



صناعات قطر
Industries Qatar

Annual Report 2014

التقرير السنوي
٢٠١٤

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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 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, fertilisers 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.

مجلس إدارة صناعات قطر

PETROCHEMICALS

Qatar Petrochemical Company Limited Q.S.C. ("Qapco")

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.

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 LLC (15%) and LCY Middle East Corporation (15%).

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.

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

LDPE and LLDPE are thermoplastics made from the monomer ethylene. 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.

Methanol

A significant portion of methanol produced is used as a feedstock to produce methyl-tertiary-butyl-ether (MTBE), with the remainder 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.

البنزوكيمياء والبترو

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.

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 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.

إنتاج الأسمدة

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., one joint venture, Qatar Steel International Company Q.S.P.C., and three associates, Foulath Holding B.S.C., Qatar Metals Coating Company W.L.L and SOLB Steel Company.

Key Products

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

A significant portion of the HBI and DRI produced are used internally for the production of intermediate products, 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 to neighbouring 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 and 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.



BOARD OF DIRECTORS

Through their detailed working knowledge of the international petrochemical, fertiliser and steel industries and experience gained through cross-directorships and senior operational positions, the Board of Directors contains 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.



H.E. Dr. Mohamed Bin Saleh Al-Sada
Minister of Energy & Industry
Chairman, Board of Directors



H.E. Sheikh Ahmad Bin Jassim Bin Mohamed Al-Thani
Vice Chairman, Board of Directors



H.E. Mr. Ali Sherif Al-Emadi
Member, Board of Directors



H.E. Dr. Ibrahim Al-Ibrahim
Member, Board of Directors

أعضاء مجلس الإدارة



Mr. Hamad Rashid Al-Mohannadi
Member, Board of Directors



Mr. Nasser Khalil Al-Jaidah
Member, Board of Directors



Mr. Saad Sherida Al-Kaabi
Managing Director



CHAIRMAN'S MESSAGE

Dr. Mohamed Bin Saleh Al-Sada

كلمة من رئيس مجلس الإدارة

Introduction

I am pleased to welcome you to the 12th Annual General Assembly Meeting of Industries Qatar, one of the region's industrial giants and one of the largest and most successful listed companies on Qatar Exchange.

Financial Results

The financial year ended December 31, 2014 was expected to be challenging for the group following the outstanding results of 2012 and 2013, and the completion major maintenance of the group's key facilities planned for the first half of 2014. Despite this, and the sharp decline in international oil prices experienced in the last quarter of the year, the group was nevertheless able to post a creditable net profit of QR 6.3 billion thereby exceeding 2014 budgeted expectations by 12%.

Competitive Advantages

Industries Qatar is also well-placed to weather the current downturn in oil and key commodity prices as the group maintains several competitive advantages: most notably, an excellent cost positioning, largely due to competitively priced natural gas feedstocks and, in the case of Qatar Steel, long-dated iron oxide pellet and competitively priced electricity supply agreements, product and end-market diversification, positive debt metrics and a very important public policy role. These competitive advantages have been recognised by two international credit rating agencies, Standard & Poor's and Moody's, that rated IQ at AA- and Aa3 respectively, with a stable outlook. These ratings place Industries Qatar one notch beneath the State of Qatar's sovereign rating, and in a very select group of international industrial conglomerates.

Improving Efficiency

In addition, IQ is focusing on maximising the value of its current operating assets through various efficiency improvement programs. The group has already commenced a number of these initiatives, targeting improving the operational efficiency and effectiveness throughout the entire value chain in order to achieve operational excellence, growth and value for all stakeholders.

Proposed Dividend Distribution

Since the initial public offering in April 2003, the Board of Directors has supported, and continues to support, a generous dividend payout practice that balances the needs and aspirations of shareholders with the necessity of maintaining adequate liquidity within the group for adverse market conditions and investment requirements, and the principles of financial prudence.

Accordingly, the Board of Directors proposes a total annual dividend distribution for the year ended December 31, 2014 of QR 4.2 billion, equivalent to a payout of QR 7.00 per share and representing 70% 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, for his vision and wise leadership, and the members of the Board of Directors, and to the senior management and dedicated staff of our group companies.

مجلس إدارة
صناعات قطر



BOARD OF DIRECTORS REPORT

تقرير مجلس
الإدارة

The Board of Directors is pleased to present this 12th 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

Earnings in 2014 were supported by the launch and subsequent ramp-up of Qatar Steel's EF-5 facility in the first quarter and Qafac's CDR plant in the third quarter, as well as by strong full year average key petrochemical product prices. However, the group faced significant challenges from extended, planned shut-downs noted across all plants during the first half of the year, continued weak urea prices, and heightened operating costs. It is important to emphasise that the planned maintenance and challenging market conditions experienced were largely expected and accounted for in the group's 2014 budget, and are normal features of the industries the group operates within; furthermore, full year results were ahead of the group's 2014 budget.

Revenue

Reported revenue for the year ended December 31, 2014 under IFRS 11 was QR 6.0 billion, an marginal increase of QR 0.1 billion, or 2.5%, over the previous year; on a like-for-like basis, management reporting revenue - assuming proportionate consolidation under IAS 31 - was QR 18.2 billion, a decrease of QR 1.0 billion, or 5.4%, versus the same period of 2013.

Petrochemical Segment

The petrochemical segment closed the year with revenue of QR 6.8 billion, a year-on-year decrease of QR 0.5 billion, or 6.8%. Full year weighted average key petrochemical product prices, particularly LDPE and LLDPE were up year-on-year, largely compensating the impact of the extensive, planned and unplanned shut-downs experienced across all plants within the segment, particularly during the first six months of 2014.

Fertiliser Segment

The fertiliser segment closed the year ended December 31, 2014 with revenue of QR 5.5 billion, a reduction of QR 0.7 billion, or 11.2%, against the same period of 2013. The year-on-year decline in fertiliser revenue follows significant sales volume reductions mainly due to planned and warranty shut-downs across several fertiliser trains, and moderately weak weighted average urea prices.

Steel Segment

Revenue in the steel segment totaled QR 6.0 billion for the twelve months ended December 31, 2014, a moderate increase of QR 0.1 billion, or 2.5%, compared to the same period of 2013. The benefit to the group's steel business of the launch and ramp-up of the new EF-5 facility in the first quarter of 2014 was partially offset by a moderate decline in re-bar prices, reduced operating days due to planned and unplanned disruption, and strong prior year comparatives.

Profits and Margins

Consolidated EBITDA for the year ended December 31, 2014 was QR 6.6 billion, a decrease of QR 1.6 billion, or 19.4%, on the prior year. The adverse year-on-year variance resulted as the business was impacted by reduced sales volumes following extensive planned preventive maintenance and warranty shut-downs during the year, weak urea prices and heightened operating costs in the petrochemical and steel segments. Net profit for the year under review was QR 6.3 billion, a decrease of QR 1.7 billion, or 20.8%, against 2013, with the adverse year-on-year movement attributable to the same reasons as the EBITDA variance.

Proposed Dividend Distribution

The Board of Directors propose a total annual dividend distribution for the year ended December 31, 2014 of QR 4.2 billion, equivalent to a payout of QR 7.00 per share and representing 70% 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. Our gratitude is also extended to the Chairman of the Board, His Excellency Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, for his vision and leadership, and to the senior management of the subsidiary and joint ventures for their hard work, commitment and dedication.



CHIEF COORDINATOR'S STATEMENT

كلمة الرئيس العام



Mr. Abdulrahman Ahmad Al-Shaibi
Chief Coordinator, Industries Qatar

I am delighted to present this brief statement highlighting the major accomplishments and highlights of the head office for 2014.

2014 Major Accomplishments / Highlights

Investments and Control Environment

As part of our ongoing review of a wide portfolio of investments, the corporate level role was further enforced in pro-actively evaluating the performance, governance systems and internal controls of the group's affiliates / associates in order to improve the overall group performance.

In addition, service provider audits were extended to the group's indirect investments namely Qatofin, QVC, QPPC, RLOC and SOLB Steel Company. And, a number of new policies and procedures were incorporated to the head office's financial and investment governance manual covering disciplines such as investments, tenders, investor relations, group disclosure, insider register and management reporting.

Investor Relations

In addition to the expanded investor relations material following the adoption of IFRS 11 Joint Arrangements, which included additional notes in the financial statements, explanatory notes in the quarterly trading statement and the datasheet, the IR team also conducted over 70 1-to-1 meetings and conference calls with local, regional and international investors. The IR team also participated in a regional and an international roadshow. The international roadshow was arranged by the Qatar Exchange and was of strategic importance

for Qatar as it was the first event that allowed investors the opportunity to interact with the largest QE-listed entities following the upgrading of the Qatar Exchange to "Emerging Market" status by MSCI.

Public Relations

We also continued our corporate social responsibility activities by provided a donation to Educate A Child, a member of "Education Above All", a global initiative founded in 2012 that brings together programmes that provide educational opportunities, with a special commitment to communities facing poverty and crisis. Additionally, we sponsored the 24th Men's World Handball Championship held here in Qatar. This sponsorship springs from the role that IQ plays in supporting national initiatives that, in turn, reflect our support of the country's sports strategy.

Conclusion

In closing, I would like to express my gratitude and thanks to H.E. Dr. Mohammed bin Saleh Al-Sada, the Chairman of the Board, the members of the newly appointed Board of Directors, the members of the previous Board of Directors, Mr. Saad Al-Kaabi, Managing Director and the senior management and dedicated staff of our group companies.

مِلَّةٌ رَئِيسَةٌ وَالْعَمَلُ

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, 2014 and the consolidated statements of profit or loss, 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 and applicable provisions of the Qatar Commercial Companies Law and for such internal control as management determines is necessary to enable the preparation of 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, 2014 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. 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 No. 5 of 2002 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.

Doha – Qatar
February 4, 2015

For Deloitte & Touche
Qatar Branch



Muhammad Bahemia
Partner
License No. 103

مقر رندرقى الحساين مسقلىن

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2014

| | 2014 QR'000 | 2013 QR'000 |
|--|------------------|----------------|
| Continuing operations | | |
| Revenues | 5,969,939 | 5,823,350 |
| Direct costs | (4,558,401) | (4,023,615) |
| Gross profit | 1,411,538 | 1,799,735 |
| Share of results of joint ventures | 4,982,895 | 6,238,090 |
| Share of results of associates | 14,675 | (10,535) |
| Other income, net | 184,692 | 132,451 |
| Income from investments | 98,137 | 111,995 |
| General, administrative and selling expenses | (246,887) | (207,787) |
| Finance costs and hedge ineffectiveness on cash flow hedge | (103,433) | (59,338) |
| Profit for the year from continuing operations | 6,341,617 | 8,004,611 |
| Discontinued operations | | |
| Profit for the year from discontinued operations | -- | 7,256 |
| Profit for the year | 6,341,617 | 8,011,867 |
| Earnings per share | | |
| From continuing and discontinued operations | | |
| Basic and diluted earnings per share (QR per share) | 10.48 | 13.24 |
| From continuing operations | | |
| Basic and diluted earnings per share (QR per share) | 10.48 | 13.23 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2014

| | 2014 QR'000 | 2013 QR'000 |
|--|------------------|----------------|
| Profit for the year | 6,341,617 | 8,011,867 |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to profit or loss | | |
| Share of other comprehensive income of associates | -- | 11,643 |
| Net movement in fair value of available-for-sale investments | 109,509 | 111,267 |
| Cash flow hedge | | |
| Net movement in fair value of cash flow hedges | 108,579 | 181,657 |
| Ineffective hedge recognized in the statement of profit or loss | 54,623 | -- |
| Other comprehensive income for the year | 272,711 | 304,567 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 6,614,328 | 8,316,434 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2014

| | 2014 QR'000 | 2013 QR'000 |
|--|-------------------|----------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,856,255 | 3,434,138 |
| Investment properties | 198,364 | 177,639 |
| Investment in associates | 232,807 | 223,132 |
| Investment in joint ventures | 20,561,861 | 19,879,279 |
| Available-for-sale investments | 863,348 | 752,708 |
| Catalysts | 37,310 | 41,538 |
| Total non-current assets | 25,749,945 | 24,508,434 |
| Current assets | | |
| Inventories | 2,143,430 | 1,848,210 |
| Accounts receivable and prepayments | 1,138,564 | 1,454,640 |
| Due from related parties | 81,926 | 33,882 |
| Financial asset carried at fair value through profit or loss | 3,585 | 3,585 |
| Bank balances and cash | 6,192,327 | 7,683,305 |
| | 9,559,832 | 11,023,622 |
| Asset classified as held for sale | 1,245,747 | 1,245,747 |
| Total current assets | 10,805,579 | 12,269,369 |
| Total assets | 36,555,524 | 36,777,803 |

| | 2014 QR'000 | 2013 QR'000 |
|---------------------------------------|-------------------|----------------|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 6,050,000 | 6,050,000 |
| Legal reserve | 74,999 | 74,999 |
| Cumulative changes in fair value | 500,668 | 391,159 |
| Hedging reserve | (203,074) | (366,276) |
| Retained earnings | 27,162,033 | 27,627,365 |
| Total equity | 33,584,626 | 33,777,247 |
| Non-current liabilities | | |
| Interest bearing loans and borrowings | 451,802 | 1,662,467 |
| Employees' end of service benefits | 143,402 | 120,129 |
| Other financial liabilities | -- | 81,824 |
| Total non-current liabilities | 595,204 | 1,864,420 |
| Current liabilities | | |
| Accounts payable and accruals | 1,049,406 | 808,857 |
| Due to related parties | 61,001 | 14,555 |
| Interest bearing loans and borrowings | 1,210,664 | 312,724 |
| Other financial liabilities | 54,623 | -- |
| Total current liabilities | 2,375,694 | 1,136,136 |
| Total liabilities | 2,970,898 | 3,000,556 |
| Total equity and liabilities | 36,555,524 | 36,777,803 |



H.E. Dr. Mohammed Bin Saleh Al-Sada
Minister of Energy & Industry
Chairman



H.E. Sheikh Ahmad Bin Jassim Bin Mohamed Al-Thani
Minister of Economy and Commerce
Vice Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

| | 2014 QR'000 | 2013 QR'000 |
|---|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Profit for the year | 6,341,617 | 8,011,867 |
| Adjustments for: | | |
| Depreciation and amortisation | 182,892 | 158,119 |
| Provision for employees' end of service benefits | 39,283 | 32,654 |
| Share of results from joint ventures | (4,982,895) | (6,238,090) |
| Share of results from associates | (14,675) | 3,279 |
| Loss on disposal of property, plant and equipment | 8,558 | 918 |
| Dividend received on available for sale investments | (26,998) | (22,707) |
| Finance costs | 48,810 | 59,338 |
| Loss from disposal and change in fair value of financial asset at fair value through profit or loss | -- | 504 |
| Hedge ineffectiveness on cash flow hedge | 54,623 | -- |
| Interest income | (71,380) | (89,288) |
| Net gain from fair value adjustment of investment properties | (20,725) | (29,607) |
| Impairment of available-for-sale investments | 241 | -- |
| | 1,559,351 | 1,886,987 |
| Working capital changes: | | |
| Inventories | (295,220) | (341,388) |
| Accounts receivable and prepayments and due from related parties | 268,032 | (235,649) |
| Accounts payable and accruals and due to related parties | 333,644 | 153,214 |
| Cash from operations | 1,865,807 | 1,463,164 |
| Finance charges paid | (48,810) | (59,338) |
| Social fund contribution | (198,598) | (213,227) |
| Employees' end of service benefits paid | (16,010) | (18,624) |
| Net cash generated by operating activities | 1,602,389 | 1,171,975 |

| | 2014 QR'000 | 2013 QR'000 |
|--|--------------------|--------------------|
| INVESTING ACTIVITIES | | |
| Proceeds from disposals of property, plant and equipment | 1,995 | 4,286 |
| Additions to property, plant and equipment and catalysts | (611,334) | (535,025) |
| Dividend received from associates | 5,000 | 5,000 |
| Dividend received on available-for-sale investments | 26,998 | 22,707 |
| Net movement in available-for-sale investments | (1,372) | -- |
| Net movement of financial asset at fair value through profit or loss | -- | 3,065 |
| Dividends received from joint ventures | 4,381,691 | 5,854,536 |
| Movement in fixed deposits | 1,332,800 | (2,211,850) |
| Interest income received | 71,380 | 89,288 |
| Net cash generated by investing activities | 5,207,158 | 3,232,007 |
| FINANCING ACTIVITIES | | |
| Repayment of interest bearing loans and borrowings | -- | (216,405) |
| Proceeds from interest bearing loans and borrowings | (312,725) | 546,225 |
| Dividends paid | (6,655,000) | (4,668,247) |
| Net cash used in financing activities | (6,967,725) | (4,338,427) |
| Net (decrease)/ increase in cash and cash equivalents | (158,178) | 65,555 |
| Cash and cash equivalents at the beginning of the year | 1,639,305 | 1,573,750 |
| Cash and cash equivalents at the end of the year | 1,481,127 | 1,639,305 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2014

| | Share capital | Legal reserve | Cumulative changes in fair value | Hedging reserve | Retained earnings | Total |
|---|---------------|---------------|----------------------------------|-----------------|-------------------|-------------|
| | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 |
| Balance at January 1, 2013 (Restated) | 5,500,000 | 74,999 | 279,892 | (559,576) | 25,039,096 | 30,334,411 |
| Profit for the year | -- | -- | -- | -- | 8,011,867 | 8,011,867 |
| Other comprehensive income for the year | -- | -- | 111,267 | 193,300 | -- | 304,567 |
| Bonus shares issued | 550,000 | -- | -- | -- | (550,000) | -- |
| Dividends declared for the year 2012 | -- | -- | -- | -- | (4,675,000) | (4,675,000) |
| Social fund contribution | -- | -- | -- | -- | (198,598) | (198,598) |
| Balance at December 31, 2013 | 6,050,000 | 74,999 | 391,159 | (366,276) | 27,627,365 | 33,777,247 |

| | Share capital | Legal reserve | Cumulative changes in fair value | Hedging reserve | Retained earnings | Total |
|---|------------------|---------------|----------------------------------|------------------|-------------------|-------------------|
| | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 |
| 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 |

