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DOCUMENT DETAILS:

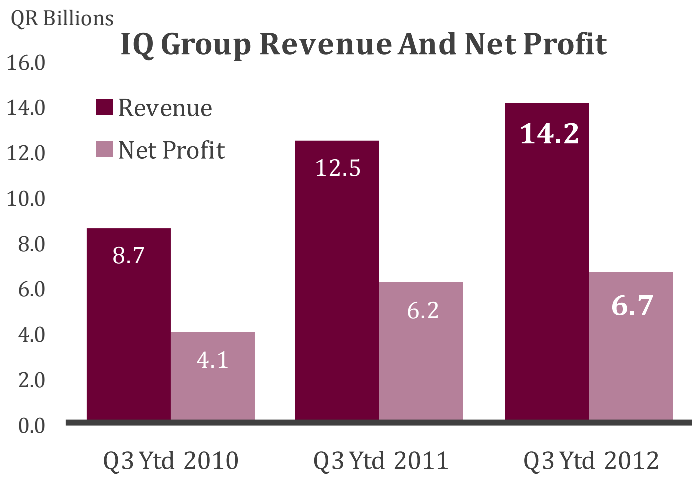
Document Reference	Quarterly Trading Statement (Q3, 2012) (IQ/QTS/121015 English.docx)
For Immediate Release	October 15, 2012

PRESS RELEASE

IQ POSTS RECORD THIRD QUARTER REVENUE

Revenue, net profit up on last year and last quarter

DOHA, QATAR - Industries Qatar ("IQ" or "the group"; QE: IQCD), one of the region's industrial giants with interests in the production, distribution and sale of a wide range of petrochemical, fertiliser and steel products, released its financial results for the period ended September 30, 2012 with revenue of QR 14.2 billion and net profit of QR 6.7 billion.



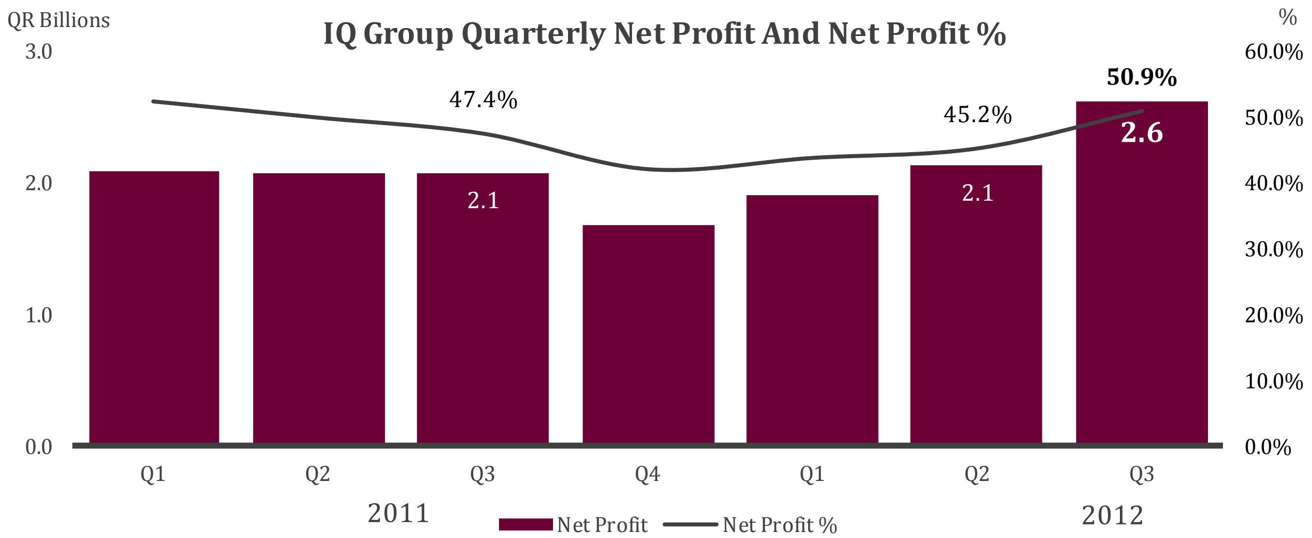
In a statement released to the Qatar Exchange, H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, Chairman and Managing Director of Industries Qatar, stated "The group has continued its record-breaking year by registering its highest-ever revenue for the first nine months of the year, eclipsing the previous high registered for the same period of 2008, and an impressive 13.5% improvement on the same period of 2011.

"And, further positive results are expected following the recent launch of LDPE-3 and further ramp-up of Qafco 5 and 6."

Revenue

Elaborating on the group's revenue performance, Mr. Abdulrahman Ahmad Al-Shaibi, Chief Coordinator, Industries Qatar, said, "Despite the tough global economic conditions and faltering demand witnessed in key trading partners, the group still maintained its overall production utilisation[1] level at over 100%, and in booking revenue of QR 14.2 billion recorded its highest ever revenue for the period ending September 30. This serves to emphasise the group's competitive cost position, robust demand for its products and geographically dispersed market footprint.

"Revenue improved on the same period of 2011 by QR 1.7 billion, or 13.5%, and on the second quarter by QR 440.7 million, or 9.4%. This robust performance was primarily driven by significantly improved fertiliser volumes following the launch and initial ramp-up of Qafco 5 and 6, and was despite generally weak prices across many of the group's key products."

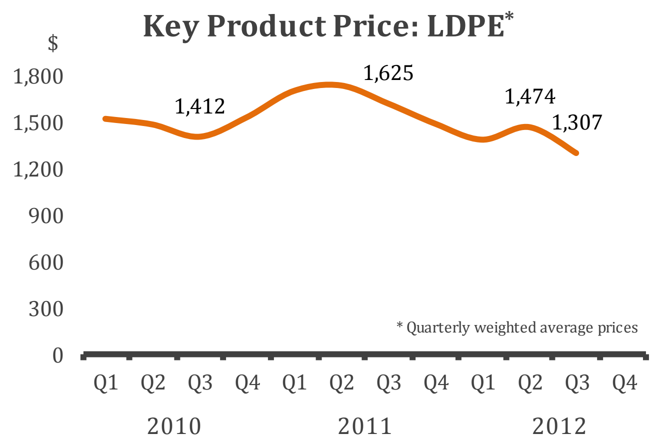


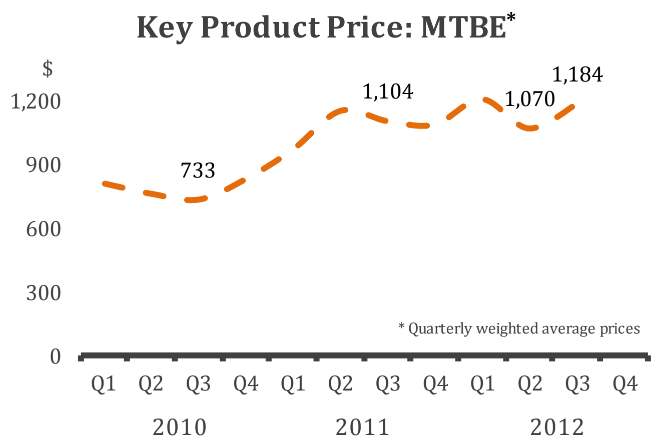
Segmental Overview

Petrochemical revenue in the first nine months of the year was QR 4.8 billion, marginally down by QR 0.1 billion, or 1.7%, versus the same period in 2011. The segmental performance was primarily impacted by weak year-to-date LDPE prices and lower sales volumes registered by the group's fuel additives joint venture. Year-to-date weighted average realised LDPE prices were almost 18% down on the same period of 2011 following historically weak oil prices, the protracted economic downturn in Europe and reduced demand from the Far East.

[1] See page 7 for a definition of utilisation.

The fuel additive volumes were impacted by a loss of 83 days (methanol: 42 days, MTBE: 41 days) to major shut-downs in the first half of the year (2011 Q3 Ytd: 4 days). However, no further disruption to the plants was noted in the third quarter. In contrast, year-to-date petrochemical revenue was boosted by strong LDPE and LLDPE utilisation rates (v 2011 Q3 Ytd: +3.5% and +14.0% percentage points respectively), and resilient methanol and MTBE prices (v 2011 Q3 Ytd: +11.6% and +5.8% respectively).





Versus the second quarter of 2012, petrochemical revenue improved by a modest QR 0.1 billion, or 4.2%. Improved prices, most notably an over 94% rebound in ethylene prices, accounted for the majority of the quarter-on-quarter variance, as sales volumes were generally flat. Negligible shut-down days were noted and the overall utilisation rate remained broadly on par with the previous quarter (v 2012 Q2: -2.2% percentage points).

The fertiliser segment closed the first nine months of 2012 with revenue of QR 4.6 billion, up QR 1.4 billion, or 44.5%, on the same period last year. The segment's year-on-year performance was due to the combined effect of incremental ammonia and urea volumes, and strongly positive urea price inflation. Following the commercial launch of Qafco 5 and 6 in the first half of the year, ammonia and urea volumes increased on the same period of 2011 by 24.1% and 42.1% respectively, and the segment recorded an annual volume variance of QR 1.3 billion. The projects' two ammonia and two urea trains are now in full operation with closing utilisation rates varying across the four plants: the associated ammonia trains registered production utilisation rates of between 85% and 90%, and approximately 95% for the urea facilities.

Expectations are that production volumes will continue to improve during the last quarter of 2012. The majority of the incremental fertiliser volumes were sold in two of the group's largest markets, North America and the Indian sub-continent, underscoring the importance of those regions to the segment's future sales and marketing strategy.

Against the second quarter of 2012, segmental revenue was up by QR 0.5 billion, or 31.7%, with a sharp increase in ammonia prices (33.8%) and incremental urea volumes from the initial ramp-up of Qafco 5 and 6 (58.2%) being the main contributors. No major shut-downs were noted during the quarter, and segmental utilisation closed the period at 112.8% (2012 Q2: 99.3%).

Year-to-date steel revenue was QR 4.8 billion, an increase of QR 0.3 billion, or 7.7%, on the same period last year, and down QR 0.1 billion, or 5.6%, over the second quarter of 2012. The year-on-year increase was largely predicated on production-driven DRI / HBI volume increases, and strong regional re-bar demand, while the quarter-on-quarter drop followed third quarter rolling mill shut-downs in the Dubai plant. Third quarter DRI / HBI and re-bar prices held steady versus the last quarter as robust local and regional demand more than compensated for falling iron ore prices.

Profits And Margins

Commenting on the group's earnings performance, Mr. Al-Shaibi noted, "The group recorded its second highest profit ever for the nine month period ending September 30, with year-to-date net profit of QR 6.7 billion. This was broadly in line with budgeted expectations, and was primarily boosted by improved fertiliser volumes following the commercial launch of Qafco 5 and 6 during the first half of 2012. The fertiliser segment is now the group's main profit contributor, accounting for *circa* 40% of net profit and EBITDA[2]."

Net profit for the first nine months of 2012 was QR 6.7 billion, an increase of QR 0.4 billion, or 6.6%, versus the same period of last year, while the third quarter profit of QR 2.6 billion was up QR 0.5 billion, or 23.1%, on the preceding quarter. EBITDA for the period ending September 30, 2012 was QR 7.6 billion, an increase of QR 0.8 billion, or 11.0%, on the same period last year, and third quarter EBITDA was QR 3.0 billion, an increase of QR 0.5 billion, or 20.4%, on the second quarter.

[2] See page 7 for a definition of EBITDA.

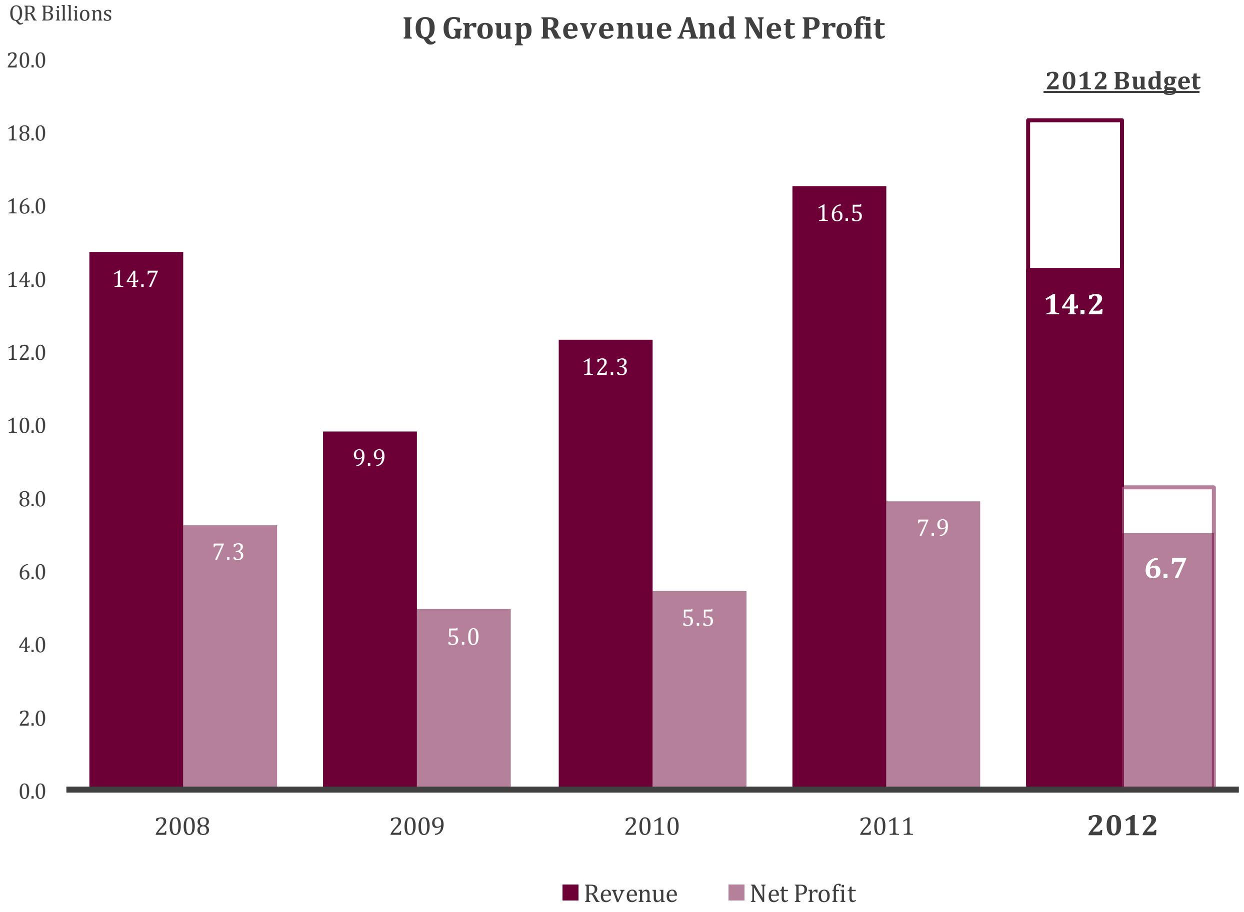
The year-on-year EBITDA improvement can be largely attributed to significantly improved group volumes, most notably ammonia and urea, lower iron ore costs and higher urea, methanol and MTBE prices. However, results were negatively impacted by a number of factors, including: (i) generally weak product prices, (ii) losses from two of the group's steel associates (v 2011 Q3 Ytd: -QR 87.8 million), (iii) a provision for a minor natural gas contract revision (QR 49.1 million), (iv) losses in one of the fertiliser company's subsidiaries (v 2011 Q3 Ytd: -QR 47 million), and (v) annual wage and salary inflation exacerbated by the enactment towards the end of 2011 of state-mandated increases in salaries for Qatari nationals. In addition, net profit was affected by the additional depreciation burden following the capitalisation of QR 8.9 billion of fertiliser assets (v 2011 Q3 Ytd: -QR 263.7 million) and the booking of associated finance charges (v 2011 Q3 Ytd: -QR 87.8 million). Versus the second quarter of 2012, the improvements in both EBITDA and net profit were led by the fertiliser segment.

Qatar Petroleum divestment of shares in Industries Qatar

Following the increase in the number of free float shares that resulted from the decision by the Supreme Council of Economic Affairs and Investment to transfer 104,500,000 shares held by Qatar Petroleum in Industries Qatar to the civil and military funds of the General Retirement and Social Insurance Authority, the Qatar Exchange confirmed in September, 2012 the corresponding change in the group's foreign ownership limit from 7.5% to 12.25% of the total number of issued shares.

Conclusion

Concluding, Mr. Al-Shaibi said, "The group is poised to successfully complete all of its major financial, operational and strategic goals for 2012. The year-to-date financial results and performance versus budget give confidence that the full year budget can be achieved, while the commercial launch of LDPE-3, and Qafco 5 and 6, and the satisfactory progress to date on the group's other major CAPEX projects all indicate the likelihood of accomplishing the key operational targets for the year. And, the completion of the group growth strategy, which is expected by the end of the year, will mark the completion of the most important strategic objective of 2012."



In closing remarks, H.E. Dr. Al-Sada stated, "I would like to express my gratitude to H.H. Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, for his vision and leadership, the Board of Directors for its wise counsel, and to the senior management of the group companies for their hard work, commitment and dedication."

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For more information about this press release, email iq@qp.com.qa or visit www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar QSC directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the group" are sometimes used for convenience in reference to Industries Qatar QSC.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar QSC. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this presentation are made as of the date of this presentation, as marked on the Cover page.

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GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Industries Qatar's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US $'s have been translated at the rate of US $1 = QR3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year *Compound Annual Growth Rate* (from 2010 actuals) • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **DRI:** *Direct Reduced Iron* • **EBITDA:** *Earnings Before Interest, Tax, Depreciation and Amortisation* calculated as (Net Profit + Interest Expense + Depreciation + Amortisation - QR1.2bn government grant received in 2009) • **EPS:** *Earnings per Share* (Net Profit / Number of Ordinary Shares outstanding at the year end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** *Hot Briquetted Iron* • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **LDPE:** *Low Density Poly Ethylene* • **LLDPE:** *Linear Low Density Poly Ethylene* • **mmBTU:** *Million British Thermal Units* • **MT / PA:** *Metric Tons Per Annum* • **MTBE:** *Methyl Tertiary Butyl Ether* • **Net Debt:** Current Debt + Long-Term Debt - Cash & Cash Equivalents • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** *Price to Earnings* (Closing market capitalisation / Net Profit) • **RCF:** Funds From Operations - Dividends • **ROA:** *Return On Assets* [EBITDA/ (Total Assets - CWIP - PUD) x 100] • **ROCE:** *Return On Capital Employed* [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** *Return On Equity* (Net Profit / Shareholders' Equity x 100) • **Utilisation:** Production Volume / Rated Capacity x 100 [For new facilities, measure includes first full operational quarter only]

ABOUT IQ

Industries Qatar QSC was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company QSC ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production and sale of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertiliser Company SAQ ("QAFCO"), a joint venture owned 75% by IQ, engaged in the manufacture and sale of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, is engaged in the production and export of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.