IQ DECLARES STRONG FULL YEAR PROFIT OF QR 8.0 BILLION

Dividend of QR 11.00 per share proposed

Cash dividend of QR 11.00 per share proposed, equivalent to a total payout of QR 6.7 billion • proposed dividend represents 110% of the nominal share value • full year net profit of QR 8.0 billion - second highest earnings on record • new facilities operating at capacity • sales volumes up year-on-year • significant financial and operational performance improvements across associates and investments • cash levels across all group companies up by QR 1.6 billion versus 2012 to reach QR 10.7 billion, reflecting the group's enhanced cash position

DOHA, QATAR - Industries Qatar ("IQ" or "the group"; QE: IQCD), one of the region's industrial giants with interests in the production of a wide range of petrochemical, fertiliser and steel products, announced its financial results for the year ended December 31, 2013 with net profit of QR 8.0 billion.

In comments issued to the Qatar Exchange after the group's first Board of Directors meeting for 2014, H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, Chairman and Managing Director of Industries Qatar, stated, "Industries Qatar closed the year ended December 31, 2013 with strong full year earnings of QR 8.0 billion - following the record-breaking 2012 results with the second highest net profit on record, and clearly showing the group's ability to generate strong profits and cash flow even during the difficult international market conditions experienced during the year."

This financial year was also noteworthy for two other reasons. Firstly, it marked the first full year of operation for QR 12.8 billion of petrochemical and fertiliser facilities launched during 2012 which added 2.0 million MT / PA of urea and 240,000 MT / PA of LDPE to the group's existing capacity, increasing the overall production capacity from 13.7 million MT / PA to 16.0 million MT / PA. And, secondly, the group's credit ratings with Standard & Poor's and Moody's were maintained at AA- and Aa3 respectively in the companies' annual reviews - placing Industries Qatar one notch beneath the State of Qatar's sovereign rating, and in a very select group of international industrial conglomerates.

Continuing, H.E. Dr. Al-Sada stated, "These resolute financial results serve to vindicate the previous decisions of the Board of Directors to invest heavily in improving the efficiency of existing facilities and in expanding capacity, and lend support to the future investment plans as outlined in the recently announced group growth strategy - sustained growth throughout the commodity cycle can only be assured through judicious, yet bold, investment in improving capacity."

Financial Results

Commenting on the financial results for the year, Mr. Abdulrahman Ahmad Al-Shaibi, Chief Coordinator, Industries Qatar, stated, "The group recorded strong year-on-year sales volume growth following the launch last year of new petrochemical and fertiliser facilities, while also maintaining exceptional petrochemical and steel EBITDA margins. Results, however, were adversely impacted by continued significant fertiliser price deflation, in line with international trends, and heightened fertiliser operating costs following increases in natural gas rates under the supply and purchase agreement with Qatar Petroleum."

Revenue

Reported revenue for the full year was QR 5.8 billion, a decrease of QR 0.3 billion, or 5.4%, on the restated results of 2012; however, on a like-for-like basis under the previous accounting standard, reported revenue would have been QR 19.3 billion, an increase of QR 0.6 billion or 3.1%.

Petrochemical Segment

Revenue in the petrochemical segment for the year was QR 5.4 billion (2012 restated: QR 4.8 billion), an increase of QR 0.6 billion, or 12.3%, versus 2012. The segmental performance can be largely attributed to significantly improved sales volumes following the commercial launch of the group's third LDPE plant in the second half of 2012 and subsequent quick ramp-up, fuel additive comparatives adversely impacted by a number of significant planned / unplanned shut-downs in 2012 (2012: 83 days), and improved LDPE prices. Total LDPE sales volume increased by 145,000 MT, or 33.7%, versus 2012, and overall LDPE utilisation closed the year at a strong 103% (2012: 110%). Methanol and MTBE sales volumes were up 8.9% and 5.9% respectively following last year's disruption (methanol: 42 days, MTBE: 41 days), with utilisation rates averaging a commendable 94% and 107% each (2012: 84% and 102% respectively).

"Resilient petrochemical prices contributed QR 0.2 billion to the year-on-year segment growth of QR 0.6 billion," elaborated Mr. Al-Shaibi. "Commodity price inflation was most notable for LDPE and methanol, with the two products registering growth of 8% and 13% respectively versus 2012, as they continued to recover from the near-term lows noted in the second half of 2012. LDPE benefited from short supply from the Middle East and Asia due to maintenance shut-downs and / or reduced production levels on high input costs, coupled with strong demand from core Asian derivative markets. Likewise, methanol prices grew primarily due to a tightening of the demand-supply gap during the year following strong Chinese demand and competitor plant outages."

Petrochemical revenue for the fourth quarter of 2013 was QR 1.5 billion, up QR 0.1 billion, or 8.5%, on the previous quarter. The favourable variance can be entirely attributed to a spike in LDPE sales volumes related to the timing of specific shipments, as production was marginally down on

incrementally more shut-down days being noted during the quarter (2013, Q4: 29 days; 2013, Q3: 18 days). As a segment, the utilisation rate improved on the last quarter to a commendable 105% (2013 Q3: 102%).

Fertiliser Segment

The fertiliser segment closed the year with revenue of QR 6.1 billion, up QR 0.1 billion, or 2.4%, on 2012. The moderate segmental improvement occurred as incremental urea sales volumes following the commercial launch of Qafco 5 and 6 during the second half of the previous year and subsequent ramp-up were largely negated by urea prices continuing their negative trend, in line with international prices, closing 17.9% down on 2012.

Revenue in the fourth quarter of the year was marginally up versus the previous quarter, increasing by 3.8% to close at QR 1.3 billion, as quarter-on-quarter urea sales volumes increased by almost 100,000 MT. This improvement in sales volume occurred despite a number of planned and unplanned shut-downs (ammonia: 29 days, urea: 44 days), and served to compensate for static urea selling prices. Urea prices remained largely flat during the quarter, as the decline in international prices that resulted in the group's weighted average price dropping by over $100 per MT since the beginning of the year to close at a 3-year low of $293 per MT came to an end.

Commenting on the ongoing weak nitrogenous fertiliser price outlook, Mr. Al-Shaibi said, "Although a significant recovery in fertiliser prices is not expected imminently, IQ is in a uniquely strong position to weather the current downturn in global fertiliser prices that has seen the group's quarterly weighted average urea price drop by almost 40% since the current commodity cycle high of $487 per MT in the third quarter of 2011. Firstly, and most importantly, urea capacity increased by an additional 2.0 million MT / PA in 2012, meaning that the group can continue to expect strong headline results as improved sales volumes should be able to compensate for all but the most severe and prolonged period of price deflation. So, while lower fertiliser prices weighed down full year revenue by QR 1.1 billion, improved volumes added QR 1.3 billion. And, secondly, the group should benefit from the improved marketing expertise of the State of Qatar's wholly-owned petrochemical and chemical marketing specialist company, Muntajat, following the transfer of all sales-related activities in the first quarter."

Steel Segment

Full year steel revenue was QR 5.8 billion, a decrease of QR 0.3 billion, or 5.4%, in comparison to 2012. The reduction in revenue was primarily due to a 5.4% drop in the weighted average re-bar price to QR 2,499 per MT, in line with decreasing iron ore costs and following changes to the steel subsidiary's historical end-market mix. Utilisation remained at a high 108%, marginally down on

2012 (2012: 110%). Fourth quarter revenue was QR 1.4 billion, up on the previous quarter by QR 0.05 billion, or 3.5%, on moderately higher re-bar volumes.

Profits and Margins

On the subject of the group's profits and profitability, Mr. Al-Shaibi remarked, "The group recorded full year earnings of QR 8.0 billion, a decrease of QR 0.4 billion, or 5.1%, versus 2012. Although earnings were moderately down on 2012, they still represent the group's second highest results on record."

Consolidated Earnings

EBITDA for the year was QR 8.2 billion, a decrease of QR 0.5 billion, or 5.1%, on the same period last year. "Benefits gained from higher sales volumes following the commercial launches of Qafco 5, 6 and LDPE-3, weak prior year comparatives due to extended fuel additives shut-downs in 2012 and improved operating results at several of the group's local and regional investments, were offset by general price weakness and increased fertiliser and, to a lesser extent, petrochemical, operating costs," continued Mr. Al-Shaibi. Quarter-on-quarter consolidated EBITDA deteriorated by QR 0.1 billion, or 5.4%, largely in line with the change in revenue across the group companies.

Net profit for 2013 was QR 8.0 billion, a decline of QR 0.4 billion, or 5.1%, versus 2012. Significant incremental depreciation and finance charges following the capitalisation of the new fertiliser and petrochemical assets in 2012 accounted for the additional movement in net profit vis-à-vis EBITDA. Versus the previous quarter, net profit changed in line with EBITDA.

Segmental EBITDA Margins

Petrochemical EBITDA margin closed the year at 75.6%: marginally down on 2012 by 2.9 percentage points, as higher LDPE-3 operating costs and reduced other operating income negated the positive impact of increased LDPE and fuel additive sales volumes, and a 26.6% improvement in profits in Qapco's 63.64% joint venture, Qatofin (v 2012: +QR 203.3 million). Versus the previous quarter, petrochemical margins slipped by 6.4 percentage points mainly due to the booking of year-end provisions and increased operating costs.

Year-on-year, fertiliser EBITDA margin deteriorated by 16.3 percentage points to close at 53.9% principally due to the significant reduction in fertiliser prices and the increase in the average feedstock unit cost following the revision to the natural gas supply and purchase agreement rates for trains 1 to 4, and incremental supply to train 5. This decline was despite the benefits derived from higher economies of scale resulting from the new, state of the art, efficient production facilities, the reversal of excess prior period provisions (v 2012: +QR 56.0 million) and the return to profitability of the joint venture's subsidiary, Qatar Melamine Company (v 2012: +QR 43.5 million).

Versus the third quarter, margin dipped by 1.4 percentage points primarily due to increased operating costs.

Full year EBITDA profitability in the steel segment improved to 32.9% versus 26.7% in 2012. This increase of 6.2 percentage points was achieved due to a number of factors including improved iron ore pricing, a superior sales mix and enhanced results from associates (v 2012: +QR 134.6 million). The subsidiary's annual average iron ore unit cost has now declined by 10.8% since 2012. EBITDA margin in the fourth quarter shrunk by 7.9 percentage points to 26.1% on account of increased raw material costs.

Production Shut-Down Timetable

The latest major planned down-time schedule for the first quarter of 2014, with prior year comparatives, is as follows:

Plant / Product	2014, Q1	2013, Q1
Ethylene	35 days	0 days
LDPE	34 days	11 days
LLDPE	11 days	0 days
Methanol	10 days	0 days
MTBE	8 days	0 days
Ammonia	40 days	1 day
Urea	40 days	7 days
DR, EF / CC, RM	22 days	40 days

This shut-down schedule is indicative of current plans only, and actual down-time may vary from the latest plan.

Major CAPEX / Investments Update

Continuing, Mr. Al-Shaibi said, "The current 5-year business plan envisages accumulated capital spend, consisting of routine and non-routine operational projects, and investments, over the period 2014 to 2018 of circa QR 5.4 billion as the group envisages completing construction of all of its current major projects, including a 2.0 million MT / PA integrated steel mill in Algeria, and a mixed-feed steam cracker / petrochemical complex. This budgeted capital spend may increase with the determination of final construction costs for existing projects, approval of projects currently under evaluation and the implementation of the group's 10-year growth strategy." The latest status of the group's current major CAPEX and investment projects is as follows:

EF5

In Q2, 2011, the group's steel subsidiary, Qatar Steel, commenced work on its EF5 project consisting of a QR 1.2 billion green field steel melt shop built adjacent to its main facility in Mesaieed Industrial City, Qatar. Commercial operations at the facility commenced in February, 2014.

The EF5 project is expected to boost the group's billets capacity by an additional 1.1 million MT / PA, ensuring that as the State of Qatar continues its ambitious construction program in the run-up to the World Cup 2022, Qatar Steel will maintain its position as the country's predominant steel supplier. The original intention was for the new steel melt shop's electric furnace to immediately replace two of Qatar Steel's old electric furnaces; however, Qatar Steel has subsequently confirmed its intention to continue operating EF1 and EF2 for an additional year, before decommissioning those old facilities in early 2015.

SOLB Steel Company (formerly known as "South Steel Company WLL")

Qatar Steel's Saudi Arabian-based 31.03% associate, SOLB Steel Company, commenced commercial operations of a 1.0 million MT / PA steel melt shop and a 0.5 million MT / PA rolling mill in January 2013, with construction of a second similar rolling mill in progress and now due to be completed in the second half of 2014. Qatar Steel's total investment contribution was QR 225.0 million for both phases.

CO_2 Recovery Project

The QR 0.1 billion CO_2 recovery project is designed to capture over 500 MT per day of carbon dioxide produced by the group's fuel additives joint venture, Qafac, and utilise it in the production of methanol. The project is expected to not only reduce Qafac's greenhouse gas emissions, but simultaneously boost the group's production of methanol by circa 46,000 MT / PA. When commercially launched in the fourth quarter of 2014, the facility is expected to be the region's largest of its kind and a source of incremental profits to the group.

Algerian Qatari Solb Company (formerly referred to as "Qatar Steel International / Algerian Joint Venture")

Qatar Steel holds a 50% stake in a special purpose vehicle, Qatar Steel International Company QPSC, which in turn has a 49% share in Algerian Qatari Solb Company, a joint venture formed with entities controlled by the government of Algeria to develop a 2.0 million MT / PA integrated steel mill in Algeria. Elaborating on the latest developments, Mr. Al-Shaibi confirmed, "The Articles of Association of the joint venture were signed with the Algerian parties in January, 2014 and incorporation followed shortly thereafter. The first phase of the project envisages a direct reduction plant, steel melt shop and rolling mill being built at an estimated equity contribution from Qatar Steel of around QR 0.6 billion, and a project completion date of Q1, 2018."

Al Sejeel Petrochemical Complex (formerly referred to as the "QP : Qapco Ras Laffan Petrochemical Complex")

With regards the Al Sejeel Petrochemical Complex in which IQ has an indirect 16% stake through its petrochemical joint venture, Qapco, and is expected to significantly boost ethylene (250,000 MT / PA) and LLDPE (68,800 MT / PA) production, and add HDPE (166,000 MT / PA) and polypropylene (169,000 MT / PA) to the group's product list, Mr. Al-Shaibi commented, "The project has now moved to the Front-End Engineering and Design phase with the appointment in December, 2013 of Tecnimont SPA as the FEED contractor. The project is on track with a tentative commercial launch date of Q4, 2018. No changes to the product list, shareholder names or participation are under consideration. The petrochemical complex, which includes a world-scale ethane / butane / naphtha mixed-feed steam cracker, remains an important part of IQ's growth and diversification plans for the latter part of the decade."

Continuing, Mr. Al-Shaibi said, "The total project capital expenditure is subject to future revision, but is currently estimated at QR 22.8 billion, with IQ's budgeted equity investment being QR 1.1 billion. This estimate is not likely to be finalised until the award of an EPC contract."

Significant Distribution and Marketing Changes

On November 22, 2012, Decree Law number 11 of 2012 was published in the Official Gazette mandating a new, wholly owned company of the government of the State of Qatar, Qatar Chemical and Petrochemical Marketing and Distribution Company QJSC (trading as "Muntajat"), with 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 the group's products, with the exception of the group's steel products, have all now been progressively migrated to Muntajat. The Decree Law was effective from November 4, 2012 and Muntajat's operations commenced in Q1, 2013.

Significant Financial Reporting Changes

In May 2011, the International Accounting Standard Board issued IFRS 11 *Joint Arrangements* which superseded IAS 31 *Interests in Joint Ventures*, and is mandatory for annual periods beginning on or after January 1, 2013.

In previous years, the company accounted for its interests in joint ventures using proportionate consolidation, which allowed the company to consolidate its proportionate share of each line of the joint ventures' financial statements in accordance with IAS 31 *Interests in Joint Ventures*. IFRS 11 requires a joint venturer to recognise its interest in a joint venture as an investment and should account for that investment using the equity method.

The company has determined that with the adoption of IFRS 11 its interests in Qapco, Qafac and Qafco will meet the criteria for a joint venture. Accordingly, from January 1, 2013, on adoption of IFRS 11, Industries Qatar accounted for its interests in the above companies using the equity method.

The equity method of accounting requires Industries Qatar to present the carrying amount of its investments in joint ventures as a single line item in the statement of financial position, and its share of the joint ventures' net income as a single line item in the statement of comprehensive income. This change in accounting policy will not affect previously reported net income and shareholders' equity, but will affect most other line items in the statement of financial position, statement of comprehensive income and statement of cash flows.

With respect to concerns expressed regarding the application of the new method of accounting and its impact on financial disclosure by Industries Qatar, Mr. Al-Shaibi stated, "Firstly, I have to confirm that the change in the method of accounting for our interests in our joint ventures Qapco, Qafac and Qafco is mandatory, and not an issue of management choice: as a company listed on the Qatar Exchange we are required to adhere to International Accounting Standards and, after receiving professional advice, those standards mandate this change. Management of Industries Qatar does not have the leeway to opt-out.

"And, secondly, management remains committed to openness and transparency. Our investor relations team has engaged with shareholders and investors to discuss ways in which to maintain, or even enhance, the group's historical commitment to comprehensive disclosure. And, it is not our intention to use this change to roll-back the improvements made over the last few years."

Proposed Dividend Distribution

Since the initial public offering in April 2003, the Board of Directors has supported a progressive and generous dividend payout policy that balances the needs and aspirations of shareholders with the necessity of maintaining adequate liquidity for the group's capital investments, working capital and financing needs, and the principles of financial prudence. This policy has seen shareholders receive cash dividends of QR 28 billion, with payout ratios averaging 56%.

Further to this, the Board of Directors is pleased to recommend a total annual dividend distribution for the year ended December 31, 2013 of QR 6.7 billion, equivalent to a payout of QR 11.00 per share and representing 110% of the nominal value. Based on the group's February 16, 2014 average closing price on the Qatar Exchange, this is equivalent to a dividend yield of 6.1%.

Conclusion

In conclusion, H.E. Dr. Al-Sada said, "The Board of Directors and senior management look forward to 2014 with renewed confidence as the group expects to benefit from capacity additions in the steel and petrochemical segments, and progress is made on two of our largest ongoing projects - an integrated 2.0 million MT / PA steel complex in Algeria and the Al Sejeel Petrochemical Complex in Ras Laffan, Qatar.

"And, over the next five years, the group is budgeted to spend over QR 5 billion on capital expenditure and major investments to ensure the continued growth of Industries Qatar for the benefit of our valued shareholders."

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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 • 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 • Payout Ratio: Total Cash Dividend / Net Profit x 100 • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • 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 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 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 of methanol and methyl-tertiary-butyl-ether ("MTBE"). The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

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