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DOCUMENT DETAILS:

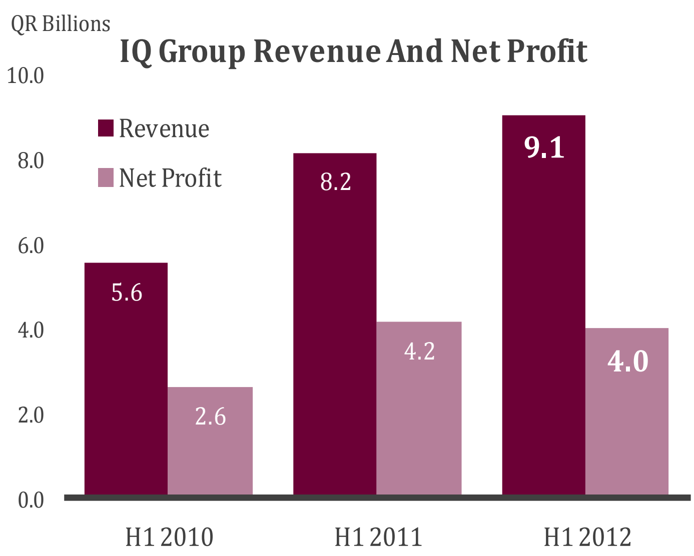
Document Reference	Quarterly Trading Statement (Q2, 2012) (IQ/QTS/120810 English.docx)
For Immediate Release	August 10, 2012

PRESS RELEASE

IQ POSTS RECORD FIRST HALF REVENUE

Revenue, net profit both up on 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 June 30, 2012 with revenue of QR 9.1 billion and net profit of QR 4.0 billion.



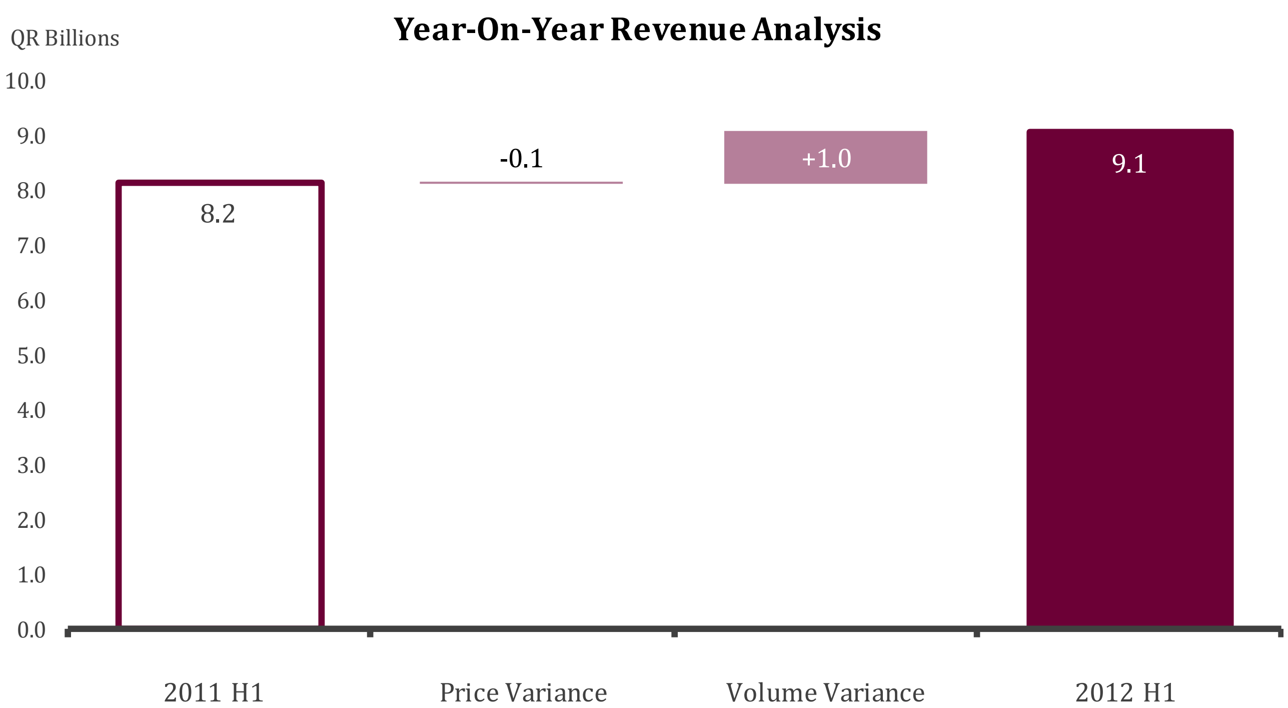
In a statement released to the Qatar Exchange, H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, Chairman and Managing Director of Industries Qatar, stated "The group has followed-up its record-breaking 2011 performance with its highest ever first half revenue. Consolidated revenue for the first six months of the year was QR 9.1 billion, eclipsing the previous high registered for the same period of 2008, and an impressive 11.1% improvement on the first half of 2011.

"This result was built on solid trading results from our fertiliser joint venture, Qafco, following the start-up of production in the new Qafco 5 and 6 plants. Qafco is now the world's largest single-site producer of both ammonia and urea. I would like to congratulate, Mr. Khalifa Al-Suwaidi, Chief Executive Officer of Qafco, and member of the Board of Directors of both Qatar Petroleum and Industries Qatar, and the management and staff of Qafco for this important achievement."

Revenue in the second quarter was QR 4.7 billion and net profit was QR 2.1 billion, increases of 8.0% and 11.6% respectively over the first quarter of 2012. The resilient second quarter results can be attributed to impressive fertiliser segmental results following rebounding urea prices and the launch of Qafco 5 and 6, resurgent petrochemical utilisation rates[1] following significant planned and unplanned shutdowns in the first quarter, and improved steel EBITDA[1] margins.

Revenue

Elaborating on the group's revenue performance, Mr. Abdulrahman Ahmad Al-Shaibi, Chief Coordinator, Industries Qatar, said, "The group recorded revenue of QR 9.1 billion for the period ended June 30, 2012, representing a robust increase of QR 0.9 billion, or 11.1%, over the same period last year. The year-on-year increase can be primarily attributed to volume-driven growth in the fertiliser and steel segments following the start of commercial operations in Qafco 5 and 6, and improved DRI / HBI production levels in the Mesaieed-based steel operations. With the notable exception of urea, the group experienced price weakness across its suite of key products in line with faltering global demand and continuing economic uncertainty."

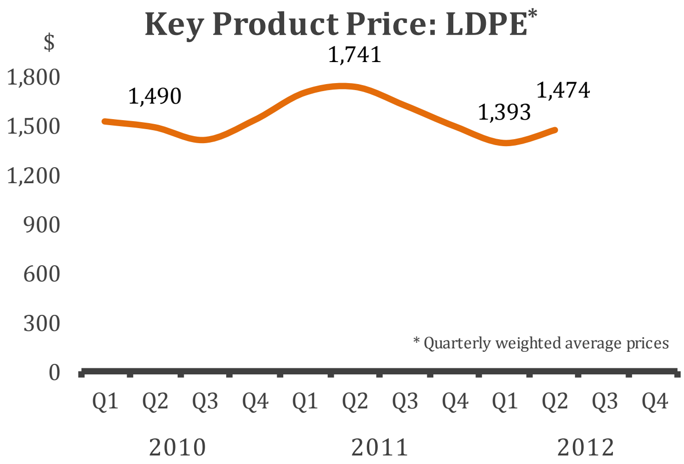


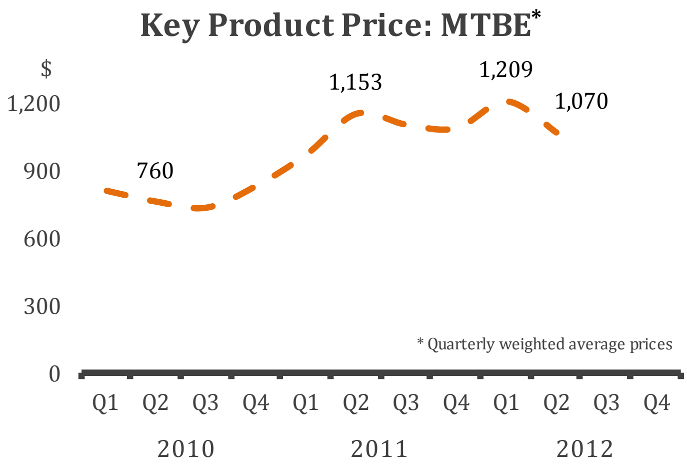
[1] See page 9 for definitions of utilisation and EBITDA.

Revenue increased over the first quarter of 2012 by QR 351.0 million, or 8.0%, as a combination of recovering petrochemical volumes following the major planned and unplanned fuel additives shutdowns experienced in the first quarter and a spike in urea prices more than compensated for significantly reduced DRI / HBI and billet saleable volumes.

Segmental Overview

Petrochemical revenue in the first half of the year was QR 3.0 billion, down QR 0.2 billion, or 5.0%, versus the same period in 2011. Almost QR 106.0 million of the segment's negative year-on-year performance was due to an adverse volume variance, largely on account of planned and unplanned shutdowns in the fuel additives joint venture. In total, the joint venture lost 83 days (Methanol: 42 days, MTBE: 41 days) to major shut-downs (2011, H1: 4 days), with 28 days of unplanned shut-downs related to one-off, non-recurring problems in the early part of the year. Despite a further minor unplanned shutdown lasting 14 days, utilisation rates largely returned to normal in the second quarter, with quarterly utilisation rates of 83% and 113% for methanol and MTBE production respectively. Overall, product prices were significantly down on the same period last year with the notable exceptions of methanol and MTBE which experienced 18.5% and 4.7% increases respectively.

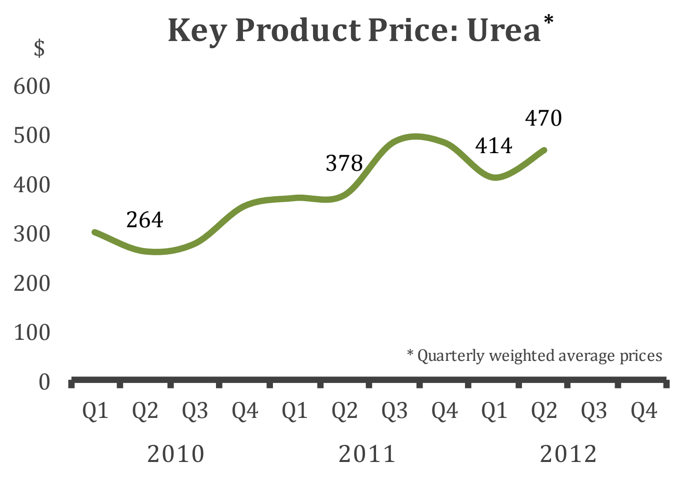




Versus the first quarter of 2012, petrochemical revenue surged by QR 0.3 billion, or 23.7%, in the second quarter as largely resurgent volumes were only partially moderated by a negative price variance of QR 0.2 billion. Quarter-on-quarter volumes improved dramatically following the return to normalcy of the group's fuel additives methanol and MTBE plants, as well as increased ethylene and LDPE production. The petrochemical segment closed the quarter with an overall utilisation rate of 105% (2012 Q1: 88%).

Commenting on the major expansion projects in progress in the fertiliser segment, Mr. Al-Shaibi stated, "The group is pleased to confirm the ramping up of operations in Qafco 5 and the commercial launch of Qafco 6. At a combined cost to the group of QR 10.9 billion, the two projects are among the largest projects undertaken by IQ. They will significantly boost the group's ammonia and urea capacity by 67% and 86% respectively, and position our fertiliser joint venture, Qatar Fertiliser Company SAQ, as the world's largest single site producer of both ammonia and urea. I would like to reiterate the critical importance of these two projects, in conjunction with Qapco's LDPE-3 facility, to IQ's medium-term growth expectations: the incremental full year revenue and profit from Qafco 5, Qafco 6 and LDPE-3 is estimated at QR 3.1 billion and QR 2.0 billion respectively; and, these projects will be instrumental in the group achieving its 2012 budget of revenue of QR 18.3 billion and net profit of QR 8.3 billion. I would like to join the Chairman and Managing Director of Industries Qatar, H.E. Dr. Al-Sada, in congratulating the CEO, management and staff of Qafco on this significant achievement."

The fertiliser segment closed the first six months of 2012 with revenue of QR 2.7 billion, up QR 0.6 billion, or 27.7%, 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, ammonia and urea volumes increased on the first half of 2011 by 22.0% and 11.8% respectively, and the segment recorded an annual volume variance of QR 0.3 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 85% and 87% as at the end of the half year in contrast to 100% and 60% respectively for the urea facilities. Expectations are that Qafco 6 urea volumes will steadily improve during the second half of 2012. Urea was the notable exception to the otherwise negative year-on-year price trend noted in the fertiliser segment; prices surged by 17.4% to regain much of the reduction experienced in the first quarter.



Against the first quarter of 2012, segmental revenue was up by QR 0.2 billion, or 14.1%, with a sharp increase in ammonia and urea prices (34.5% and 13.5% respectively), and incremental ammonia volumes from the launch of Qafco 5's second ammonia train the main contributors to the improvement. Urea volumes were moderately down by 7.1% as Qafco 6 initial urea volumes were not sufficient to compensate for other, shut-down related reductions.

First half steel revenue was QR 3.3 billion, an increase of QR 0.5 billion, or 16.7%, on the same period last year, and down QR 0.1 billion, or 8.5%, over the first 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 was expected following the record-breaking first quarter performance that saw the segment register its second highest quarterly revenue since the group's inception in 2003. DRI / HBI utilisation closed the first half and second quarter at 103% and 98% respectively, up 11 percentage points against the first half of 2011 and down 11 points versus the first quarter of 2012. DRI / HBI prices have dropped significantly since the middle of 2011 – plummeting almost 12% from peak to trough; while re-bar prices dipped by a modest 1.3% over a similar period.

Profits And Margins

On the subject of the group's bottom line, Mr. Al-Shaibi remarked, "The group booked creditable half yearly earnings of QR 4.0 billion, which was broadly in line with budgeted expectations. Net profit was primarily boosted by improved fertiliser volumes following the commercial launch of Qafco 5 and 6 during the first half of 2012. A number of profit headwinds were noted, resulting in a slight dip in the year-on-year performance. The petrochemical segment remains the group's main profit contributor, accounting for *circa* 40% of net profit and EBITDA; but, this is expected to change as the year progresses and the group benefits from further ammonia and urea production."

Net profit for the first six months of 2012 was QR 4.0 billion, a drop of QR 0.1 billion, or 3.2%, versus the same period of last year, while the second quarter profit of QR 2.1 billion was up QR 0.2 billion, or 11.6%, on the preceding quarter. EBITDA for the half year was QR 4.6 billion, an increase of QR 0.1 billion, or 2.1%, on the same period last year, and second quarter EBITDA was QR 2.5 billion, an increase of QR 0.3 billion, or 14.0%, on the first quarter.

EBITDA marginally improved year-on-year as increased DRI / HBI and fertiliser volumes, along with higher urea prices were largely counterbalanced by a number of factors, including: (i) generally weak product prices, (ii) reduced petrochemical production following a number of planned and unplanned shutdowns in the group's fuel additives joint venture, (iii) losses in one of the fertiliser company's subsidiaries (v 2011 H1: -QR 68.8 million), (iv) losses from two of the group's steel associates (v 2011 H1: -QR 61.3 million) (v) a provision for a minor natural gas contract revision (QR 49.0 million), (vi) incremental take-or-pay charges related to gas obligations for the Qafco 5 plant (v 2011 H1: -QR 23.0 million), and (vii) annual wage and salary inflation exacerbated by the enactment towards the end of 2011 of state-mandated increases in salaries for Qatari nationals. Net profit, however, was significantly impacted by the additional depreciation burden following the capitalisation of QR 8.9 billion of fertiliser assets (v 2011 H1: -QR 145.0 million) and the booking of associated finance charges (v 2011 H1: -QR 50.7 million).

Versus the first quarter of 2012, the improvement in both EBITDA and net profit was led by the fertiliser segment, and the benefit of weak comparatives as the first quarter was impacted by, *inter alia*, high cost steel inventories and higher steel associate losses (v 2012 Q1: +QR 10.7 million).

Balance Sheet, Cash Flows And Other Financial Measures

Total assets as at June 30, 2012 were QR 36.1 billion, a moderate decrease on the year end of QR 0.6 billion, or 1.7%. Lower cash and short-term deposits were the primary factor for the reduction as the annual dividend payment (-QR 4.1 billion) and debt repayments (-QR 0.3 billion) more than offset strong cash flows from operations (+QR 3.9 billion). These strong cash flows from operations, coupled with significantly lower capital expenditure (v 2011 H1: +QR 0.7 billion) aided a QR 0.7 billion jump in free cash flows[2]. Free cash flows are expected to remain very robust in the medium term as the group approaches the end of its current capital investment program and capital expenditure tailors off. Likewise, debt repayments are expected to increase; the group's debt to equity ratio[2] continued to drop from the historical 30% to 35% range due to repayments, closing at 25.9% (2011: 26.2%).

Qatar Petroleum divestment of shares in Industries Qatar

With respect to a 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, Mr. Al-Shaibi commented, "This decision will reduce Qatar Petroleum's holding in Industries Qatar from 70% to 51%, and increase the General Retirement and Social Insurance Authority's cumulative holding by a similar amount.

[2] See page 9 for definitions of free cash flows and debt to equity ratio.

"It is the view of Industries Qatar that this share transfer will strengthen the company's links with the State of Qatar, and its importance. IQ was established in 2003 with the mandate of enabling two key government policies, *viz.* economic diversification and wealth distribution. And, by increasing the direct shareholdings of the General Retirement and Social Insurance Authority, IQ will now be fulfilling its wealth distribution mandate in another, critical manner."

The transfer was completed in July 2012 and the group's share register has been amended. The transaction will have no impact on the rights of Qatar Petroleum including, *inter alia*, to appoint the Chairman and all members of the Board of Directors.

Qatar Petroleum - Qapco Petrochemical Project

Mr. Al-Shaibi reiterated earlier comments from Dr. Mohammed Yousef Al-Mulla, Vice Chairman and CEO of Qapco, one of the group's petrochemical joint ventures, with regards to erroneous press reports concerning the new Ras Laffan mega petrochemical complex in which IQ has a 16% stake, "The project is on track, and no changes to either the timetable, product list, shareholder names or participation is under consideration. The petrochemical complex remains an important part of IQ's growth and diversification plans for the latter part of the decade.

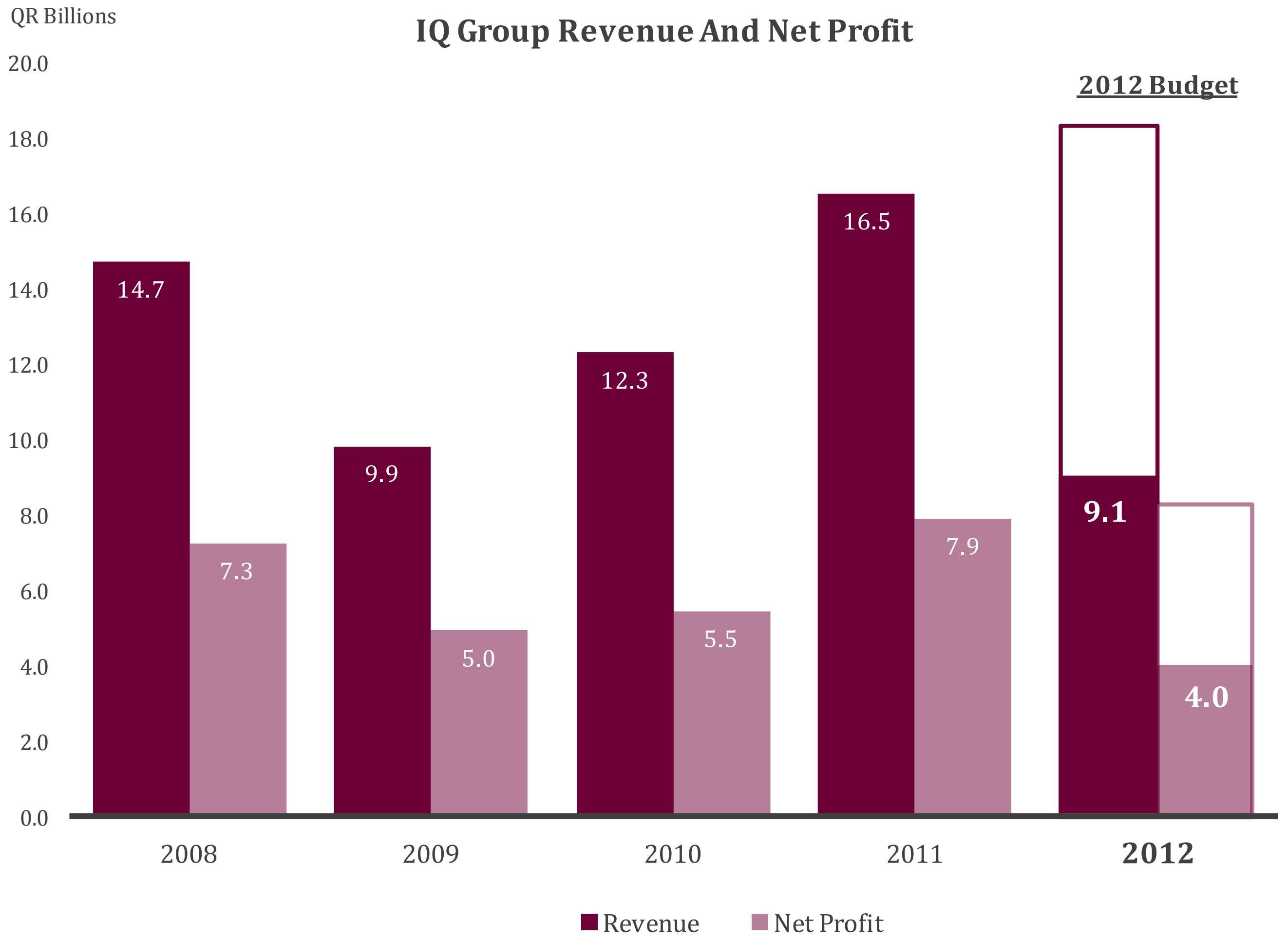
"The complex, which will be built at an estimated cost to IQ of QR 3.2 billion, includes a world-scale steam cracker, and is expected to significantly boost ethylene (1.4 million MT/PA) and LLDPE (430,000 MT/PA) production, and add HDPE (850,000 MT/PA) and polypropylene (760,000 MT/PA) to the group's product list. In line with our unwavering commitment to transparency, the market will be suitably informed in a timely and accurate manner if there are any material changes to the above assumptions."

Growth Strategy

"The group is also pleased to confirm the appointment of a top five, internationally recognised, management consultant to assist in the development of a comprehensive growth strategy," remarked Mr. Al-Shaibi. "This strategy is of a critical importance as it will outline the group's growth aspirations for the medium to long-term, and clarify how and where the group intends to grow. The Board of Directors intends to review the consultant's recommendations towards the end of the year, at which point further details can be shared with the market."

Conclusion

Concluding, Mr. Al-Shaibi said, "The group's first half results provide a solid platform for the remainder of the year. We eagerly await the remainder of 2012 and the imminent launch of LDPE-3 and successful ramp-up of Qafco 5 and 6. By the end of the year, the group expects to launch plants with total capacities of 2.0 million metric ton per annum of urea and 240,000 metric tons of LDPE.



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.