development & expansion

MANNAI CORPORATION QSC

annual report 2008

HIS HIGHNESS SHEIKH HAMAD BIN KHALIFA AL-THANI

EMIR OF THE STATE OF QATAR

HIS HIGHNESS SHEIKH TAMIM BIN HAMAD AL-THANI

HEIR APPARENT

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

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annual report 2008

MANNAI GROUP

Automotive | Heavy Equipment | Computer & Office Systems | Engineering Services (Manweir) | Travel | Energy & Industrial Markets | Industrial Supplies & Building Materials | Geological / Material Testing (Gulf Laboratories) | Consumer Products | Medical Equipment | Logistics & Warehousing (Qatar Logistics) | System Integration / Outsourcing Services (Mansoft) | Facilities Management (Transfield Mannai)

Hamad Bin Abdulla Bin Khalifa Al Thani

Chairman of the Board

"the company remains well positioned… to benefit from the growing Qatari economy in 2009 and beyond"

At a time when world economies are undergoing a series of financial crises that continue to have negative impacts on various aspects of life in many countries, the 2008 performance of Mannai Corporation QSC ("the company") was rather stronger than the previous year, with profits for the year reaching QR 146.5 million, 46% higher than the 2007 figure of QR 100.5 million.

The paid-up capital of the company increased by QR 24 million, from QR 120 million to QR 144 million, following the issue of 20% bonus shares in March 2008.

This strong performance of the company is attributable to a number of factors, most importantly, the company is based in Qatar, a country with strong economic fundamentals, and that the company enjoys a healthy balance sheet with low debt gearing, and no exposure to financial instruments or stock market investments. It's an honor to share in the continued growth of the sound economy in Qatar, thanks to the wise leadership of the Emir HH Sheikh Hamad Bin Khalifa Al-Thani and the Heir Apparent HH Sheikh Tamim Bin Hamad Al-Thani.

During the year, the company's diversified businesses continued their growth trend: "Mansoft Solutions & Systems", a UAE-based subsidiary, won several contracts in Dubai; "Gulf Geotechnical Services and Material Testing Co.", our newly-established Oman-based subsidiary, won its first contract; while "Mansoft", our Indian IT subsidiary, expanded its operations with a new facility in the Special Economic Zone in Pune, India.

Following a Strategic Review in 2008, the company is planning to continue to look for opportunities to expand its core businesses overseas during the medium term.

In continuation of our efforts to enhance company businesses to maintain the momentum of growth, we have made significant investments in the expansion of the company's infrastructure and customer facilities in our businesses in Qatar.

I was pleased to welcome Mr. Rashid Al Naimi who was nominated to our Board of Directors in April 2008 following the significant investment made by Qatar Foundation for Education, Science and Community Development in the company.

At the Board meeting held in December 2008, the Board of Directors accepted the retirement of Mr. Keith Higley as Managing Director. The Board thanked Keith Higley for his 8 years of dedicated service with the company, during which he very ably conceptualized and led the company's restructuring to create what is today a highly successful and efficiently managed trade and services business. I am also pleased that Keith has agreed to continue his association with us as a Non-Executive Director on our Board.

Building a strong, experienced senior management team is an important part of the company's long term planning.

Mr. Alekh Grewal, who has been with the company since 2004 and has supported Keith Higley in rebuilding Mannai Corporation, initially as Chief Financial Officer and more recently as Chief Operating Officer, has effective 1st January 2009 been appointed as the Chief Executive Officer of the company.

In October 2008, Mr. Arvind Chaddha joined Mannai Corporation as Chief Financial Officer. He comes to us with over 35 years of work experience acquired through key positions in large multinational organisations.

Mr. Liam Keating joined our team as Head of Operations in January 2009. He is a qualified Engineer and MBA with many years of international work experience.

I am pleased to report that as a result of the company's continued strong financial performance in 2008, the Board has recommended a cash dividend of 60% (being QR 6 per share) and a bonus issue of 10% (being 1 share for every 10 shares held).

I wish to record my grateful appreciation to all Managers and staff members for their contribution in their respective positions to the achievements of the company. These achievements are a natural result of our collective efforts and I look forward to these efforts continuing towards greater contributions in the future, particularly with the growing challenge posed by forecasts that the global economic downturn will continue well into 2009. However, I am confident that its impact will be overcome, and I do believe that the company remains well positioned through its diverse range of businesses and sustained quality of earnings to continue to benefit from the growing Qatari economy in 2009 and beyond.

Keith Higley (R), Director, congratulates Alekh Grewal (L) on his appointment as Chief Executive Officer.

Keith Higley
Director

"…another year of strong growth in line with the trend set in 2006 and maintained in 2007"

HIGHLIGHTS OF 2008

PERFORMANCE
The company has had another year of strong growth in line with the trend that was set in 2006 and maintained in 2007.

Sales during the year at QR 1.95 billion registered a 23% growth over the previous year's figure of QR 1.59 billion.

With an efficient deployment of resources and control over costs, the net profits for the year at QR 146.5 million grew at an impressive 46%, as compared to the previous year's profit figure of QR 100.5 million.

As can be seen in the Profit Trend chart on page 12, the net profit in 2008 is more than double of that achieved in 2006.

DIVERSITY OF BUSINESS
Mannai Corporation consists of a diverse range of businesses operating to a single set of values that we call the 'Mannai Way'. This includes servicing everything we sell, from a 100 ton Grove Crane to a Cadillac to a Seiko watch. We continue to work with a leading array of globally recognized brands and international partners.

Our diverse trade and service businesses deal with both the commercial sector and the retail customer. Our aim is to achieve a sustainable quality of earnings across the company as a whole, underpinned by high standards of service.

The diversity and performance of our Business Units are outlined further in the Annual Report.

EXPANSION
QATAR
During the year under review the following facilities were added to our businesses in Doha:
• Auto Sales, Spare Parts and Service centres in Wakra and Umm Al Afai, and a Service Centre in Kheesa
• Expanded Cadillac, Hummer & GMC main showroom in Doha
• Opened new separate Subaru showroom in Doha
• Showroom for pre-owned vehicle sales and a new reception area for customers for vehicle servicing in Salwa
• Showroom for Industrial Supplies & Building Materials division
• Larger workshop facilities for Manweir
• Opened new combined Travel Centre on D Ring Road for Mannai Air Travel, Mannai Holidays and Space Travel.

OVERSEAS
Our international operations expanded with:
• The opening of a second resource centre in Pune, India, by Mansoft, the Indian subsidiary engaged in providing I.T. related services. This adds 300 work stations for software professionals, a significant increase to our existing facility in Mumbai, India which has 70 work stations;
• Gulf Laboratories established a presence in Oman operating under the name of Gulf Geotechnical & Material Testing Services LLC.

AWARDS
As in previous years, our businesses continued to receive accolades from their various overseas principals and affiliates. A small selection of the awards received during 2008 are:
• The Cadillac Master Dealer Award: our company is the only one outside the USA to have won this award three years in a row
• "Manitowoc / Grove Crane Elite Dealer" status
• HP Software and Hardware "Partner of the Year"
• Bitumat "Number 1 Distributor" in the GCC (suppliers of waterproofing membrane & materials).

In addition, Mannai Corporation remains:
• Cisco - Gold Certified Partner
• Cisco - Advanced Technology Partner for Wireless Mesh
• HP - 2009 Preferred Gold Partner
• Oracle - Certified Advantage Partner
• Microsoft - LAR (Large Account Reseller)
• Microsoft - Gold Partner.

FUTURE OUTLOOK
Our Mission Statement is "to create an environment which will attract and retain a committed team of talented professionals who will place Mannai at the forefront of our chosen markets".

Our competent employees who conduct business in keeping with the "Mannai Way" differentiate us as a company. Achieving our mission remains even more critical in today's market conditions.

Although global economic woes have created uncertainties in the market, we plan to continue investing in the expansion of our businesses in Qatar.

In addition we have carried out a fresh review of our medium term growth strategy with the assistance of a team from the Institute of Management Development (IMD) Business School, Switzerland, utilising their International Consulting Program, and are actively pursuing further joint venture opportunities within Qatar and in selected overseas markets.

With our strong financials, diversity of our businesses and other inherent strengths, we remain positive regarding the future outlook for our operations and continuing profitability in 2009.

MANNAI VISION

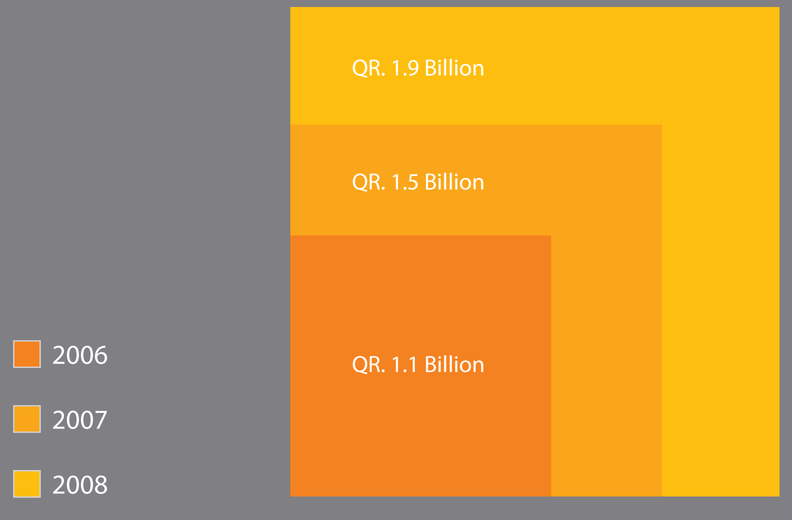
Through exceptional service and added value, build Mannai to be the most dependable business partner in the region.

MANNAI MISSION

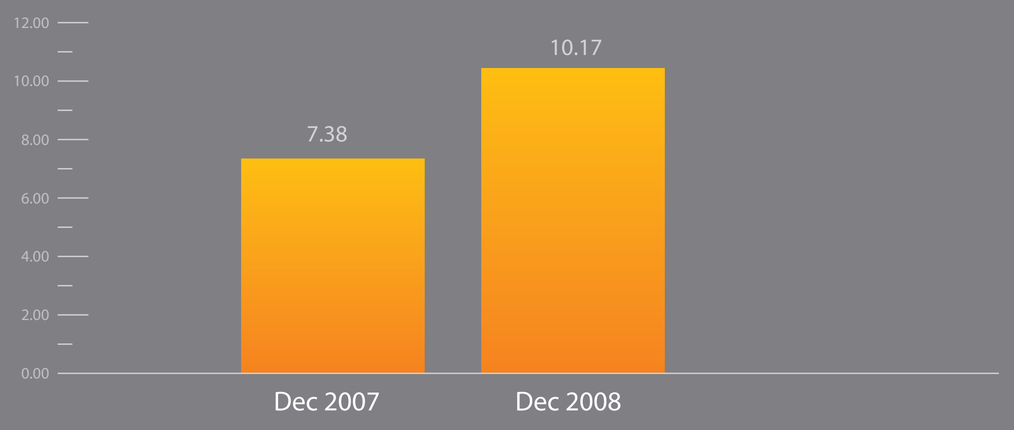
To create an environment which will attract and retain a committed team of talented professionals who will place Mannai at the forefront in our chosen markets.

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

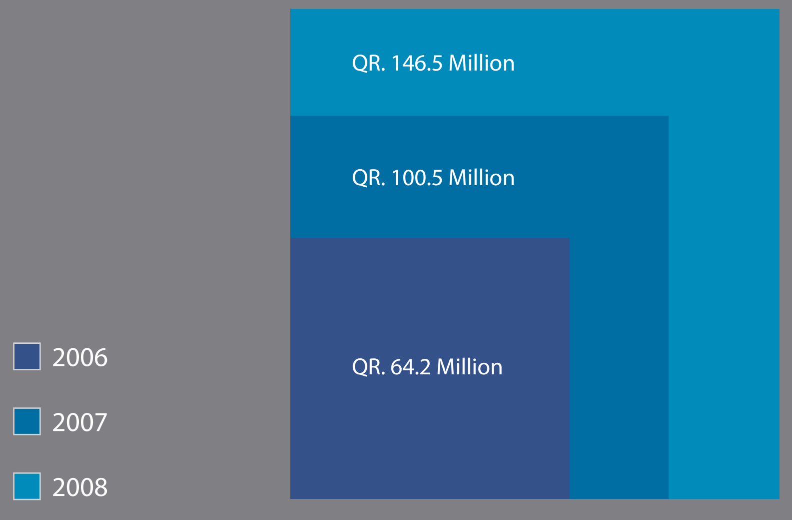
SALES GROWTH / FROM YEAR 2006 TO 2008



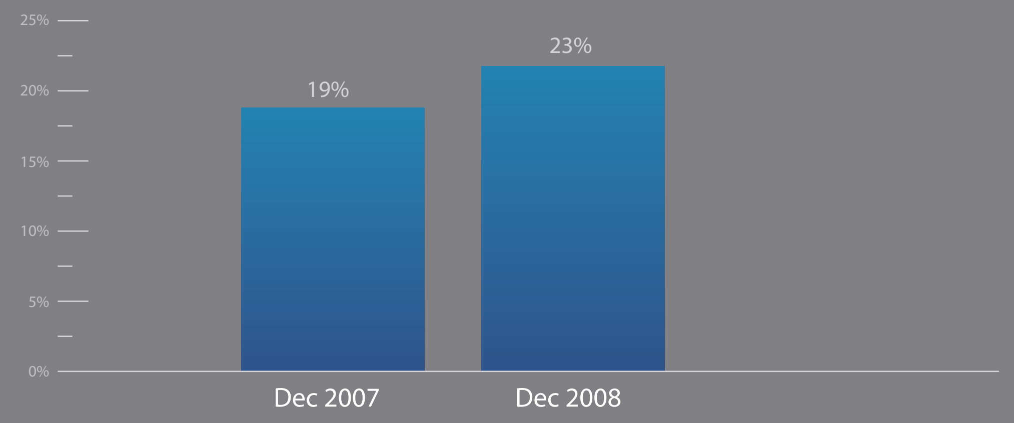
EARNINGS PER SHARE / PERIOD ENDED DECEMBER 2008 v/s 2007 (QR)



NET PROFIT GROWTH / FROM YEAR 2006 TO 2008



RETURN ON EQUITY (ROE) 2007 - 2008



MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

SHEIKH HAMAD
BIN ABDULLA AL THANI
Chairman

SHEIKH SUHAIM
BIN ABDULLA AL THANI
Vice Chairman

ALI YOUSUF KAMAL
Director

RASHID FAHAD AL NAIMI
Director

MOHAMED ALI M. AL KUBAISI
Director

KHALID MANNAI
Executive Director

SAID ABU ODEH
Director

KEITH HIGLEY
Director

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

KHALID MANNAI
Vice Chairman of the Executive Committee

ALAA ELEBIARY
Chief HR & Admin. Officer

ALEKH GREWAL
Chief Executive Officer

SHEIKH SUHAIM BIN ABDULLA AL THANI
Chairman of the Executive Committee

K. VENUGOPALAN
General Manager, Computer & Office Systems

SAID ABU ODEH
Member

ARVIND CHADDHA
Chief Financial Officer

MOHAMED HELMY
Group General Manager, Automotive

LIAM KEATING
Head of Operations

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

MANNAI TRADING AUTOMOTIVE GROUP

Mannai Trading Automotive Group holds the exclusive franchise for the General Motors brands Cadillac, Hummer, GMC and Opel. In addition, Mannai Automotive is the main distributor for the premium Japanese car manufacturer Subaru.

In the past three years, sales of both new and pre-owned cars achieved growth of over 50%, success driven by business efficiency and an excellent product range.

In 2008, Mannai Automotive Group once again received prestigious awards including General Motor's Chairman Challenge for the fifth year in succession, GM Accessories Sales Award for both Cadillac and GMC pickups, GM Parts Incentive Program 2008, ACDelco Wholesale Excellence Program 2008, GM Parts Excellence Program 2008, AC Delco Parts Incentive Program 2008 for Parts Team, 2008 Market Builder Award Best Growth (2008 vs. 2007).

Several business expansions became operational during 2008. Wakra branch (Sales, Parts & Service), Umm Al Afai Branch (Sales, Parts & Service), new Pre-owned Showroom, new Service Reception in the Doha Industrial Area and Al Kheesa Service Centre were amongst the major achievements. In addition, the main Mannai showroom has been expanded and renovated, increasing showroom display area for our GM brands. At the same time, our Subaru showroom was moved to its own strategic location to leverage the popularity of the Subaru brand.

Alongside the growth of sales and business infrastructure expansion, Mannai Automotive Group Aftersales have now increased its service coverage across Qatar by introducing the concept of mobile service units which have been delivering faster, more efficient and more convenient on-site customer service.

Looking forward, further sales and service enhancements are underway outside Doha with the aim of exceeding customers' expectations throughout Qatar as Mannai Automotive seeks to build on the proven excellence of its partnership with GM.

HEAVY EQUIPMENT DIVISION

Heavy Equipment Division (HED) is a business segment within the Mannai Automotive group. We specialise in the sale, repair and servicing of heavy equipment to the construction and industrial sectors. HED also acts as sales distributor in Qatar for leading international equipment manufacturers including Grove Cranes and JCB.

Total unit sales for all products during 2008 increased by 35% from 2007, with an impressive 88% increase in the sale of JCB equipment.

HED once again achieved the prestigious 'Manitowoc/ Grove Crane Care Elite Dealer' status in 2008.

During 2009 HED will further expand its facilities and customer support services to provide customers with the levels of aftersales support now expected and required.

MANNAI COMPUTER & OFFICE SYSTEMS

Computer & Office Systems Division (COS) retained its pre-eminent position as a leading provider of IT solutions to the Qatari market. Partnering with renowned IT firms such as CISCO, Oracle, HP and Microsoft, COS was able to increase sales by 28% during 2008.

Working closely with Cisco, COS was able to secure some prestigious network projects. COS was chosen to design, build and operate the National Research and Education Network (NREN) for Qatar Foundation. This optical fiber network will link the research and educational institutions at Qatar Foundation and provide a high band-width backbone for exchanging vital research information. The network team was also successful in concluding a number of enterprise networking and IP Telephony contracts during the year. A CISCO Gold Partner, COS has also achieved specialized Advanced Certifications in areas of security, unified communications, wireless LAN and MPLS design and implementation services, in addition to being ISO 9001-2000 certified for implementing data networks.

On the hardware and systems side, COS continued to be successful in installing and upgrading data centers. As a leading provider of HP solutions, COS has been responsible for installing and maintaining some of the mission-critical IT infrastructures in Qatar.

2008 was a highly successful year for the Software Business Unit. It was able to sign-up contracts for 16 Oracle e-Business implementations as recognition of the software team's ability to understand customer requirements and provide effective business solutions.

During the year, COS also signed a 3-year agreement for national distribution of Galileo Travel Solutions.

COS is now considered a leading player in the ICT arena with the ability to offer integrated hardware, software and network solutions.

GE Healthcare

MANNAI MEDICAL EQUIPMENT DIVISION

The division works closely with Mannai's Computer & Office Systems division.

The unit has won several prestigious contracts including the supply of medical gas systems to Sidra Medical & Research Center and secured orders to supply, install and maintain GE equipment for the Neonatal Intensive Care Unit at Hamad Hospital.

We anticipate 2009 being an outstanding year with further projects to be completed including Hamad Medical Corporation Cardiac Tower and Qatar Petroleum-Dukhan Hospital.

MANSOFT

Established in 2006 to develop into a full service IT services organization, Mansoft focuses on the development and implementation of business solutions including enterprise applications, systems integration and application outsourcing.

In addition to existing resource centres in Qatar, UAE, Bahrain and India, a second Indian resource centre was inaugurated in Pune during August 2008. It has a capacity to accommodate 300 software professionals. The centre is equipped with the latest technology platforms required to develop or customise commercial software solutions and conduct training in the latest technologies.

Working closely with a leading European games software organisation, Mansoft is developing a full service Games and Events Management Solution. In addition, Mansoft is acquiring the ability to deliver solutions on the SAP software platform to widen its ERP solution offering to clients.

ANDERGAUGE DRILLING SYSTEMS

DNV

MANWEIR WLL

MANWEIR WLL, a wholly-owned subsidiary of Mannai Corporation, specializes in rendering 'round-the-clock' support services to the Oil and Gas sectors within the State of Qatar. Industries serviced by Manweir include Petrochemical, Fertilizer, Marine, and Power Generation.

Sales growth of 24% for 2008 contributed to the achievement of another excellent set of business results for MANWEIR WLL.

In addition to its comprehensively equipped and well managed engineering workshop, Manweir offers onsite expertise that includes large capacity in situ machining capability brought about by the strategic investment in new equipment. With the use of High Velocity Oxy Fuel (HVOC) metal arc spray technology, Manweir is capable of salvaging worn out parts and other related equipment. The company is well recognized for its extensively equipped mobile workshops and finds itself in an enviable position as a market leader in executing the overhaul and testing of all types of valves. These mobile units include appropriate test benches with nitrogen and hydrostatic valve test units, deadweight testers for pressure gauge calibrations, pneumatic torque wrenches, and portable machining and lapping units.

With the investment in new Positive Material Identification (PMI) technology, the Manweir facility is now equipped with in-house identification and verification resources. This provides full manufacturing support to all our current and future customers in the selection of raw materials where adequate base material data is not available.

The Manweir facility will soon invest in new equipment complete with a computerized torque control system. This will greatly enhance the generation of 'torque-turn' graphs for make-up of tubing and casing premium connections. The company received certification from Farris Valve Systems for the overhaul, repair and testing of Pressure Relief Valves. This adds to the existing approvals from IMI Bailey Birkett Valves along with the recent renewal of the 'facility qualification' by Anderson Greenwood Crosby of Tyco Flow Control Group for the service and repair of Pressure Safety Relief Valves. In addition to the existing OCTG Premium Threading license, Manweir recently attained qualification from Tenaris-Hydril for TSH 533 Tubing, TSH 521 Casing, TSH PH-6, CS and WT connections.

The expansion of the Salwa engineering workshop facility will be completed by mid 2009 and the company is currently planning its future expansion in Ras Laffan.

GULF LABORATORIES WLL (GULF LABS)

Gulf Labs provides geotechnical, geological, environmental and materials testing services to international and local clients and consultants. It is renowned as one of the leading geotechnical and materials testing companies in the State of Qatar.

The business continued to improve management processes by maintaining certifications to ISO 9001, OHSAS 18001 and accreditation for laboratory testing to ISO 17025.
It is planned that the environmental management system ISO 14001 will also be incorporated into an integrated management system during 2009.

Gulf Labs performed geotechnical investigation works for a number of high profile projects including the Qatar Bahrain Causeway, the New Doha Port Project, the Barwa Al Khor Beach Development, the New Qatar National Museum and various multi-storey towers in Doha. In addition, on-site material testing laboratories have been established at the New Doha International Airport Project, QAFCO 5, BARWA City Phase 1 and the Pearl GTL project.

Gulf Labs expansion into Oman in 2008, where the company trades under the name of Gulf Geotechnical Services & Material Testing LLC, got off to an excellent start by winning a large exploratory drilling project for a new quarry in the south of the country. An additional contract to carry out laboratory analysis on collected samples for the project was also secured.

Additional resources were acquired, including the procurement of five new Hanjin PS4000 rotary drilling rigs during 2008, bringing the total number of drilling rigs to eighteen. Two of these rigs will be transferred to the company's operations in Oman during early 2009.

MANNAI TRAVEL GROUP

Mannai Travel Group is a market leader in business travel that covers a wide range of services. Mannai Air Travel, an authorised IATA agent, offers complete travel solutions to corporate and retail clients. Space Travel is Mannai's general sales agent, representing Philippine Airlines, Korean Air and Kenya Airways. Mannai Holidays provides leisure travel solutions for individuals and groups to major worldwide destinations. VFS is the UK visa application processing centre managed by Mannai.

During 2008 the Mannai Travel Group achieved overall sales growth of 48% across its range of operations. The business achieved outstanding sales and excellent performance awards from a number of major airlines. The business has long and successful relationships with major customers and continues to offer the highest standards of customer service and care. Changing market conditions following the withdrawal of airline commission to agents was a major development. This has made airline/agent transactions more transparent.

To further enhance and broaden its customer service, Mannai Air Travel expanded its Al Khor and Messaied offices and has plans to open further outlets. Space Travel increased sales by 44%, and was awarded the Silver Award for productivity by Korean Air.
Mannai Holidays continues to invest in new technologies to lower operational costs, increase efficiency and improve customer service.
In 2008 Mannai Holidays introduced Qatar's first online web based booking service. Initially available to staff, the service will soon be available to all our customers. VFS expanded the company's professional visa services by introducing a new service for the processing of Australian visas. Today the VFS business processes visas for the UK, Australia and Malta. The addition of Malta is significant as it is part of the 'Schengen Area'. Separate from the VFS business, Mannai Travel also processes visas for Singapore.
The partnership of Mannai Travel Group with BCD Travel (a Global Travel Management Company with a network of offices throughout the world) allows Mannai Travel the opportunity to tender for global accounts, in addition to servicing the Qatar portion of global accounts won by BCD Travel.

ENERGY & INDUSTRIAL MARKETS (E&IM)

The Energy & Industrial Markets (E&IM) division provide services to international manufacturers, suppliers, and consultants by acting as their local agent in the State of Qatar. Services offered include trading, tendering, partnering with multinationals, and representation and support of internationally reputed companies for the supply of equipment and services.

E&IM achieved many business successes during 2008. The pipeline for orders and tenders for 2009 covers Qatar's major strategic and development projects in the Industrial, Commercial and Infrastructure sectors.
E&IM is also the recipient of the Most Valued Business Partner award for 2007-2008 of Tyco Thermal Controls.

INDUSTRIAL SUPPLIES & BUILDING MATERIALS (ISBM)

ISBM offers a broad range of industrial products and services to customers in the Oil and Gas, Petrochemical, Utilities and Government sectors. The ISBM product range includes Industrial Machinery, Hand Tools, Industrial Safety Equipment, Abrasives, and Specialised Building and Waterproofing materials. ISBM also provides Gas Turbine Spares and Services to the Oil and Gas sector within the State of Qatar.

During 2008 the division successfully conducted its business through the new showroom, enhancing customer service and increasing the product range to include Polypropylene Protection Boards (Twin Walls, UAE), Thermal Insulation Boards (Eastern Coast, KSA), Industrial Bearings (NSK, Europe) and Welding Equipment (EWM, Germany).

ISBM earned the "Number 1 Distributor Award" from Bitumat, KSA for achieving maximum revenues of specialised waterproofing material within the region.

ISBM has also won long term contracts for the supply of Turbine Spares & Maintenance Services to the oil and gas sector. Key Global Brands include Siemens, Bitumat, ADOR, and Norton (Saint Gobain).

QATAR LOGISTICS WLL

Qatar Logistics provides international freight forwarding, customs clearance, project forwarding, and consolidation services for sea, air and road cargo. Additionally the business provides international domestic and office relocation services.

The company has a modern storage and distribution facility, with 78,000 cubic metres of storage capacity primarily used by the Mannai Corporation to address the increasing storage requirements of our major trading divisions.

During 2008, the freight forwarding team was awarded the contract for moving 3 Onshore Rigs to Dubai, and handled the event held at the Lusail Circuit. Underlining its commitment to adhere to recognised international standards, Qatar Logistics' Relocation Division became a member of the IAM (International Association of Movers).

MANNAI CONSUMER PRODUCTS DIVISION (CPD)

The CPD business supplies a comprehensive range of top quality built-in home appliances, white goods, kitchen appliances, electronics, and video and audio systems from the world's leading brands. It also offers an after-sales service that is effectively and efficiently provided by skilled technicians at its well equipped workshops.

The division has benefitted from the rapid growth of Qatar's population that has helped to boost business expansion in the retail, commercial and wholesale markets. Recently CPD remodelled its showroom at Mannai's headquarters to capture and create a distinct identity in the minds of our customers. It has also expanded agency rights for certain audio, video and home theatre systems, and home appliance products.

The range of products is being constantly updated to provide major global brands to the Qatari Market. The business continues to supply appliances to prestigious Government, Commercial and Residential Real Estate projects in Qatar.

TRANSFIELD MANNAI FACILITIES MANAGEMENT SERVICES WLL

Transfield Mannai was established at the end of 2006 as a joint venture between Mannai Corporation QSC and Transfield Services (International) Pty Limited, Australia. It is one of the leading providers of facilities management, building maintenance and enhanced building services in Qatar.

Over the past 12 months Transfield Mannai Facilities Management Services WLL has signed major contracts in both government and private sectors and continues to deliver a broad range of facilities management services to some of the largest global companies operating in the State of Qatar.

Transfield Mannai continues to focus on the quality of its operational service, health and safety, and environmental matters and will actively tender for the management of new major facilities coming on stream in 2009.

CUSTOMERS
Delighted customers are our future and we are judged by how well we:
• Exceed our customers' expectations through listening and understanding.
• Earn our customers loyalty and trust through honesty and courtesy.
• Commit to the highest standards in quality of customer care, timely delivery and after sales service.
• Become the customers' first choice each and every time because of our passion for excellence.
• Anticipate and respond to customer needs.

LEADERSHIP
Everyone in Mannai is a leader. Leaders are judged by the standards they set for themselves. Leaders in Mannai:
• Share knowledge and ideas openly.
• Treat everyone equally with fairness and integrity.
• Motivate and inspire to get results.
• Embrace and adapt to change.
• Empower people to take responsibility.

COMMUNITY
Mannai aims to promote the interests of Qatar, and we will be judged by:
• Our contribution to the local economy.
• Our adherence to practices that protect and support our natural environment.
• How well we develop and train our human resources.

SHAREHOLDERS
We aim to meet the expectations of our shareholders, and we will be judged by:
• Our ability to deliver consistent long-term value.
• Our high standards of corporate governance.

BUSINESS PARTNERS
We believe in an open partnership with our suppliers and can be judged by how well we:
• Deliver our best in class solutions to our customers.
• Develop our long-term relationships as partner of choice.
• Build competitive advantage for the businesses we represent.

TEAMS
Mannai is a team. Our team is judged by how well we work together. We aim to:
• Practice open and clear communication.
• Help one another to deliver benefits for the whole group.
• Show respect for each other and take pride in our achievements.
• Treat mistakes as an opportunity to learn, not to blame.
• Create a stimulating environment where people are proud to work.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

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MANNAI CORPORATION QSC

YOUR TRUSTED PARTNER

TO THE SHAREHOLDERS
MANNAI CORPORATION Q.S.C.
DOHA – QATAR.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Mannai Corporation Q.S.C. (the "Group") which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Group'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 Group'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 give a true and fair view of the financial position of Mannai Corporation Q.S.C. as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Furthermore, in our opinion the consolidated financial statements provide the information required by the Qatar Commercial Companies' Law No. (5) of 2002 and the Company's Articles of Association. We are also of the opinion that proper books of account were maintained by the Group, the stocktaking was carried out in accordance with the recognised procedures and the contents of the director's report are in agreement with the Group's consolidated financial statements. 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 above mentioned Law or the Company's Articles of Association were committed during the year which might materially affect the Group's activities or its financial position.

For Deloitte & Touche

Doha - Qatar
Muhammad O. Bahemia
February 11, 2009 License No. 103

ASSETS	NOTES	DECEMBER 31, 2008 QR. 000	DECEMBER 31, 2007 QR.000
Current Assets:			
Cash and cash equivalents	5	26,887	16,428
Notes receivable		7,488	3,788
Accounts receivable	6	333,237	302,907
Due from a joint venture company	7	1,204	2,455
Inventories	8	646,406	395,769
Advance to suppliers		47,715	28,528
Accrued income		7,275	33,800
Prepayments and other debit balances	9	13,759	12,444
TOTAL CURRENT ASSETS		**1,083,971**	**796,119**
Non-Current Assets:			
Available for sale investment	10A	102	102
Long-term receivables		3,570	4,284
Investment in joint venture company	10B	6,399	4,131
Property, plant and equipment	11	222,088	202,816
Total Non-Current Assets		232,159	211,333
TOTAL ASSETS		**1,316,130**	**1,007,452**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as of December 31, 2008

LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
CURRENT LIABILITIES:			
Bank overdrafts and loans	12	183,669	147,136
Accounts payable		279,154	192,669
Advance from customers		48,133	1,073
Accruals and other credit balances	13	160,994	128,729
		----------------	----------------
TOTAL CURRENT LIABILITIES		**671,950**	**469,607**
		----------------	----------------
NON-CURRENT LIABILITIES:			
Provision for employees' end of service benefits		17,053	9,238
		----------------	----------------
TOTAL NON-CURRENT LIABILITIES		**17,053**	**9,238**
		----------------	----------------
SHAREHOLDERS' EQUITY:			
Share capital	14	144,000	120,000
Legal reserve	15	172,354	172,354
Revaluation reserve		80,117	80,117
Proposed dividends	16	86,400	48,000
Proposed bonus shares	16	14,400	24,000
Retained earnings		129,856	84,136
		----------------	----------------
TOTAL SHAREHOLDERS' EQUITY		**627,127**	**528,607**
		-----------------	-----------------
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,316,130**	**1,007,452**
		==========	==========

These financial statements were authorised and approved for issue by the Chairman and Director on February 11, 2009.

Hamad Bin Abdulla Al Thani
Chairman

Keith Higley
Director

Consolidated Statement of Income for the year ended December 31, 2008

	NOTES	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Revenue		1,953,346	1,588,844
Direct costs		(1,585,663)	(1,295,303)
		---------------	---------------
GROSS PROFIT		**367,683**	**293,541**
Investment income		1,125	1,598
Other income	17	4,668	2,844
Share of profit from a joint venture company	10B	2,268	2,427
General and administrative expenses	18	(163,182)	(138,850)
Selling and distribution expenses		(40,293)	(37,592)
Depreciation of property, plant and equipment	11	(10,660)	(10,707)
Finance costs		(8,039)	(7,844)
		---------------	---------------
NET PROFIT FOR THE YEAR BEFORE DIRECTORS' REMUNERATION		**153,570**	**105,417**
Directors' remuneration		(7,050)	(4,900)
		---------------	---------------
NET PROFIT FOR THE YEAR		**146,520**	**100,517**
		=========	=========
BASIC AND DILUTED EARNINGS PER SHARE (QR.)	21	**10.17**	**7.38**
		=========	=========

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

Consolidated Statement of Changes in Shareholder's Equity

	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVE	PROPOSED DIVIDENDS	PROPOSED BONUS SHARE	RETAINED EARNINGS	TOTAL
	QR.000	QR.000	QR.000	QR.000	QR.000	QR.000	QR.000
BALANCE – JANUARY 1, 2007	60,000	58,218	80,117	-	40,000	49,755	288,090
Net profit for the year	-	-	-	-	-	100,517	100,517
Movement in subsidiaries legal reserve	-	(5,864)	-	-	-	5,864	-
Capital introduced	20,000	120,000	-	-	-	-	140,000
Issue of bonus shares	40,000	-	-	-	(40,000)	-	-
Proposed dividends	-	-	-	48,000	-	(48,000)	-
Proposed bonus shares	-	-	-	-	24,000	(24,000)	-
BALANCE – DECEMBER 31, 2007	120,000	172,354	80,117	48,000	24,000	84,136	528,607
Net profit for the year	-	-	-	-	-	146,520	146,520
Issue of bonus shares	24,000	-	-	-	(24,000)	-	-
Dividends paid	-	-	-	(48,000)	-	-	(48,000)
Proposed dividends	-	-	-	86,400	-	(86,400)	-
Proposed bonus shares	-	-	-	-	14,400	(14,400)	-
BALANCE – DECEMBER 31, 2008	**144,000**	**172,354**	**80,117**	**86,400**	**14,400**	**129,856**	**627,127**

Consolidated Statement of Cash Flows

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	146,520	100,517
Adjustments for:		
Depreciation of property, plant and equipment	29,842	26,809
Gain on disposal of property, plant and equipment	(2,469)	(1,876)
Finance costs	8,039	7,844
Income from a joint venture company	(2,268)	(2,427)
Investment income	(1,125)	(1,058)
Net provision for obsolete inventories and bad debts	12,377	11,345
Provision for employees' end of service benefits	7,816	4,624
	198,732	145,778
Notes receivable	(3,700)	140
Accounts receivable	(31,828)	(80,587)
Inventories	(261,516)	(199,542)
Prepayments and other debit balances	(1,315)	4,852
Accrued income	26,524	(25,923)
Advance to suppliers	(19,188)	27,958
Accounts payable	86,485	38,748
Accruals and other credit balances	33,173	(650)
Advance from customers	47,060	1,025
Due from a joint venture company	1,251	1,118
CASH FLOWS FROM (USED IN) OPERATIONS	**75,678**	**(87,083)**
Finance cost paid	(8,109)	(7,283)
Employees end-of-service benefits paid	(838)	(711)
NET CASH FLOWS FROM (USED IN) OPERATIONS	**66,731**	**(95,077)**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(54,834)	(56,474)
Proceeds from disposal of property, plant and equipment	8,190	8,684
Movement in long term receivable	714	714
Acquisition of investments	-	(582)
Investment income received	1,125	1,597
	---------------	---------------
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(44,805)**	**(46,061)**
	---------------	---------------
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdrafts and loans	36,533	5,291
Dividends paid	(48,000)	-
Proceeds from the issue of shares	-	140,000
	---------------	---------------
Net Cash (Used in) From Financing Activities	(11,467)	145,291
	---------------	---------------
Net increase in cash and cash equivalents	10,459	4,153
Cash and Cash Equivalents at beginning of year	16,428	12,275
	---------------	---------------
CASH AND CASH EQUIVALENTS AT END OF YEAR	**26,887**	**16,428**
	=========	=========

MANNAI CORPORATION QSC

YOUR TRUSTED PARTNER

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mannai Corporation QSC (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Business and Trade under Commercial Registration Number 12.

The principal activities of the Company and its subsidiaries (the "Group") are sales and service of automobiles, heavy equipment sales, information technology, engineering, geotechnical services, oil field services, hire and servicing of consumer products, office equipment and industrial products, travel, logistics, warehousing, sponsorship and representation for international companies.

2. ADOPTION OF NEW AND REVISED STANDARDS

Standards and Interpretations Effective in the Current Year

Three Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 11 – IFRS 2: Group and treasury share transaction which is effective for annual periods beginning on or after 1 March 2007, IFRIC 12 Service Concession Arrangements which is effective for annual periods beginning on or after 1 January 2008 and IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction which is effective for annual periods beginning on or after 1 January 2008

The adoption of these two Interpretations had no significant effect on the financial statements of the Group for the year ended December 31, 2008

Standard and Interpretations in Issue Not Yet Effective

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Revised Standards	
IAS 1 (Revised) Presentation of FinancialStatements	Effective for annual periods beginning on or after 1 January 2009
IAS 23 (Revised) Borrowing Costs	Effective for annual periods beginning on or after 1 January 2009
IAS 27 (Revised) Consolidated and Separate Financial Statements	Effective for annual periods beginning on or after 1 July 2009
IAS 28 (Revised) Investments in Associates	Effective for annual periods beginning on or after 1 July 2009
IAS 31 (Revised) Interests in Joint Ventures	Effective for annual periods beginning on or after 1 July 2009
IAS 32 (Revised) Financial Instruments: Presentation	Effective for annual periods beginning on or after 1 January 2009
IFRS 1 (Revised) First time adoption	Effective for annual periods beginning on or after 1 January 2009
IFRS 2 (Revised) Share-based Payments	Effective for annual periods beginning on or after 1 January 2009
IFRS 3 (Revised) Business Combinations	Effective for annual periods beginning on or after 1 July 2009
New Standard	
IFRS 8 Operating Segments	Effective for annual periods beginning on or after 1 January 2009
New Interpretation	
IFRIC 13 – Customer loyalty Programmes	Effective for annual periods beginning on or after 1 July 2008
IFRIC 15 - Agreement for Construction of Real Estate	Effective for annual periods beginning on or after 1 January 2009
IFRIC 16 – Hedges of Net Investment in Foreign Operations	Effective for annual periods beginning on or after 1 October 2008

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements of the Group in the period of initial application.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation:

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale investments which are measured at fair value and freehold land which have been revalued.

The consolidated financial statements have been presented in Qatari Riyals (QR) the functional currency and all values are rounded to the nearest QR thousand except when otherwise indicated.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of consolidation:
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements of the Group include the financial statements of the Company and its controlled subsidiaries listed below. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

NAME OF THE COMPANY	OWNERSHIP INTEREST %
Mannai Trading Company W.L.L.	100
Manweir W.L.L.	100
Gulf Laboratories W.L.L.	100
Space Travel W.L.L.	100
Qatar Logistics W.L.L.	100
Technical Services Company W.L.L.	100
Mansoft Solutions and Systems Pvt. Limited (India)	100
Mansoft Solutions and Systems W.L.L Bahrain	100
Mansoft Systems and Solutions (UAE) L.L.C.	100
Mansoft Qatar W.L.L.	100
Mansoft Systems Pvt. Limited (Pune)	100
Gulf Geotechnical Services and Material Testing L.L.C (Oman)	100
Mansal Offshore W.L.L.	100
Mideast Constructors W.L.L.	100

Foreign currency transactions:
Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Qatari Riyals at the rates of exchange ruling at the balance sheet date. Any resultant exchange gains or losses are taken to the statement of income.

Financial instruments:
(i) Date of recognition
Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the settlement date.

(ii) Initial recognition of financial instruments
The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

Derecognising of financial assets and financial liabilities:

(i) Financial assets
A financial asset is derecognised where:
• the right to receive cash flows from the asset have expired or
• the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and
• either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statement of income.

Bank Borrowings are recorded as and when the proceeds are drawn. Financial charges are accounted for on an accrual basis and are included in payables and accruals to the extent of amount remaining unpaid, if any.

(iii) Determination of fair value
The fair value for financial instruments traded in organised financial markets is determined by reference to quoted market prices (bid price for long positions and ask price for short positions) on a regulated exchange at the close of business on the balance sheet date.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist or internal pricing and valuation models.

Cash and cash equivalents:
Cash and cash equivalents comprise cash and bank balances with original maturities of less than three months.

Trade receivables:
Trade receivables are stated at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Inventories:
Inventories are stated at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Spares and merchandise - purchase cost on a weighted average cost basis.
Vehicles -purchase cost on specific identification basis.
Work-in-progress - cost of direct materials, labour and other direct costs and profit earned on the work done to date.
Others - purchase cost on a first-in-first-out basis.

Net realizable value represents the estimated selling price less all costs expected to be incurred to completion or disposal.

Investments available for sale:
Available for sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances. They may be sold in response to liquidity needs or changes in market conditions. They include equity instruments and other debt instruments.

After initial measurement, available-for sale financial investments are subsequently measured at fair value on an individual basis. Unrealised gains and losses are recognised directly in equity under the 'Fair value reserve'. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When the security is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the statement of income in 'Net gain on sale of financial investments'. Interest earned whilst holding available for sale financial investments are reported as interest income using the effective interest rate. Dividends earned whilst holding available for sale financial investments are recognised in the statement of income as 'Dividend income' when the right to receive dividend has been established.

Joint Venture Company:
The Group has an interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

The financial statements of the joint venture are prepared for the same reporting year as the Group, using consistent accounting policies.

Property, plant and equipment:
Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation and Amortization:
Depreciation is provided on a straight-line basis on all property, plant and equipment other than freehold land which is considered to have an indefinite life. The rates of depreciation are based upon the following estimated useful lives:

Buildings	10-25 years
Portable buildings	3-10 years
Plant, machinery and equipment	3-10 years
Assets on hire	2-5 years
Furniture and fittings	3-5 years
Motor vehicles	3-5 years
Office furniture and equipment	3-5 years

Maintenance, repairs and minor improvements are charged to the statement of income as and when incurred. Major improvements and replacements are capitalized.
Demo vehicles are amortized over a period of 18 months.

Capital work-in-progress:
All expenditures and costs incurred on the Capital Assets during construction phase are capitalised and are initially recorded as Capital Work-in-Progress. These costs are transferred to property, plant and equipment when the assets are ready for their intended use.

Impairment of tangible assets
The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of tangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Trade payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

MANNAI CORPORATION QSC
YOUR TRUSTED PARTNER

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event which it is probable will result in an outflow of economic resources that can be reasonably estimated.

Employees' end of service benefits and pension contributions:
The Group provides for end of service benefits in accordance with the employment policies of the Group. The provision is calculated on the basis of individual's final salary and the period of service at the balance sheet date. This provision is included in other provisions within other liabilities.

With respect to Qatari employees, the Group makes contribution to the Qatari Pension Fund calculated on a percentage of the employees' salaries, in accordance with the Retirement and Pension Law No. 24 of 2002. The Group's obligations are limited to these contributions.

Impairment and un-collectability of financial assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

For assets carried at fair value, impairment is the difference between cost and fair value;
For assets carried at cost, impairment is the difference between cost and the present value of future estimated cash flows discounted at the current market rate of return for a similar financial asset.
For assets carried at amortised cost, impairment in the difference between the carrying amount and the present value of estimated cash flows discounted at the financial assets' original effective interest rate.

Revenue recognition:
Sale of goods and services
Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the balance sheet date.

Investment income:
Income from investments other than joint venture is accounted for on an accrual basis when right to receive the income is established. Dividend income is accounted for when the dividends are declared by the investee companies.

Interest income:
Interest received under installment credit sale agreements is accounted for on a time proportion basis taking into account the principal outstanding and interest rate applicable.

Rental income:
Rental and interest income is accounted for on a time proportion basis.

Maintenance costs:
Anticipated costs during the warranty period for completed jobs are provided for, based on management's prior experience.

Software and license fees:
The cost of software and license fees is expensed in the year of acquisition.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY
In application of the Group's accounting policies, which are described in note 3, management is required to make certain judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

Impairment of Receivables
Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowances for doubtful debts for all customers are based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

Impairment of Inventories
Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value are made at the product level for estimated obsolescence. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors, the Group has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Property, Plant and Equipment
The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value as it is deemed immaterial.

5. CASH AND CASH EQUIVALENTS

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Bank balances	25,216	14,323
Cash on hand	1,671	2,105
	----------------	----------------
	26,887	**16,428**
	==========	==========

Bank balances include deposits short term in nature with original maturities of less than three months. The deposits are placed with local banks and carry interest at rates ranging from 1 % to 3 %.

6. ACCOUNTS RECEIVABLE

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Accounts receivables	355,159	323,331
Less: Provision for doubtful debts	(21,922)	(20,424)
	333,237	**302,907**

The average credit period for sale of goods and rendering services is 30 to 60 days. No interest is charged on the overdue trade receivables. The Group provides for doubtful debts in receivables over 6 to 9 months at 25%, 9 to 12 months at 50% and above 1 year at 100%. All receivables under legal cases are based on management's historical experience.

As at December 31, 2008 the ageing of trade receivables and movement in the provision for doubtful debts are as follows:

6.1 Ageing of accounts receivable:

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Within 60 days	272,591	197,071
61-120 days	17,613	44,504
121-180 days	30,813	40,997
181-365 days	34,142	40,759
	355,159	**323,331**

6.2 Movement in the provision of doubtful debts:

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Balance at January 1,	20,424	17,865
Written off during the year	68	260
Recovery during the year	(13,122)	(3,366)
Additional provision during the year	14,552	5,665
BALANCE AT DECEMBER 31	**21,922**	**20,424**

7. DUE FROM A JOINT VENTURE COMPANY

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Transfield Mannai Facilities Management Services W.L.L	**1,204**	**2,455**

8. INVENTORIES

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Merchandises, spares and tools	319,923	172,925
Vehicles and Heavy Equipment	268,459	209,111
Industrial supplies	20,728	14,795
Work-in-progress	73,410	23,581
Others	3,104	3,696
	685,624	424,108
Less: Provision for obsolete and slow moving items	(39,218)	(28,339)
	646,406	**395,769**

9. PREPAYMENTS AND OTHER DEBIT BALANCES

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Prepaid expenses	4,945	2,477
Staff receivable	229	856
Other debtors and receivables	8,585	9,111
	13,759	**12,444**

10 (A). INVESTMENTS AVAILABLE FOR SALE

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Investments	**102**	**102**

10 (B). SUMMARISED FINANCIAL INFORMATION IN RESPECT OF THE GROUP'S JOINT VENTURE COMPANY

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Total assets	22,604	21,289
Total liabilities	(6,901)	(10,033)
Net assets including goodwill	15,703	11,256
GROUP'S SHARE IN NET ASSETS	**6,399**	**4,131**
Total revenue	49,637	37,508
Total profit for the year / period	4,446	4,759
Investment in joint venture company	4,131	1,122
Movement in investment	--	582
Share of profit for the year / period	2,268	2,427
BALANCE AT DECEMBER 31	**6,399**	**4,131**

Although the Group holds 51% of the equity in Transfield Mannai Facilities Management Services W.L.L., the Group does not have the power to govern the financial and operating activities nor has significant influence on this investment. Decisions need unanimous consent of both parties and the investment is therefore considered to be a joint venture.

11. PROPERTY, PLANT AND EQUIPMENT

	LAND & BUILDING QR.000	PLANT AND MACHINERY QR.000	OFFICE FURNITURE & EQUIPMENT QR.000	VEHICLES QR.000	ASSETS ON HIRE QR.000	CAPITAL WORK-IN-PROGRESS QR.000	TOTAL QR.000
COST/REVALUATION							
January 1, 2007	197,879	45,834	21,102	18,261	38,983	28,984	351,043
Additions	13,130	4,043	8,208	4,170	8,141	18,782	56,474
Transfers	21,887	8,699	31	-	-	(30,617)	-
Disposals	-	(1,504)	(80)	(3,563)	(9,560)	(1,344)	(16,051)
January 1, 2008	232,896	57,072	29,261	18,868	37,564	15,805	391,466
Additions	636	9,196	10,932	8,585	13,636	11,849	54,834
Transfers	6,586	5,136	1,458	348	-	(13,528)	-
Disposals	-	-	(98)	(3,046)	(12,890)	-	(16,034)
DECEMBER 31, 2008	**240,118**	**71,404**	**41,553**	**24,755**	**38,310**	**14,126**	**430,266**
DEPRECIATION:							
January 1, 2007	93,286	37,048	15,807	8,677	16,266	-	171,084
Charge for the year	6,175	3,902	4,781	3,059	8,892	-	26,809
Related to disposals	-	(655)	(80)	(1,861)	(6,647)	-	(9,243)
January 1, 2008	99,461	40,295	20,508	9,875	18,511	-	188,650
Charge for the year	4,809	5,872	5,903	4,895	8,363	-	29,842
Related to disposals	-	-	(1)	(1,708)	(8,605)	-	(10,314)
DECEMBER 31, 2008	**104,270**	**46,167**	**26,410**	**13,062**	**18,269**	**-**	**208,178**
NET BOOK VALUE:							
DECEMBER 31, 2008	**135,848**	**25,237**	**15,143**	**11,693**	**20,041**	**14,126**	**222,088**
December 31, 2007	133,435	16,777	8,753	8,993	19,053	15,805	202,816

Depreciation charge for the year amounted to QR. 19.2 million (2007: QR. 16.1 million) has been included in direct costs. Land and buildings were revalued in the year 2004 and the buildings were erected on the land leased from Doha Municipality.

12. BANK OVERDRAFTS AND LOANS

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Working capital facilities	**183,669**	**147,136**

(i) Working Capital Facilities (Bank overdrafts) are denominated in Qatari Riyals and US Dollars. Interest is payable at QIBOR / LIBOR + 1% to 1.5%. These facilities are governed by the terms of the Facility Agreement.
(ii) The Facility Agreement in place has a negative pledge clause whereby neither the Group nor any members of the group will create or permit to subsist any security interest on any of its assets.

13. ACCRUALS AND OTHER CREDIT BALANCES

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Accrued expenses	141,002	114,464
Others	19,992	14,265
	160,994	**128,729**

14. SHARE CAPITAL

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
AUTHORISED SHARES OF QR. 10 EACH	**144,000**	**120,000**

	NUMBER OF SHARES (IN THOUSANDS)	QR.000
Issued and fully paid		
At January 1, 2007	6,000	60,000
Bonus issue on March 19, 2007	4,000	40,000
Private placement on May 23, 2007	2,000	20,000
AT JANUARY 1, 2008	**12,000**	**120,000**
Bonus issue on March 17, 2008	2,400	24,000
AT DECEMBER 31, 2008	**14,400**	**144,000**

15. LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No. 5 of 2002 and the Articles of Association of the Company and each of the subsidiary companies, 10% of the net profit for the year is to be transferred to legal reserve up to 50% of share capital. This reserve is not available for distribution except in circumstances as specified in the Companies' Law. Legal reserve represents the legal reserve of the Company and its subsidiaries. The Group received a premium of QR. 120 million in May 2007 on private placement of 2 million shares at QR. 60 per share which was credited to legal reserve.

16. PROPOSED DIVIDENDS

The Board of Directors have proposed to issue to the existing shareholders one bonus share for every ten shares held and a cash dividend of QR 6 per share totaling QR 86.4 million for the year 2008, which is subject to the approval of the shareholders at the Annual General Assembly.

17. OTHER INCOME

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Profit on disposal of property, plant and equipment	2,469	1,875
Miscellaneous income	2,199	969
	-------------	-------------
	4,668	**2,844**
	========	========

18. GENERAL AND ADMINISTRATIVE EXPENSES

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Manpower cost	73,352	60,645
Rent	24,761	16,226
Conveyance and travel	14,290	9,768
Net provision for obsolete inventories and bad debts	12,377	11,345
Miscellaneous expenses	38,402	40,866
	---------------	---------------
	163,182	**138,850**
	=========	=========

19. RELATED PARTY TRANSACTIONS

A related party is one with which the entity has in common partners or management. Related parties also include key management personnel of the entity. All transactions with related parties are at arms length basis.

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Sales to related parties	**18,214**	**15,708**
Purchases from related parties	**2,489**	**3,505**

20. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel was as follows:

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Short-term benefits	6,718	5,691
Post-employment benefits	323	274
	-------	-------
	7,041	5,965
Board of Directors' remuneration	7,050	4,900
	-------------	-------------
	14,091	**10,865**
	=========	=========

21. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Profit for the year	146,520	100,517
Weighted average number of shares outstanding during the year	14,400	13,614
BASIC EARNINGS PER SHARE (QR)	**10.17**	**7.38**

There were no potentially dilutive shares outstanding at any time during the year and hence the diluted earnings per share is equal to the basic earnings per share.

22. CONTINGENT LIABILITIES

Under the bank facilities agreement, cross guarantees exist between each of the group companies which could be enforced by the financiers, if the borrowers were to be in default of the finance agreement. Each member of the group is therefore irrevocably, unconditionally, jointly and severally liable as principal obligor. The amount of group facilities outstanding is as follows:

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Bank guarantees	**149,688**	**105,055**
Letter of credit	**12,651**	**12,731**

23. CAPITAL COMMITMENTS

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Projects under construction	**11,587**	**3,388**

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties at arms length. Since the accompanying consolidated financial statements have been prepared under the historical cost convention except for certain investments, the carrying value of the Group's financial instruments as recorded could therefore be different from the fair value. However, in management's opinion, the fair value of the Group's financial assets and liabilities are not considered significantly different from their book values.

25. FINANCIAL RISK MANAGEMENT

The Group is exposed to normal credit risk, liquidity risk, and market risks such as currency risk, price risk and interest rate risk. The Group monitors and manages the risks relating to the operation of the group through internal risk reports..

Interest rate risk exposures

The following summary sets out the group exposure to interest rate risk as of December 31, 2008:

	FLOATING INTEREST RATE QR.000	NON-INTEREST BEARING QR.000	TOTAL QR.000
FINANCIAL ASSETS:			
Bank balances and cash	15,439	11,448	26,887
Accounts and notes receivable	-	340,725	340,725
Investments	-	6,501	6,501
Long-term receivables	-	3,570	3,570
Due from joint venture company	-	1,204	1,204
Advances to suppliers	-	47,715	47,715
TOTAL	**15,439**	**411,163**	**426,602**
FINANCIAL LIABILITIES:			
Bank overdrafts and loans	183,669	-	183,669
Accounts payable	-	279,154	279,154
TOTAL	**183,669**	**279,154**	**462,823**
ON BALANCE SHEET GAP AS ON DECEMBER 31, 2008	**(168,230)**	**132,009**	**(36,221)**
ON BALANCE SHEET GAP AS ON DECEMBER 31, 2007	**(138,761)**	**160,506**	**21,745**

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at December 31, 2008.

	DECEMBER 31, 2008	DECEMBER 31, 2007
Basis points	+/- 25	+/-25
Effect on profit for the year (QR.000)	+/- 421	+/- 347

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Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balance is limited as it is placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

The Group provides its services and products to a large number of customers. Customers are concentrated in the following sectors.

	DECEMBER 31, 2008	DECEMBER 31, 2007
Government Entities and Qatari Public Companies	48%	28%
Private Companies	43%	52%
Others	9%	20%
	100%	100%

The credit terms for accounts receivable are 30 to 60 days.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's terms of services and sales require amounts to be paid within a 30-60 day credit period. Trade payables are normally settled within 30-90 days of the date of purchase.

The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to earn and pay.

	LESS THAN ONE YEAR QR.000	1-5 YEARS QR.000	5+ YEARS QR.000	TOTAL QR.000
2008				
FINANCIAL ASSETS				
Cash and cash equivalents	26,887	-	-	**26,887**
Accounts receivable and other debit balances	388,440	3,570	-	**392,010**
FINANCIAL LIABILITIES				
Accounts payable and other credit balances	347,279	-	-	**347,279**
Borrowings	183,669	-		**183,669**
2007				
FINANCIAL ASSETS				
Cash and cash equivalents	16,428	-	-	**16,428**
Accounts receivable and other debit balances	335,222	4,284	-	**339,506**
FINANCIAL LIABILITIES				
Accounts payable and other credit balances	208,007	-	-	**208,007**
Borrowings	-	147,136		**147,136**

The current bank facilities are due for renewal on December 31, 2009.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign exchange currency exposure is minimal since the Group deals mostly in Qatar Riyal and US Dollar. The following table details the Group's sensitivity to an increase or decrease in the Qatari Riyals against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a change in the exchange rates are as follows:

CURRENCY	PERCENTAGE	PROFIT / (LOSS) 2008 QR.000
GBP	+/- 3%	+/- 131
EURO	+/- 3%	+/- 58
YEN	+/- 3%	+/- 36
Others	+/- 3%	+/- 6

During the year the Group entered into a foreign exchange forward contract. This forward contract was re-measured at fair value and the resultant loss arising from the changes in fair value included in the statement of income.

Market risk
Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.
The Group is not exposed to market risk in relation to investments available for sale investments as they are insignificant.

Financing risk
The Group's financing arrangements are according to the facility agreement with financiers. The financing arrangements between the Group and the issuer may be affected by the financial, political and general economic conditions prevailing from time to time in Qatar and/or the Middle East generally. The Company limits financing risk by monitoring changes in the issuer's financial position and financing costs.

26. CAPITAL RISK MANAGEMENT
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from 2007. The capital structure of the Group consists of debt, which includes borrowings disclosed in note 12, cash and cash equivalents and equity, comprising issued capital, legal reserve and retained earnings.

GEARING RATIO
The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.
The gearing ratio at the year end was as follows:

	DECEMBER 31, 2008 QR.000	DECEMBER 31, 2007 QR.000
Debt (i)	183,669	147,136
Cash and cash equivalents	26,887	16,428
	-----------	-----------
Net debt	156,782	130,708
	=======	=======
Equity (ii)	627,127	528,607
	=======	======
NET DEBT TO EQUITY RATIO	**0.25:1**	**0.25:1**

Debt is defined as bank overdraft and loans.
Equity includes all capital and reserves of the Group.

27. SEGMENT REPORTING FOR THE YEAR 2008

SEGMENT	REVENUE QR.000	GROSS MARGIN QR.000	ASSETS QR.000	LIABILITIES QR.000
Auto	715,171	120,776	420,338	237,658
Heavy Equipment	189,102	34,265	81,105	20,178
Energy and Industrial Markets	75,850	18,641	40,995	27,214
Information Technology	534,594	85,154	485,853	286,994
Travel	39,559	38,154	146,138	101,524
Industrial Supplies & Building Materials	130,575	21,999	53,951	9,107
Freight Forwarding & Logistics	31,023	7,729	14,781	10,511
Engineering	133,685	26,901	101,189	67,532
Geotechnical Services	31,553	12,011	23,205	4,823
Others	72,234	2,053	(51,425)	(76,538)
	----------------	----------------	----------------	----------------
TOTAL	**1,953,346**	**367,683**	**1,316,130**	**689,003**
	==========	========	=========	=========

The above figures are stated after intercompany transactions and balances have been eliminated.

28. COMPARATIVE FIGURES
Certain of the prior year's amounts have been reclassified to conform with the current year's presentation. Such reclassifications have no effect on the net financial position of the Group.

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