, from the date that significant influence commences until the date that significant influence ceases.

Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 March 2011

In Qatar Riyals

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation continued

(ii) Associates (continued)

Investments in associates are stated on the basis of the Company's share in their net assets, which have been incorporated on the basis of the audited financial statements.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains arising from Intra-group transactions, are eliminated in preparing the consolidated financial statements.

The significant accounting policies adopted are as follows:

d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and provision for impairment, if any.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount assets are written down to their recoverable amount.

e) Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment at rates calculated to write off the cost of each asset over its expected useful life. The rates of depreciation are based upon the following estimated useful lives:

- Plant and equipment 10 - 15 years
- Vehicles 4 - 5 years
- Furniture and fittings 4 years
- Buildings and construction 13 - 25 years
- Installations and fixtures 4 - 10 years

f) Investments available for sale

All investments available for sale are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

Available for sale - Quoted

After initial recognition, investments which are classified "available for sale - quoted" are remeasured at fair value. Unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for the year.

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realise the asset.

Available for sale - Unquoted

Due to the nature of cash flows arising from the Company's unquoted investments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less provision for any impairment losses.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on a weighted average basis.

Net realisable value is based on estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 March 2011

In Qatar Riyals

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Accounts receivable

Billings on trade credit are included in "Accounts Receivable" at the balance due, net of a provision for amounts estimated to be uncollectible. The Company's terms of credit varies for each type of service and customer.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

i) Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

j) Accounts payable and accruals

Accounts payable and accruals are stated at cost and are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Accounts payable are normally settled within 60 days from the date of the service or the date the supply is received.

k) Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

l) Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period. The company treats this obligation as a non-current liability

With respect to the Qatari employees, the Company has decided to make contributions to Government Pension Fund calculated as a percentage of the employees' salaries in accordance with the requirements of law No. 24 of 2002 pertaining to Retirement and Pensions. The Company's obligations are limited to the contributions which are expensed when due.

m) Term loans

The Company's term loans are carried at the balance sheet at the principal amount plus interest. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues.

n) Impairment

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognised for the difference between the recoverable amount and the carrying amount. Impairment losses are recognised in the statement of income.

o) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

p) Revenue recognition

Interest income and rental income are accounted for on an accrual basis. Dividend income is recognised when the right to receive the dividend is established.

Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 March 2011 In Qatar Riyals
