

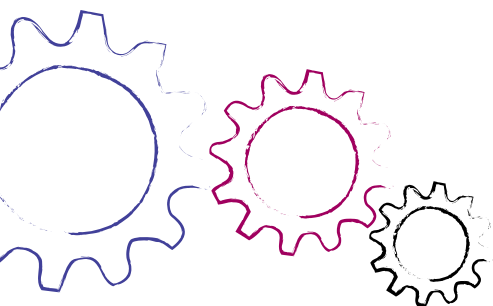
صناعات قطر
Industries Qatar

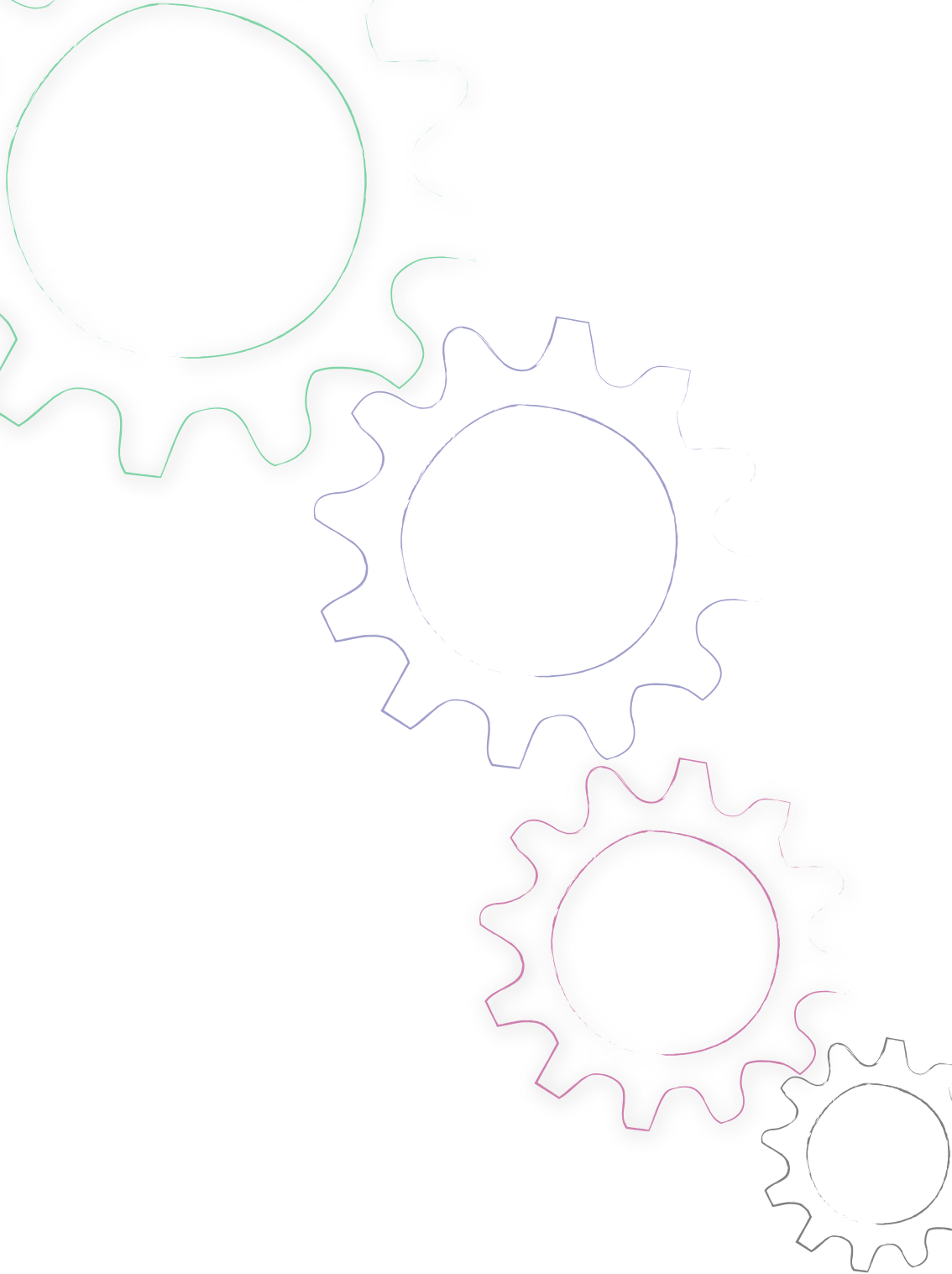
ANNUAL REPORT 2015





P.O. Box 3212, Doha, Qatar
Tel: + 974 4013 2080
Fax: + 974 4013 9750
Email: iq@qp.com.qa
Website: www.iq.com.qa





CONTENTS

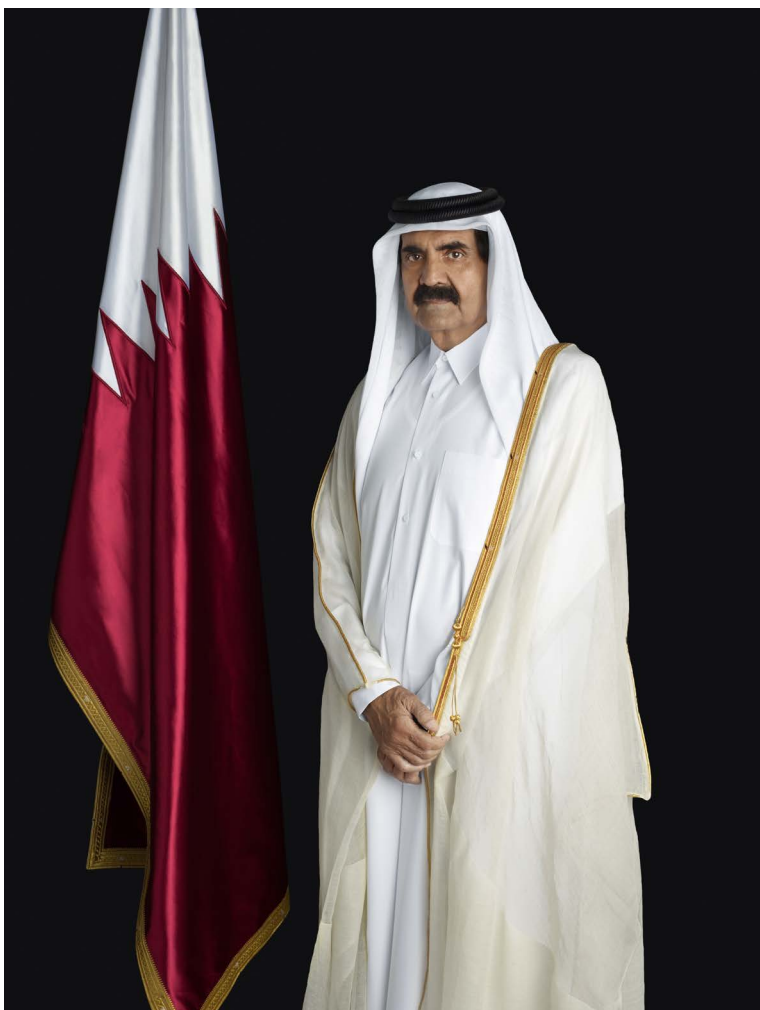
09	About Industries Qatar
17	Board of Directors
21	Chairman's Message
25	Board of Directors Report
29	Independent Auditors' Report
35	Consolidated Statement of Profit or Loss
36	Consolidated Statement of Profit or Loss and Other Comprehensive Income
37	Consolidated Statement of Financial Position
39	Consolidated Statement of Cash Flows
41	Consolidated Statement of Changes in Equity



His Highness

Sheikh Tamim Bin Hamad Al-Thani

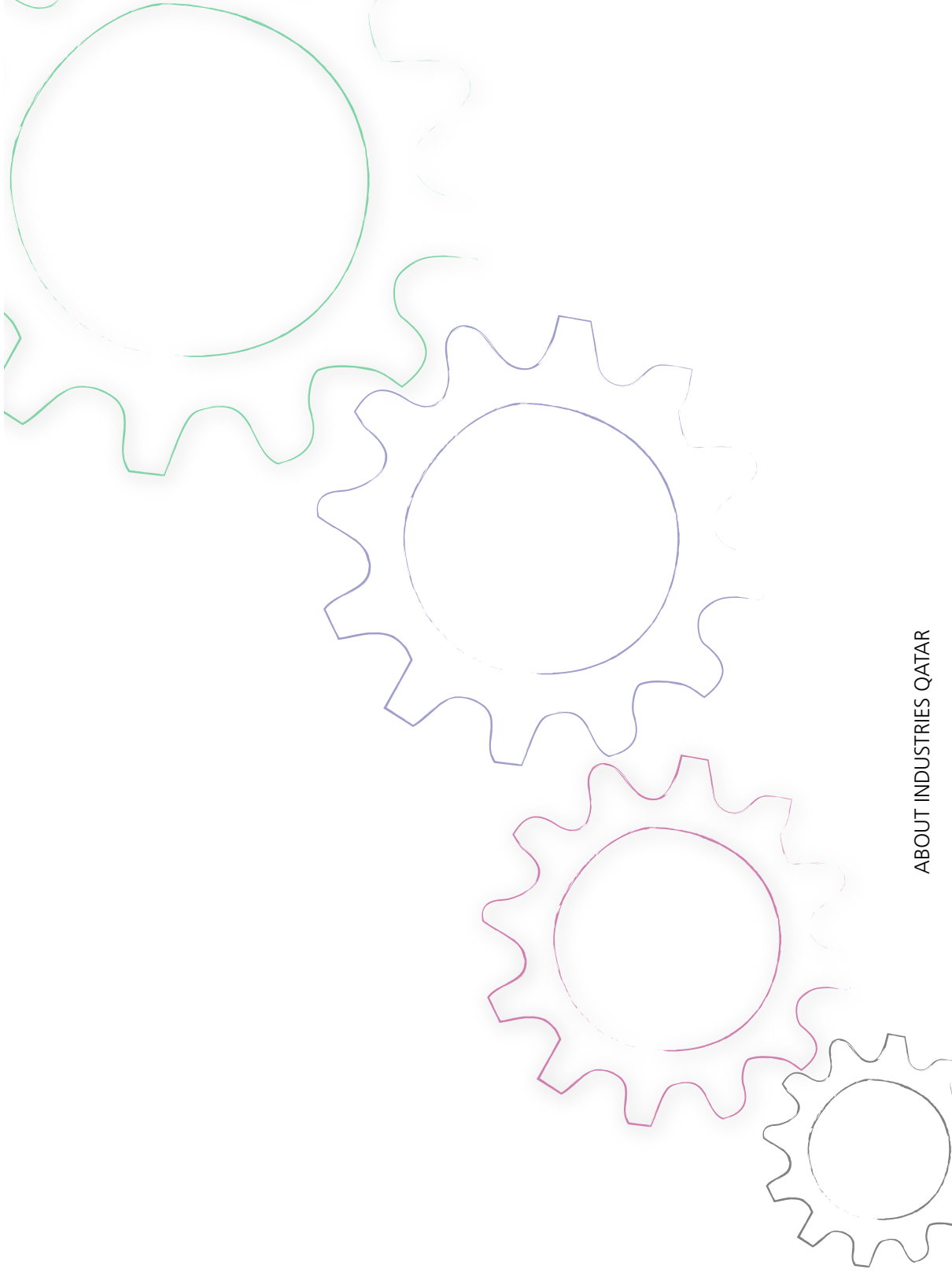
The Emir of the State of Qatar



His Highness
Sheikh Hamad Bin Khalifa Al-Thani
The Father Emir

ABOUT INDUSTRIES QATAR





ABOUT INDUSTRIES QATAR

ABOUT INDUSTRIES QATAR Q.S.C.

Industries Qatar Q.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The registered office is located at P.O. Box 3212, Doha, State of Qatar. Through the group companies, IQ operates in 3 distinct segments: petrochemicals, fertiliser and steel.

With effect from November 4, 2012 a wholly owned company of the government of the State of Qatar, Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (trading as "Muntajat"), assumed the exclusive rights to purchase, market, distribute and sell the State of Qatar's production of chemical and petrochemical regulated products to the global market. Accordingly, Industries Qatar's activities related to the marketing, distribution and selling of all of the group's products, with the exception of the group's steel products, were migrated to Muntajat.

Head Office Functions & Management Structure

Qatar Petroleum, the largest shareholder, provides all of the head office functions for IQ through a comprehensive services agreement. The operations of the subsidiary and joint ventures remain independently managed by their respective Boards of Directors and senior management teams.

PETROCHEMICALS

Qatar Petrochemical Company (QAPCO) Q.S.C

Incorporated in 1974 as a joint venture, the company is currently owned by IQ (80%) and Total Petrochemicals (France) (20%). QAPCO has two joint ventures, Qatofin Company Limited Q.S.C., and Qatar Vinyl Company Limited Q.S.C., and an associate, Qatar Plastic Products Company W.L.L.

Qapco together with its joint venture entities is engaged in the production of poly-olefins, poly-ethylene and chlor-alkali products.

The current group share of production and saleable capacity of Qapco's key products are:

Product	Production ('000)	Sales ('000)
Ethylene	985	140
LDPE	590	590
LLDPE	275	275

Key Products

Ethylene

Ethylene is used as a feedstock for a wide range of petrochemicals. A significant portion is used by Qapco and Qatofin for the production of low density polyethylene (LDPE) and linear low density polyethylene (LLDPE), with the remainder sold to QVC for the production of a range of chlor-alkali products and export.

Low Density Polyethylene (LDPE), Linear Low Density Polyethylene (LLDPE)

LDPE and LLDPE are thermoplastics produced from the feed monomer ethylene through the process of polymerization. Various grades of LDPE and LLDPE are produced which are suitable for a wide range of thermoplastics processing techniques with applications such as films, pipes, cables and wires and other moulded products.

Sulphur

High quality sulphur is generated as a by-product from the ethylene production process.

Pyrolysis Gasoline

The limited quantities of pyrolysis gasoline produced by Qapco are used by a local company as a feedstock.

Mixed LPG, C3 / C4

The minimal quantities of mixed LPG generated are supplied to the local NGL plants to produce propane and butane.

Qatar Fuel Additives Company Limited Q.S.C.C. ("QAFAC")

Incorporated in 1991 as a joint venture, the company is currently owned by IQ (50%), OPIC Middle East Corporation (20%), International Octane L.L.C (15%) and LCY Middle East Corporation (15%).

QAFAC is engaged in the production of methanol and Methyl-Tertiary-Butyl-Ether (MTBE).

The current group share of production and saleable capacity of QAFAC's key products are:

Product	Production ('000)	Sales ('000)
Methanol	500	390
MTBE	305	305

Key Products

Methanol

A significant portion of Methanol produced is used as a feedstock to produce methyl-tertiary-butyl-ether (MTBE), with the remainder is sold. Within the petrochemical industry, methanol is used as a raw material for the manufacturing of solvents, formaldehyde, methyl-halide, acetic acid, ethyl-alcohol, acetic anhydride, DME and MTBE.

Methyl-Tertiary-Butyl-Ether (MTBE)

MTBE is used as a gasoline additive that provides clean burning fuel to reduce the tail gas pollution generated by motor vehicles, whilst eliminating the need for tetra-ethyl-lead blending.

FERTILISERS

Qatar Fertiliser Company Q.S.C.C. ("Qafco")

Incorporated in 1969 as a joint venture, the company is currently owned by IQ (75%), and Yara Netherland B.V. (25%). Qafco has two subsidiaries, namely Gulf Formaldehyde Company S.A.Q. and Qatar Melamine Company Q.S.C.C.

Qafco together with its subsidiaries is engaged in the production of ammonia, urea, melamine and formaldehyde condensates.

IQ's share of Qafco's production and saleable capacity of key products are:

Product	Production ('000)	Sales ('000)
Ammonia	2,880	376
Urea	4,320	4,320
Melamine	27	27
Urea Formaldehyde	32	5

Key Products

Ammonia

A significant portion of the ammonia produced by Qafco is used internally as a feedstock for urea production. The remainder which is sold is commonly used as a feedstock for urea and ammonium phosphate production.

Urea

The majority of the urea produced by Qafco is in either the prilled or granular form. More than 90% of world (for Qafco, it is around 96%) industrial production of urea is used as a nitrogen-release fertiliser to increase crop yield.

Urea Formaldehyde Condensate (UFC-85)

UFC-85 is an anti-caking agent which is added to urea products to improve their strength. The majority of UFC-85 produced is used in Qafco's urea plants.

Melamine

The principal use of melamine is in the construction industry. Melamine is used in the production of high-pressure laminates which is used for a number of construction related activities. Melamine is also used in the production of kitchen utensils and plates.

STEEL

Qatar Steel Company Q.S.C.

Originally incorporated in 1974, Qatar Steel is fully-owned by IQ and has several investments in the steel industry including, three subsidiaries, Qatar Steel Company FZE, Qatar Steel Industrial Investment Company S.P.C., and Qatar Steel Rebar Fabrication Facility S.P.C. and three associates, Foulath Holding B.S.C., Qatar Metals Coating Company W.L.L and SOLB Steel Company.

Qatar Steel is engaged in the production of intermediary steel products such as DRI / HBI and Billets and final steel products such as Re-bars, wire-rod and rebar in coil.

IQ's share of Qatar Steel's production and saleable capacity of key products are:

Product	Production ('000)	Sales ('000)
DRI / HBI	2,350	Nil
Billets	2,580	Nil
Rebar	1,800	1,800
Coils	240	240

Key Products

Hot Briquetted Iron (HBI) and Direct Reduced Iron (DRI)

A significant portion of the HBI and DRI produced are used internally in Qatar Steel Electric Arc Furnace (EAF) based Steel Melt shop with the balance sold. The main markets for HBI / DRI include the Middle East, India, and the Far East.

Steel Billets

Most of the steel billets produced are processed into steel re-bars by Qatar Steel, with the remainder exported mainly to neighboring countries in the Gulf region.

Re-bars

Hot rolled deformed steel reinforced bars ("re-bars") are used extensively in the construction industry. The majority of the production is marketed in Qatar, with the remainder exported to neighbouring countries in the Gulf region.

Steel Coils

Re-bars in coils and wire rod in coils are used extensively in the construction industry as refabricated re-bars, binding wires, welded wire mesh in the pre-cast industry. Wire rod in coil is also used in downstream industries for various applications such as nails, hangers, screws, wire nets, fencing, armour, cable, and barbed wire. The majority of production is marketed in Qatar and the UAE.

Our Marketing Agency :

QATAR CHEMICAL AND
PETROCHEMICAL MARKETING
AND DISTRIBUTION COMPANY
(MUNTAJAT)

Qatar's gateway to the exports of
chemicals, petrochemicals, fuel
additive and fertiliser products

ABOUT MUNTAJAT

Muntajat has the sole rights to market, sell and distribute 100% of the State of Qatar's downstream production to both local and international customers. Currently Muntajat serves customers in more than 120 countries. Expanding the reach of the "Made in Qatar" brand into new markets. The company represents, serves and promotes the State's chemical, polymer and fertiliser products and works to maximise value for its stakeholders by capturing new opportunities in sales and supply chain, capitalising on Qatar's unique competitive advantages and economies of scale.

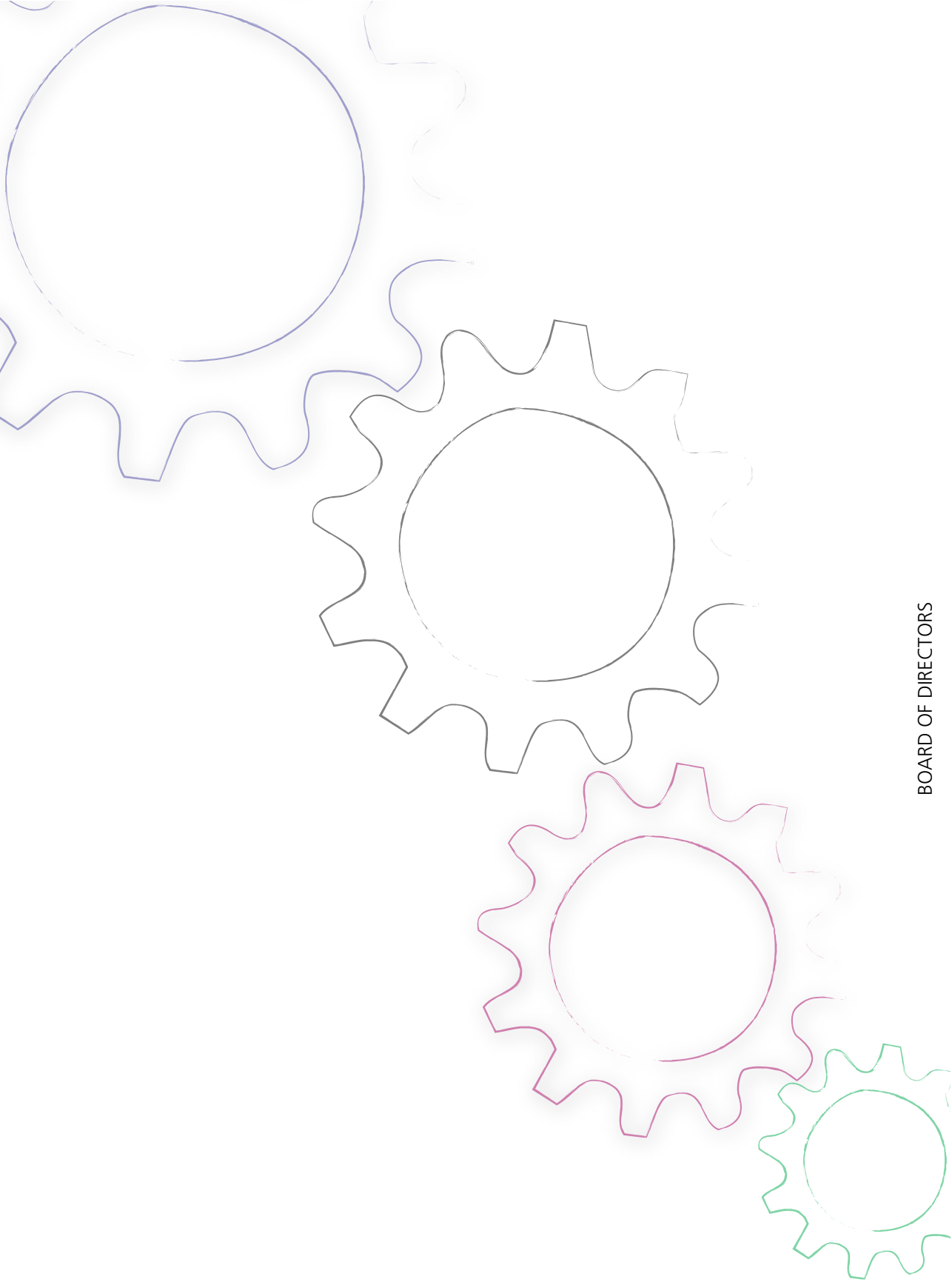
Following the successful completion of the transition of marketing, sales and distribution activities of Qatar's producing entities, Muntajat shifted its focus towards building scale and expanding its reach through its global marketing network, Muntajat B.V., that was established in 2013 and headquartered in The Hague, the Netherlands. Muntajat B.V.'s team of experts bring great value in servicing the company's customers as they continually monitor local trends and customer needs and adopt a value chain approach to better service customers around the world.

The company builds on more than 40 years of excellence by the State of Qatar's producing entities. Muntajat's marketing and sales strategy brings together the leanings and winning techniques acquired over the years from the producing entities to form a new best practice that guarantees world class customer service throughout the entire value chain.

To know more about Muntajat please visit www.muntajat.qa.

BOARD OF DIRECTORS





BOARD OF DIRECTORS

Through their extensive knowledge of the international petrochemical, fertiliser and steel industries and experience gained through cross-directorships and senior operational positions, the Board of Directors has the expertise necessary to build on the successes of the past and maintain IQ as one of the pre-eminent blue chip companies in the GCC region.



Eng. Saad Sherida Al-Kaabi
Chairman and Managing Director



Mr. Mohammed Nasser Al-Hajiri
Vice Chairman



Mr. Abdulaziz Al-Mannai
Member



Dr. Mohammed Al-Mulla
Member



Mr. Ali Hassan Al-Muraikhi
Member



Mr. Nasser Jeham Al-Kuwari
Member



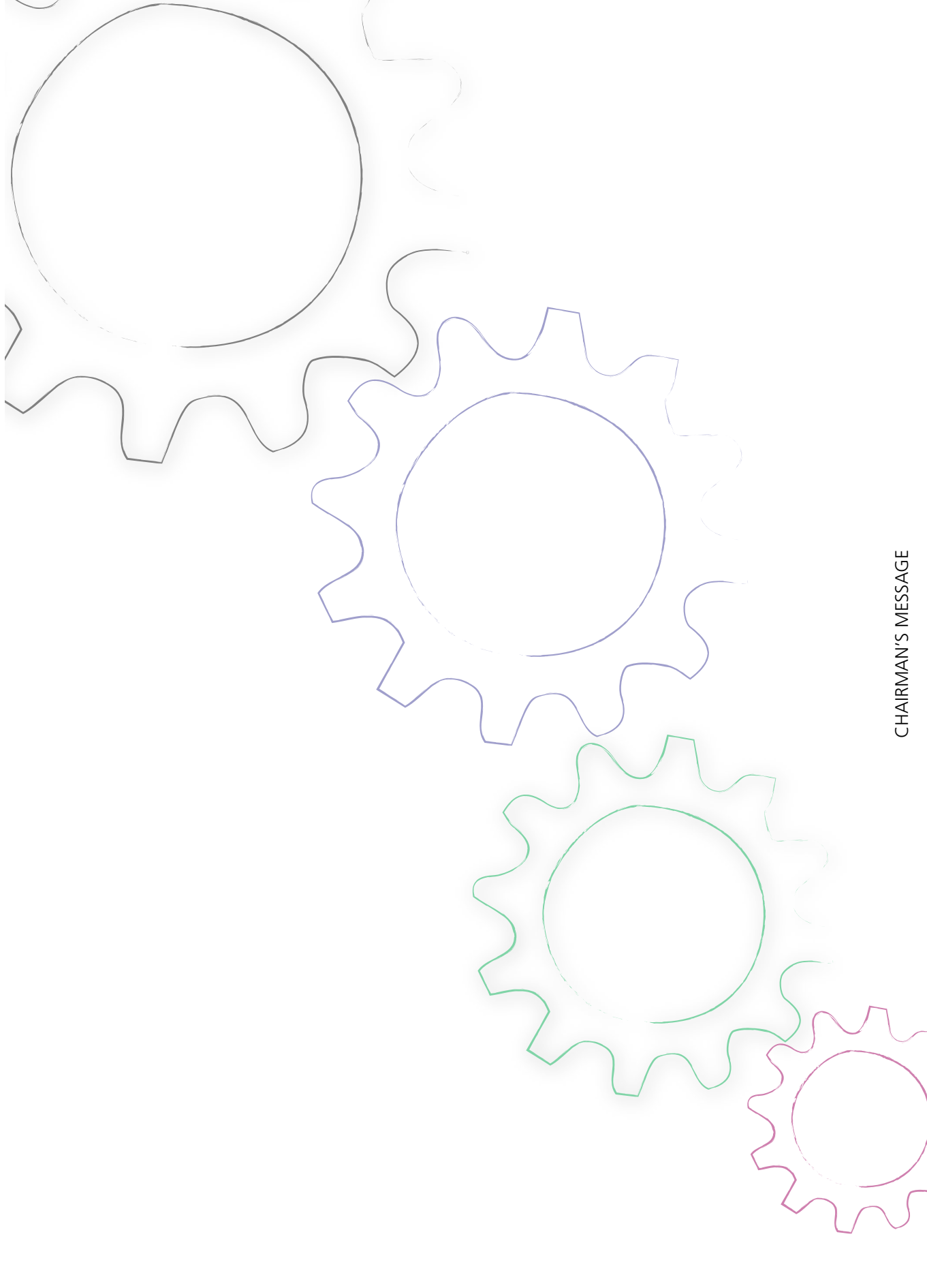
Mr. Abdulrahman Al-Suwaidi
Member

CHAIRMAN'S MESSAGE



Eng. Saad Sherida Al-Kaabi

Chairman and Managing Director



Introduction

I am pleased to welcome you to the 13th Annual General Assembly Meeting of Industries Qatar, one of the region's industrial giants and one of the largest and most successful listed companies in the State of Qatar. I congratulate my fellow Board members and the senior management of all group companies on the commendable financial and operational performance of the group during a period, where the industry within the group is operating faced significant challenges with product prices reaching record low since late 2009 and early 2010, excess supplies in many global economies and greater political uncertainty across most part of the world. I firmly believe that the current Board and senior management of the group will build upon on the success we achieved so far for the benefit of IQ's shareholders.

Financial Results

As I mentioned, the financial year ended December 31, 2015 was expected to be challenging for the group following the crude oil price plunge which began in late 2014 and continued through 2015 that significantly affected group's product prices most notably the petrochemical product prices. Crude oil prices have fallen to their record low since peaking in the second half of 2014 and remained below \$40 per barrel at the year-end. Despite this, and a notable decrease in fertiliser and steel product prices, the group was nevertheless able to post a creditable net profit of QR 4.4 billion thereby exceeding 2015 group budget by more than 20%. This commendable result was achieved on the backdrop of the group recording the highest production and sales volumes since its inception in 2003. Group's liquidity position also remains very strong with cash across all group companies stood at QR 10.6 billion reassuring group's ability to generate robust cash flows and stay strong during difficult trading periods.

Core Strengths

The group is also well-positioned both financially and operationally to mitigate the key risks arising from the current and future unanticipated depressed trading and economic environment as the group possess several unique competitive advantages: most notably, an excellent financial position driven by strong liquidity, positive debt metrics and robust cash flow generation, unique cost positioning, largely due to competitively priced natural gas feedstock, competitively priced energy contracts, relatively younger and efficient operating asset base and a very important role in development of the Qatari capital market.

These competitive advantages have been reflected in the group's financial position, cash flows and confidence placed by external bodies such as the internationally recognized credit rating agencies, lending institutions and institutional investors. As a result Industries Qatar has always remained to be a part of a very select group of international industrial conglomerates.

Performance Improvement through Cost and Operational Optimisation

As the group's financial performance is heavily depended on the macro-economic factors

which are mostly not within our control, the group has embarked on a number of initiatives those focus on improving both financial and operational performance through optimizing costs and operations. These initiatives include detailed assessments of the group's operational assets and the cost base with an objective of improving operational and cost efficiencies while ensuring Health, Safety and Environment are maintained to their highest levels. Some of these initiatives have already been concluded including the installation of the new furnace following the stopping of the two old furnaces (which were considered to be less energy efficient) at our steel subsidiary from the beginning of 2015 and many other initiatives are currently underway within the other segments. These initiatives once completed will add new synergies and opportunities within operations, administration, information technology and other functions of the group.

Once completed, we are confident that the group will stand in par with other world class industrial conglomerates in terms of operational efficiency and cost positioning. Maintaining superior cost positioning and operating with highest efficiencies will be the new priorities for businesses those are operating under uncertain business and economic conditions and hence we have placed utmost importance on these improvement programs.

Proposed Dividend Distribution

As part of the group's efforts to share part of the wealth generated in the oil and gas segment with its shareholders, the Board of Directors has supported, and continues to support, a rational dividend payout practice that balances the needs and aspirations of shareholders with the necessity of maintaining adequate liquidity within the group for actual and potential investment requirements, and unexpected adverse trading conditions and, and the principles of financial prudence. This practice has seen shareholders receive accumulated cash dividends for the period from the group's incorporation to date (up to 2014) of QR 38.8 billion, or QR 70.50 per share, with an average payout ratio of approximately 60%. Moreover, 10% bonus shares were issued on two occasions.

In line with the above objectives, and taking the current and expected short to medium term economic environment into consideration, the Board of Directors, proposes a total annual dividend distribution for the year ended December 31, 2015 of QR 3.0 billion, equivalent to a payout of QR 5.0 per share and representing 50% of the nominal value.

Conclusion

In conclusion, I would like to express my gratitude to His Highness the Emir, Sheikh Tamim Bin Hamad Al-Thani, and His Highness the Father Emir, Sheikh Hamad Bin Khalifa Al-Thani, for their vision and wise leadership, and the members of the Board of Directors, senior management and dedicated staff of our group companies.

Saad Sherida Al-Kaabi

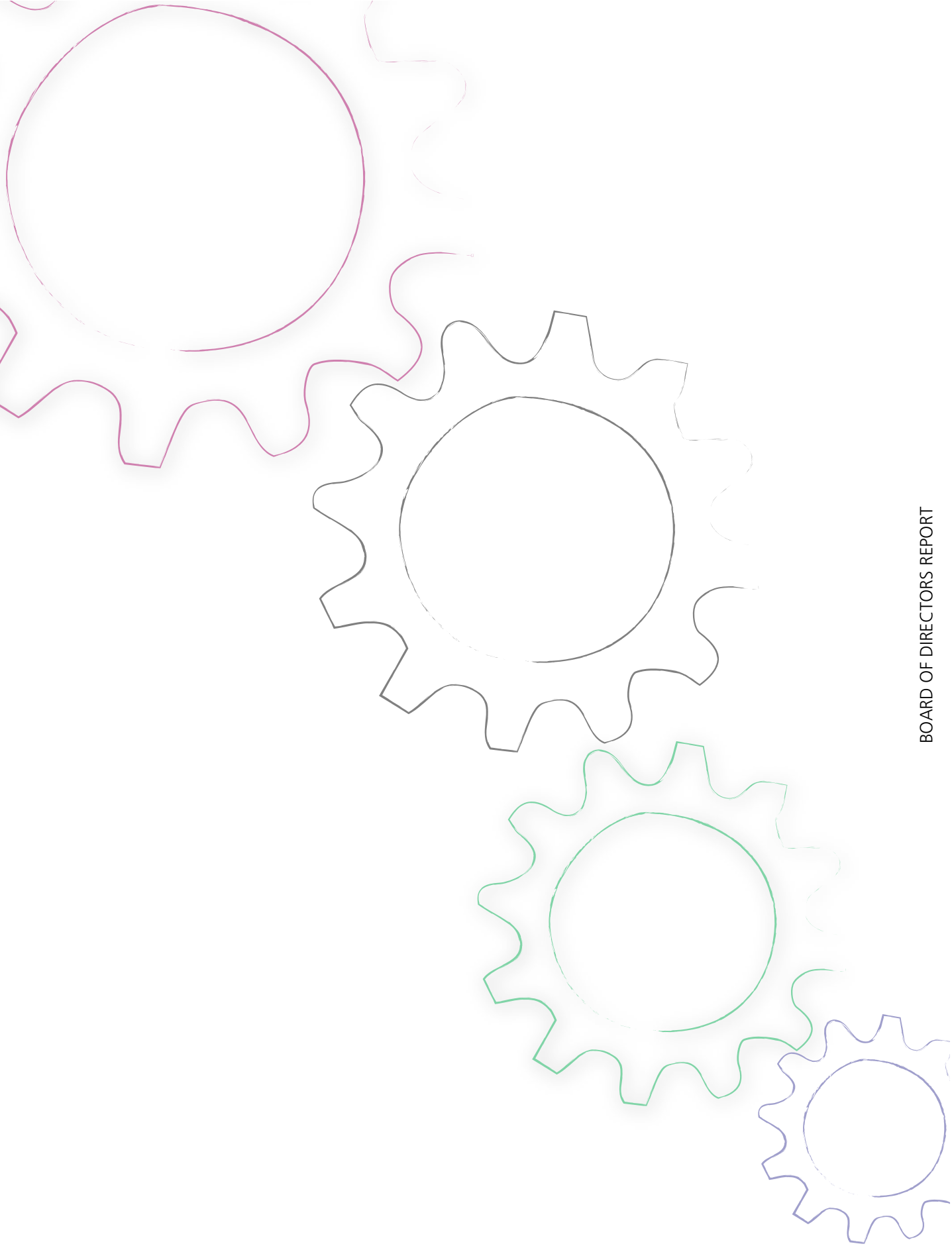
Chairman of the Board of Directors

BOARD OF DIRECTORS REPORT



V-7504
T.F. TANK





Introduction

The Board of Directors is pleased to present this 13th annual report on the finances and operations of Industries Qatar, Qatar's premier blue chip group and one of the Middle East's largest and most profitable listed companies.

Financial Results

The group recorded strong financial results across all segments during the current year amidst the prevailing economic environment as the sales volumes grew 9% on last year following the return to normal operations of most of the group's productions facilities which were on extensive maintenance during the first half of 2014. The return to normal operations of the group facilities resulted in higher production and production utilisation thus supporting the increase in sales volumes. Selling prices, across all the segments were down on last year with notable decrease in the petrochemical segment following the oil price plunge that began in Q4, 2014 and continued throughout most part of the year. Fertilizer prices on the other hand suffered a notable decrease on last year due to excess supply in some of the key producing economies, muted demand in some of the major buying countries and low energy prices. Steel prices were also moderately down on last year as most of the regional markets have decided to defer their capital expenditure programs due to depressed oil price environment.

Revenue

Reported revenue for the year ended December 31, 2015 was QR 5.2 billion, a moderate decrease of QR 0.7 billion, or 12.4%, over the previous year; on a like-for-like basis, management reporting revenue was QR 16.0 billion, a decrease of QR 2.2 billion, or 12.0%, versus the same period of 2014.

Petrochemical Segment (Note¹)

The petrochemical segment closed the year with revenue of QR 5.9 billion, a year-on-year decrease of QR 0.9 billion, or 13.5%. Full year weighted average key petrochemical product prices, particularly LDPE, LLDPE and MTBE were significantly down year-on-year, following the oil price decrease that began in late 2014. The reduction in selling prices were partially compensated by increased production and sales volumes as the segment's production facilities return to historical production levels after completing an extensive maintenance program during first half of 2014 with polyethylene facility recording the highest production since the start of the facilities in the early 1970's.

Fertilizer Segment

The fertiliser segment closed the year ended December 31, 2015 with revenue of QR 4.9 billion, a moderate reduction of QR 0.5 billion, or 9.7%, against the same period of 2014. A considerable decrease in the fertiliser prices, most notably, the prices of urea was partially offset by a significant increase in the sales volumes. Sales volumes of the segment was up on last year primarily on account of a higher year-on-year production as the key fertiliser facilities were also on planned warranty maintenance during first six months of 2014.

Note¹ Petrochemical segment's revenue is computed by taking the group share of revenue in Qapco and Qafac. Qapco's revenue is computed by taking the share of revenue in its joint ventures namely Qatofin, QVC and QPPC. This revenue may defer from the revenues reported under the note 30 (Segmental Reporting) of financial statements. Group share of revenue reported for the petrochemical segment under note 30 of the financial statement is QR 4.5 billion.

Steel Segment

Revenue in the steel segment amounted to QR 5.2 billion for the twelve months ended December 31, 2015, a moderate decrease of QR 0.7 billion, or 12.4%, versus the same period of 2014. This reduction was primarily due to a moderate decrease in selling prices as the steel segment experienced softening of demand due to muted capital expenditure programs in its key markets and excess supply driven by lower raw material prices.

Profits and Margins

Consolidated EBITDA reported for the year ended December 31, 2015 was QR 4.7 billion, a decrease of QR 1.9 billion, or 29.4%, on the prior year. The adverse year-on-year variance resulted due to a fall in the group revenue resulting from a significant price deflation across all segments, reduced net income from the group's associates and other one-off expenses. The impact was partially neutralized by higher year-on-year sales volumes and a moderate decrease in key operating costs. Net profit for the year under review was QR 4.4 billion, a decrease of QR 1.9 billion, or 29.9%, against 2014, with the adverse year-on-year movement attributable to the same reasons as the EBITDA variance.

Financial Position and Cash Flows

Total assets as at 31 December 2015 was QR 35.8 billion, a modest decrease of QR 0.8 billion or 2.2% on last year. This decrease was primarily driven by the decrease in current assets due to reduction in the inventory and account receivable, and the reduction in the non-current assets in particular the Investment in Joint Ventures / Associates. Cash and Bank balances have however increased to QR 7.0 billion after paying 2014 dividends, a year-on-year improvement of QR 0.8 billion. This increase was primarily driven by solid investment cash inflows on account of higher dividends received from joint ventures and a subsidiary, and reduced capital expenditure despite the payment of 2014 dividends of QR 4.2 billion and repayment of some long-term debts (QR 1.9 billion). Total debt as of 31 December 2015 stood at QR 1.1 billion, a reduction of QR 0.5 billion on last year. Strong financial position is maintained as indicated by very low debt to equity ratio (3.3%) and negative net debt of QR 5.9 billion.

Proposed Dividend Distribution

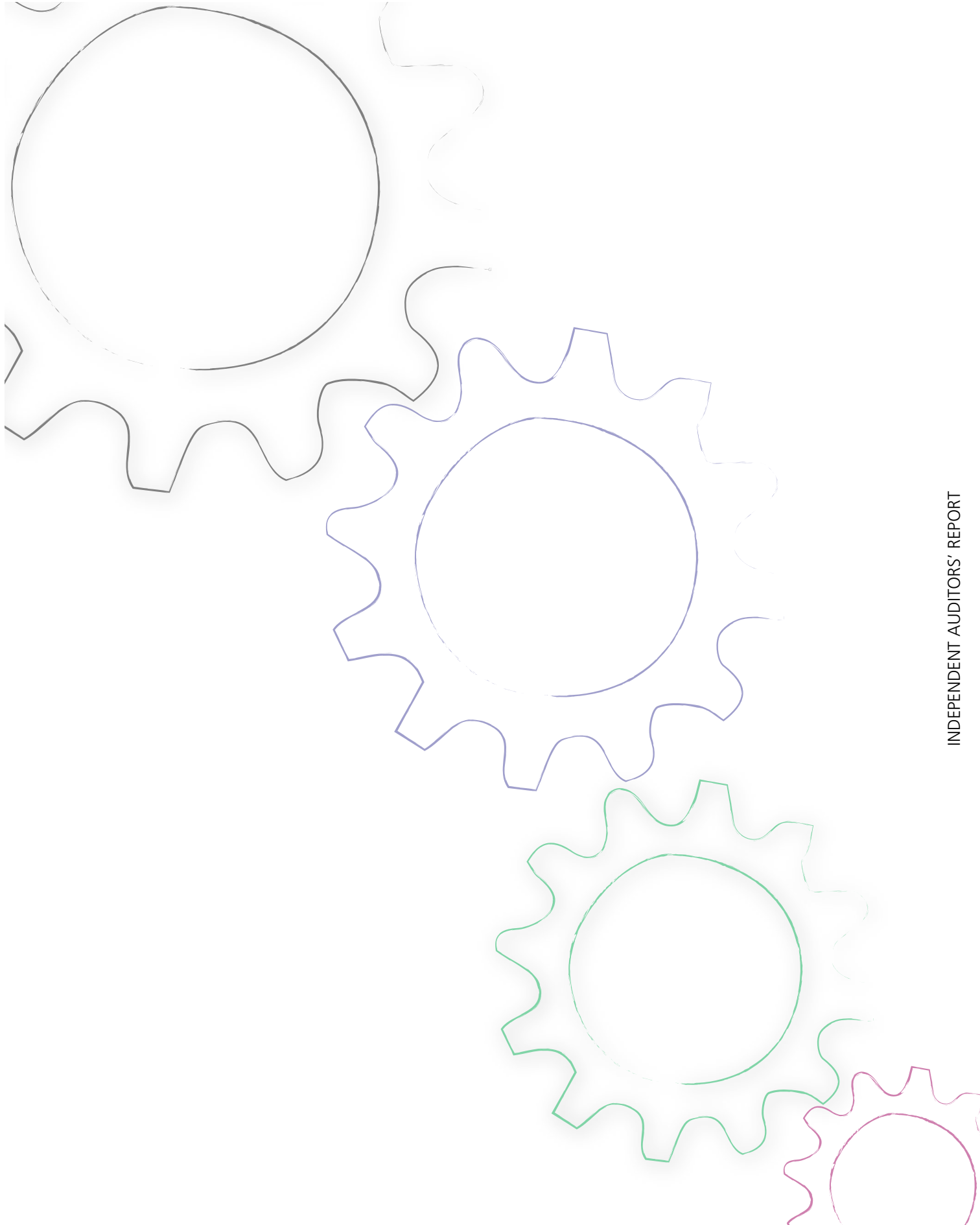
The Board of Directors propose a total annual dividend distribution for the year ended December 31, 2015 of QR 3.0 billion, equivalent to a payout of QR 5.0 per share and representing 50% of the nominal value.

Conclusion

The Board of Directors expresses its gratitude to His Highness, Sheikh Tamim Bin Hamad Al-Thani, the Emir of the State of Qatar, for his wise guidance and strategic vision, and His Highness the Father Emir, Sheikh Hamad Bin Khalifa Al-Thani. Our gratitude is also extended to the Chairman of the Board, Engineer Saad Sherida Al-Kaabi, for his vision and leadership, and to the senior management of the subsidiary and joint ventures for their hard work, commitment and dedication.

INDEPENDENT AUDITORS' REPORT





INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INDUSTRIES QATAR Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Industries Qatar Q.S.C. (the "Company"), and its subsidiary (together referred as the "Group") which comprise the consolidated statement of financial position as of December 31, 2015 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, the applicable provisions of the Qatar Commercial Companies Law, Articles of Association and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Industries Qatar Q.S.C. as of December 31, 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company, physical verification of the inventory has been duly carried out and the contents of directors' report are in agreement with the Group's accompanying consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's activities or its consolidated financial position.

Emphasis of Matter

As mentioned in Note 3 to the consolidated financial statements a new commercial companies law was issued in 2015. The Company's management is in the process of assessing the impact of the new law on their Articles of Association and consolidated financial statements.

Doha – Qatar
February 4, 2016

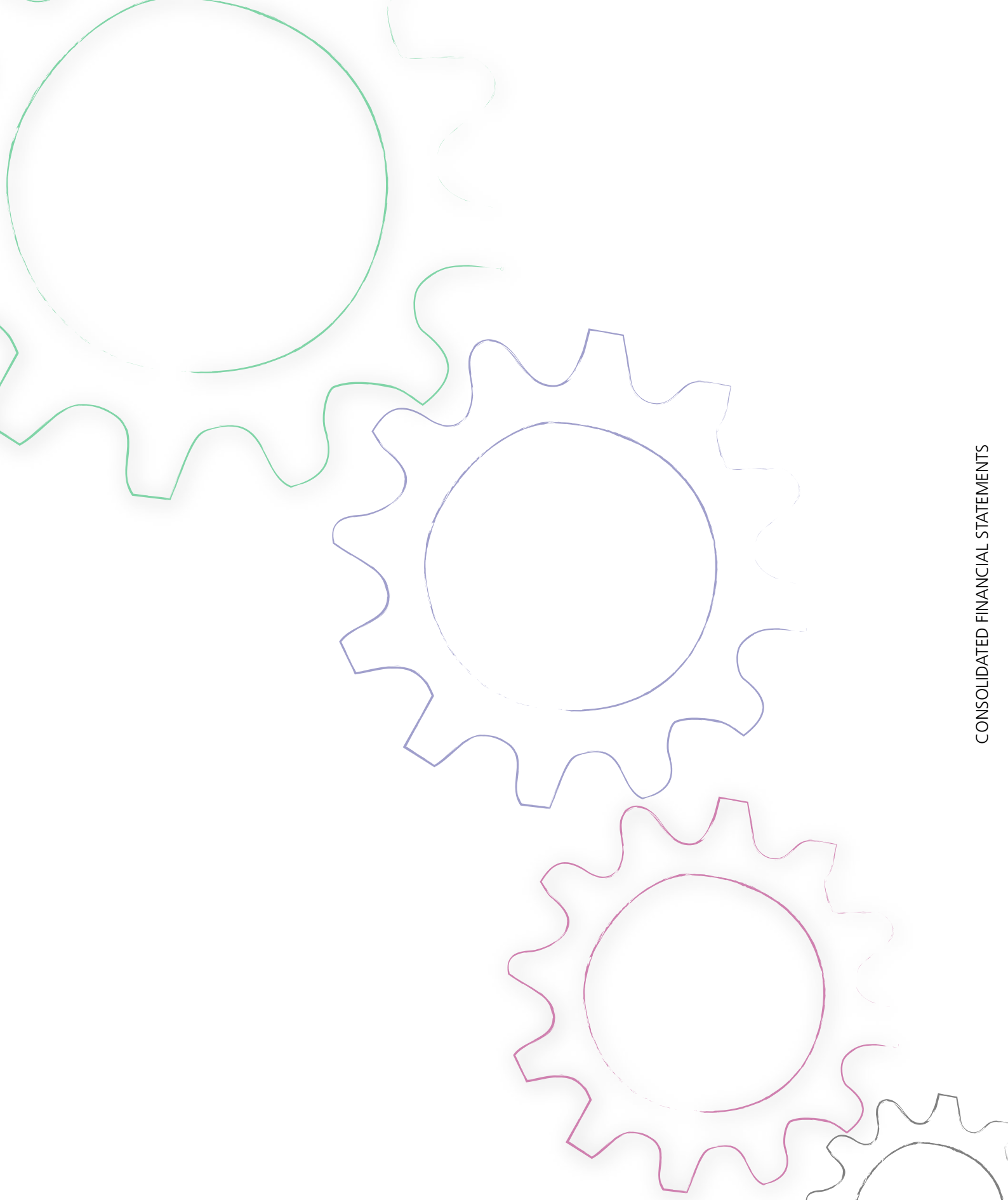
For **Deloitte & Touche**
Qatar Branch

A handwritten signature in black ink, appearing to be 'MB' or similar, written in a stylized, cursive manner.

Muhammad Bahemia
Partner
License No. 103

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2015

	2015 QR'000	2014 QR'000
Continuing operations		
Revenues	5,227,558	5,969,939
Direct costs	(4,120,372)	(4,558,401)
Gross profit	1,107,186	1,411,538
Share of results of joint ventures	3,697,035	4,982,895
Share of results of associates	(78,293)	14,675
Other income, net	87,082	184,692
Income from investments	130,986	98,378
General, administrative and selling expenses	(231,550)	(246,887)
Impairment of available-for-sale financial assets	(50,793)	(241)
Impairment of investment properties	(194,811)	--
Finance costs and hedge ineffectiveness on cash flow hedge	(21,871)	(103,433)
Profit for the year	4,444,971	6,341,617
Earnings per share		
Basic and diluted earnings per share (QR per share)	7.35	10.48

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015

	2015 QR'000	2014 QR'000
Profit for the year	4,444,971	6,341,617
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
<i>Available for sale financial assets</i>		
Net movement in cumulative changes in fair value	(180,654)	109,268
Net amount of impairment transferred to profit or loss	50,793	241
	(129,861)	109,509
<i>Cash flow hedge</i>		
Net movement in fair value of cash flow hedges	71,280	108,579
Ineffective hedge recognized in the statement of profit or loss	--	54,623
Other comprehensive income for the year	(58,581)	272,711
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,386,390	6,614,328

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

	2015 QR'000	2014 QR'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	3,795,882	3,856,255
Investment properties	3,553	198,364
Investment in associates	1,396,261	1,478,554
Investment in joint ventures	19,606,193	20,561,861
Available-for-sale investments	682,694	863,348
Catalysts	32,274	37,310
Total non-current assets	25,516,857	26,995,692
Current assets		
Inventories	1,435,720	2,143,430
Accounts receivable and prepayments	1,007,706	1,138,564
Due from related parties	773,493	81,926
Financial asset carried at fair value through profit or loss	3,585	3,585
Bank balances and cash	7,021,093	6,192,327
Total current assets	10,241,597	9,559,832
Total assets	35,758,454	36,555,524

	2015 QR'000	2014 QR'000 (Restated)
EQUITY AND LIABILITIES		
Equity		
Share capital	6,050,000	6,050,000
Legal reserve	74,999	74,999
Fair value reserve	370,807	500,668
Hedging reserve	(131,794)	(203,074)
Retained earnings	27,260,592	27,162,033
Total equity	33,624,604	33,584,626
Liabilities		
Non-current liabilities		
Interest bearing loans and borrowings	676,328	451,802
Employees' end of service benefits	157,227	143,402
Total non-current liabilities	833,555	595,204
Current liabilities		
Interest bearing loans and borrowings	450,571	1,210,664
Accounts payable and accruals	798,732	1,049,406
Due to related parties	50,992	61,001
Other financial liabilities	--	54,623
Total current liabilities	1,300,295	2,375,694
Total liabilities	2,133,850	2,970,898



Saad Sherida Al-Kaabi
Chairman and Managing Director



Mohammed Nasser Al-Hajri
Vice Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	2015 QR'000	2014 QR'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	4,444,971	6,341,617
Adjustments for:		
Depreciation and amortisation	211,955	182,892
Provision for employees' end of service benefits	38,513	39,283
Share of results from joint ventures	(3,697,035)	(4,982,895)
Share of results from associates	78,293	(14,675)
Loss on disposal of property, plant and equipment	6,052	8,558
Dividend received on available for sale investments	(29,255)	(26,998)
Finance costs	21,871	48,810
Hedge ineffectiveness on cash flow hedge	--	54,623
Interest Income	(101,731)	(71,380)
Net gain from fair value adjustment of investment properties	--	(20,725)
Impairment of investment properties	194,811	--
Gain on disposal of investment in joint venture	(1,455)	--
Impairment of available-for-sale financial assets	50,793	241
	1,217,783	1,559,351
Working capital changes:		
Inventories	707,710	(295,220)
Accounts receivable and prepayments and due from related parties	10,971	268,032
Accounts payable and accruals and due to related parties	(220,146)	333,644
Cash from operations	1,716,318	1,865,807
Finance charges paid	(21,871)	(48,810)
Social fund contribution	(151,949)	(198,598)
Employees' end of service benefits paid	(24,688)	(16,010)
Net cash generated by operating activities	1,517,810	1,602,389

	2015 QR'000	2014 QR'000
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant and equipment	1,674	1,995
Additions to property, plant and equipment and catalysts	(154,272)	(611,334)
Dividend received from associates	4,000	5,000
Dividend received on available-for-sale investments	29,255	26,998
Disposal of interest in joint venture	5,000	--
Net movement in available-for-sale investments	--	(1,372)
Dividends received from joint ventures	4,148,758	4,381,691
Movement in fixed deposits	(1,214,614)	1,332,800
Interest income received	101,731	71,380
Net cash generated by investing activities	2,921,532	5,207,158
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of interest bearing loans and borrowings	(1,941,901)	--
Proceeds from interest bearing loans and borrowings	1,351,711	(312,725)
Dividends paid	(4,238,348)	(6,682,241)
Net cash used in financing activities	(4,828,538)	(6,994,966)
Net decrease in cash and cash equivalents	(389,196)	(185,419)
Cash and cash equivalents at the beginning of the year	1,345,460	1,530,879
Cash and cash equivalents at the end of the year	956,264	1,345,460

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

	Share capital	Legal reserve	Fair value reserve	Hedging reserve	Retained earnings	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2014	6,050,000	74,999	391,159	(366,276)	27,627,365	33,777,247
Profit for the year	--	--	--	--	6,341,617	6,341,617
Other comprehensive income for the year	--	--	109,509	163,202	--	272,711
Dividends declared for the year 2013	--	--	--	--	(6,655,000)	(6,655,000)
Social fund contribution	--	--	--	--	(151,949)	(151,949)
Balance at December 31, 2014	6,050,000	74,999	500,668	(203,074)	27,162,033	33,584,626
Profit for the year	--	--	--	--	4,444,971	4,444,971
Other comprehensive income for the year	--	--	(129,861)	71,280	--	(58,581)
Dividends declared for the year 2014	--	--	--	--	(4,235,000)	(4,235,000)
Social fund contribution	--	--	--	--	(111,412)	(111,412)
Balance at December 31, 2015	6,050,000	74,999	370,807	(131,794)	27,260,592	33,624,604

