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DOCUMENT DETAILS:

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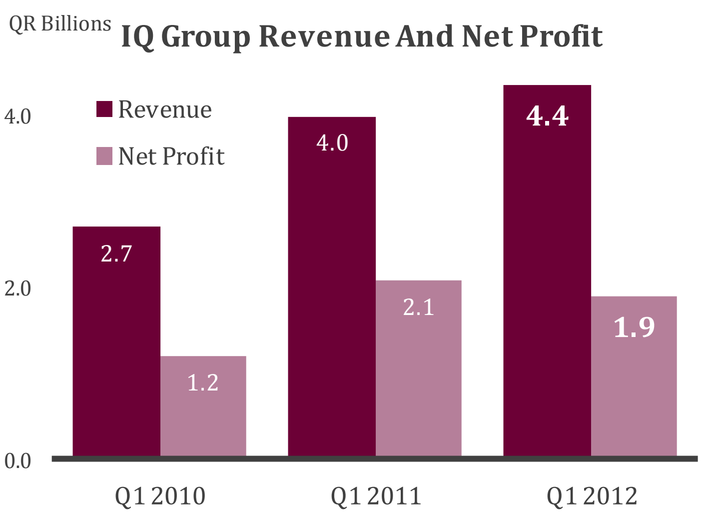
PRESS RELEASE

IQ DECLARES STRONG FIRST QUARTER RESULTS

Revenue, profit 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 March 31, 2012 with revenue of circa QR 4.4 billion and net profit of QR 1.9 billion.



In brief comments issued 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 strong first quarter results. Both revenue and net profit have improved on the last quarter of 2011, closing at QR 4.4 billion and QR 1.9 billion respectively.

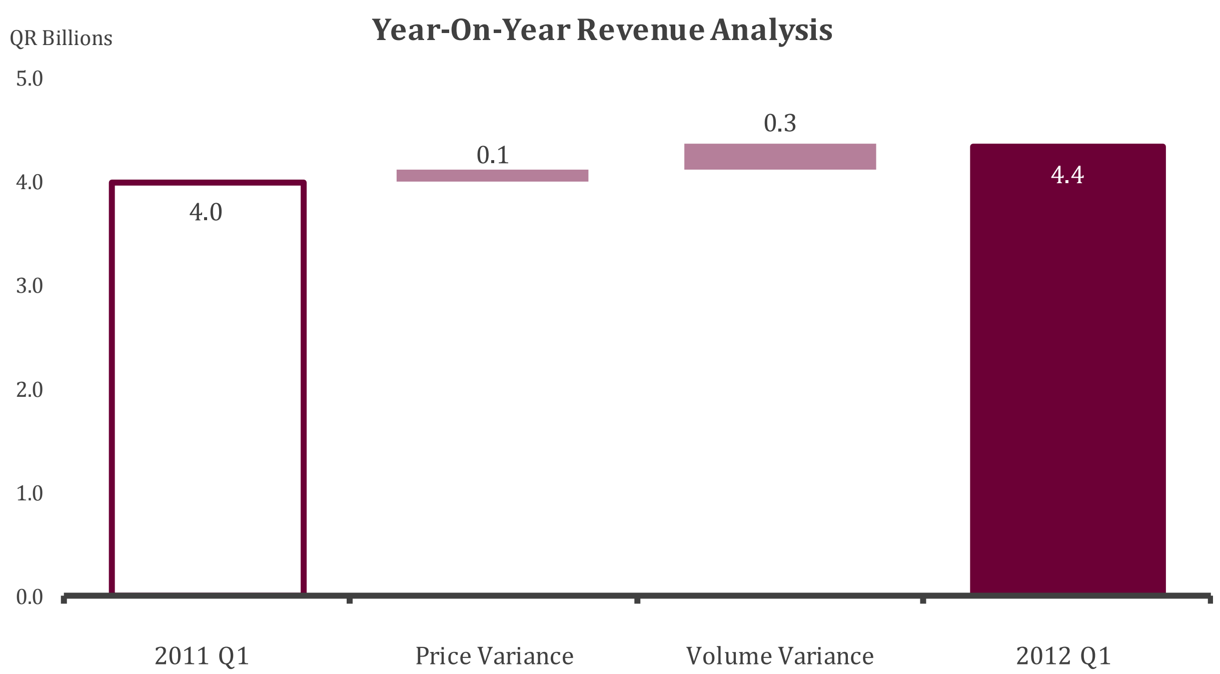
"In the first quarter, we witnessed the commercial launch of Qafco 5, the group's 1.0 million metric ton urea facility. Incremental sales from the plant totaled approximately QR 80 million as the group recognised only about two week's of commercial sales. However, this facility will undoubtedly prove to be a major growth driver for the group in the coming period.

"The second quarter is also expected to benefit from the launch of Qapco's LDPE-3 facility. When fully operational, this plant should add 240,000 metric tons of LDPE to the group's product suite."

The strong first quarter financial results can be primarily attributed to additional fertiliser volumes following the launch of Qafco 5, high steel utilisation rates[1] and resilient EBITDA[1] margins.

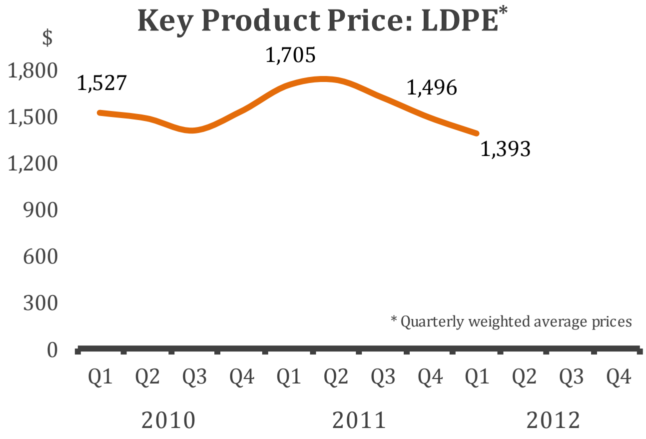
Revenue

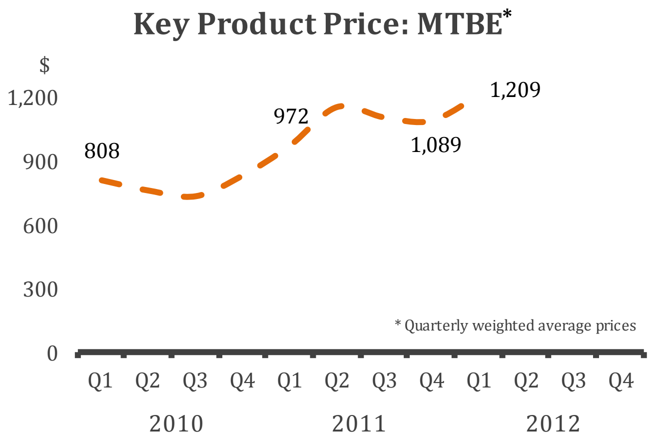
Elaborating on the group's revenue performance, Mr. Abdulrahman Ahmad Al-Shaibi, Chief Coordinator, Industries Qatar, said, "The group recorded revenue of QR 4.4 billion for the period ended March 31, 2012, representing a robust increase of QR 0.4 billion, or 8.9%, on the same quarter last year. This 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 improved production levels in the group's Mesaieed-based steel operations." Revenue increased over the last quarter of 2011 by QR 0.3 billion, or 9.5%, due to the same volume drivers and despite price weakness noticed in the majority of key products.



[1] See page 7 for definitions of utilisation and EBITDA.

Segmental Overview





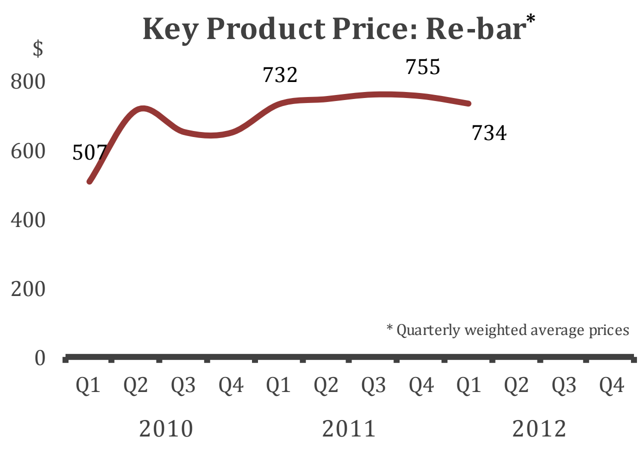
Petrochemical revenue in the first quarter of the year was QR 1.3 billion, down QR 0.1 billion, or 8.0%, on the first quarter of 2011. Almost 80% of the segment's negative year-on-year performance was due to an adverse volume variance on account of planned and unplanned shutdowns in the fuel additives joint venture. In total, the joint venture lost 69 days to shut-downs (2011, Q1: 0 days), with 28 days of unplanned shut-downs related to one-off, non-recurring problems in the early part of the quarter. Expectations are that utilisation rates will return to normal in the second quarter of 2012. There were no other material shut-downs noted in the segment during the quarter. Due to the above, the segmental utilisation rate dipped to below 90% for the first time since the first half of 2010. Overall, product prices were marginally down on the same period last year with the notable exception of LDPE which experienced an 18.3% drop from the record highs of 2011.

Versus the previous reporting quarter, petrochemical revenue dipped by QR 0.3 billion, or 19.1%, split between an adverse volume variance of QR 0.4 billion and a marginally positive price variance. Quarter-on-quarter volumes declined partly due to the return to normalcy in the current quarter following record LDPE and LLDPE sales volumes in the previous quarter, and because of the effect of the fuel additives planned and unplanned shut-downs.

The fertiliser segment closed the quarter with revenue of QR 1.3 billion, up QR 0.2 billion, or 14.5%, on the same period last year. The segment's year-on-year performance was largely due to the combined effect of additional urea volume following the commercial launch of Qafco 5, a reduced number of shut-down days in 2012 and moderately positive year-on-year price inflation. Qafco 5's first commercial sales were booked on March 12, 2012 following its start-up in mid-February. A total of 44,000 metric tons of urea sales were recognised during the quarter, and the plant closed the quarter while operating at 86% utilisation. Expectations are that the plant will continue its rapid ramp-up and will hit normal utilisation levels during the second quarter of 2012.

Sales volumes during the quarter were also boosted by a reduced number of shut-down days: 16 days (ammonia) and 14 days (urea) in 2012 versus 26 (ammonia) and 21 (urea) days in the first quarter of 2011.

Against the fourth quarter of 2011, segmental revenue was up by QR 0.2 billion, or 18.8%, as incremental ammonia and urea volumes from Qafco 5 offset the rapid tailoring off of the key product price rally that began in the last quarter of 2010, as well as the loss of production due to routine shut-downs. Key product prices in the first quarter were down between 10% and 40% on the previous quarter, due to muted global demand coupled with supply-side pressures.

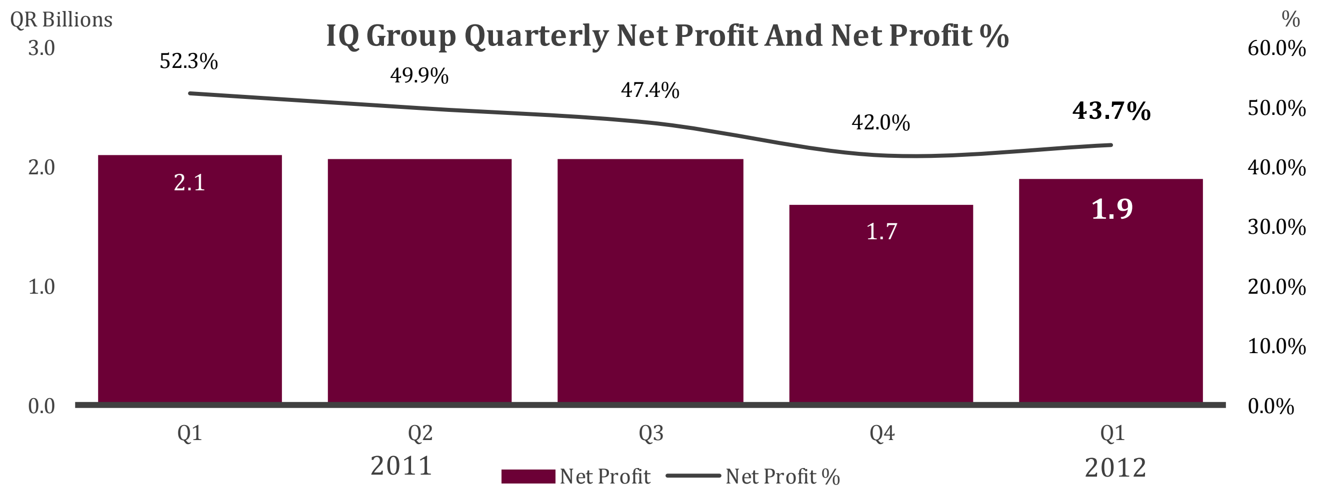


With respect to the steel segment, Mr. Al-Shaibi remarked, "The steel segment recorded its second highest quarterly revenue since the group's inception in 2003, with over QR 1.7 billion of steel sales registered in the first quarter of 2012. In doing so, the segment also became the group's largest revenue contributor, accounting for almost 40% of total sales. This excellent result is indicative of strong local and regional demand for Qatar Steel's products, and bodes well for the future as the segment is expected to significantly benefit from the progressive and wide-ranging infrastructure plans of the State of Qatar."

First quarter steel revenue was QR 1.7 billion, an increase of QR 0.3 billion, or 22.1%, on the same period last year, and QR 0.5 billion, or 36.2%, over the last quarter of 2011. The year-on-year and quarter-on-quarter increases were both largely predicated on production-driven volume increases due to lower shut-down days, as segmental utilisation closed the quarter at 107%, up 15 and 18 percentage points against the first and last quarters of 2011 respectively. The segment noted flat to low year-on-year key product price growth, and negative quarter-on-quarter inflation, in continuation of trends noted in 2011 whereby product prices peaked around the third quarter and have dropped consistently since.

Profits And Margins

On the subject of the group's net profit, Mr. Al-Shaibi remarked, "The group's profits were boosted by the strong revenue result and improved profitability levels, closing the quarter with net profit of QR 1.9 billion and EBITDA of QR 2.2 billion. The results were broadly in line with the group's budgeted expectations. The petrochemical segment was the main profit contributor, accounting for over 40% of the group's net profit and EBITDA; but, this is expected to change as the year progresses and the group benefits from the launch of Qafco 5's second ammonia train, and Qafco 6."

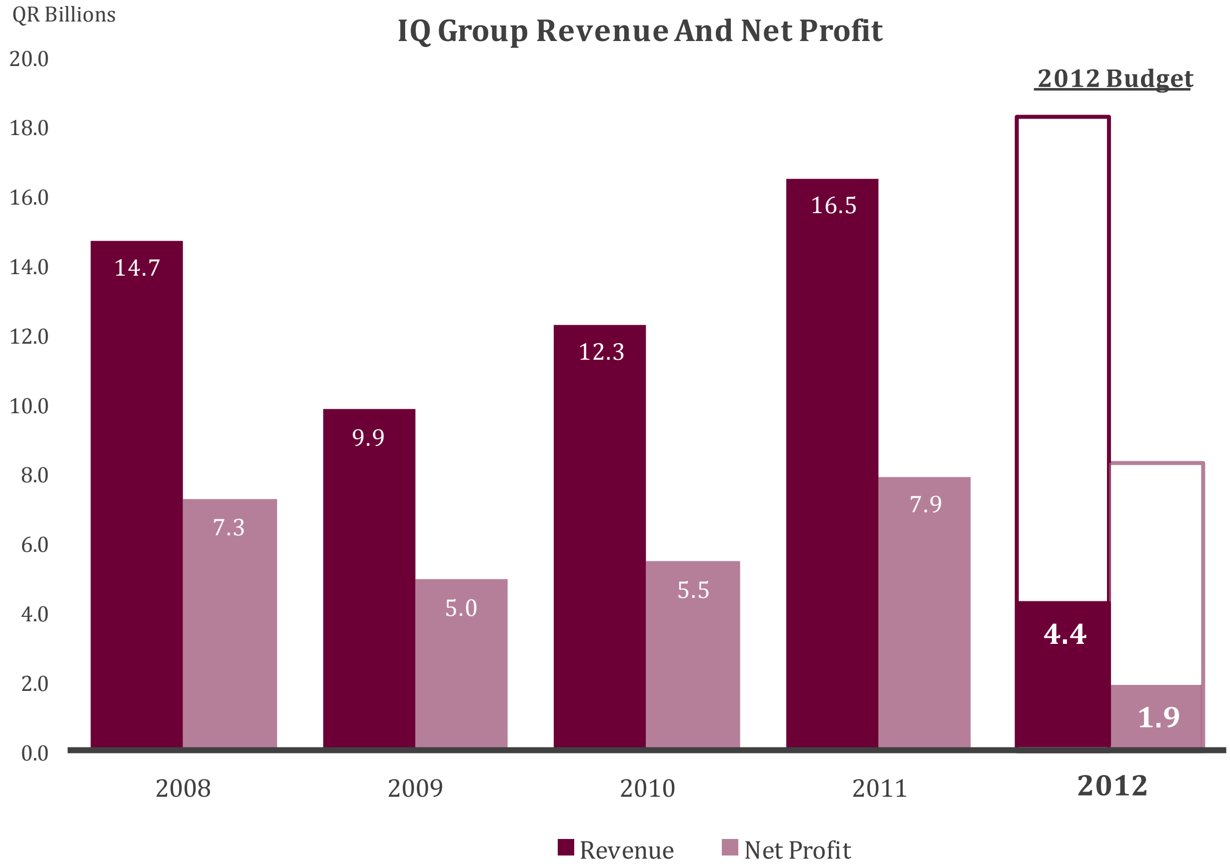


Net profit and EBITDA were up between 13% and 14% on the preceding quarter as the volume-driven growth in revenue was aided by resilient margins. Both net profit margin and EBITDA % improved in the quarter by circa 2 percentage points to close at 43.7% and 49.6% respectively, as the previous quarter was impacted by a number of exceptional items, including the write-off of certain project under development costs (QR 85.2 million).

In contrast, net profit and EBITDA decreased against the same period last year, both by QR 0.2 billion, due primarily to reduced profitability in the fertiliser and steel segments. Fertiliser margins were impacted by additional depreciation following the capitalisation of the QR 8.9 billion Qafco 5 facility in March, 2012, increased price and volume-indexed feedstock costs, the final installment of the take-or-pay liability due to Qatar Petroleum and increased finance charges. In the steel segment, however, margins were affected by high cost inventories sold during the quarter, the impact of higher salaries and wages and reduced income from associates and other income.

Conclusion

Concluding, Mr. Al-Shaibi said, "The group eagerly awaits the remainder of 2012 as we build on the successful launch of Qafco 5 and anticipate the imminent launch of LDPE-3. By the end of the year, the group expects to launch plant's with a total of 2.0 million metric ton per annum of urea capacity and 240,000 metric tons of LDPE capacity.



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.