



**MANNAI CORPORATION Q.S.C
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2010
TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT**

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

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DIRECTORS' REPORT

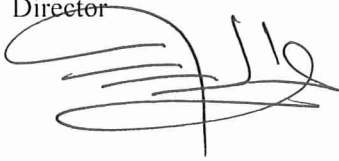
The Directors are pleased to report a 20% increase in net profit for the period ended 30 June 2010.

Net Profit was QR 126 Million compared to QR 105 Million for the same period in the previous year.

Earnings per share for the period increased to QR 5.31 from QR. 4.44 in the corresponding period 2009.

Following an AGM and EGM in February 2010, the capital was increased to QR 237.6 Million by the issue of 7.92 Million bonus shares of QR 10 each.

Mohamed Ali M. Al Kubaisi
Director

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name 'Mohamed Ali M. Al Kubaisi'.

QR. 31230

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To The Shareholders
Mannai Corporation Q.S.C
Doha - Qatar

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mannai Corporation Q.S.C as at June 30, 2010, and the related interim condensed consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the six month period ended June 30, 2010, and certain explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with **International Accounting Standard: IAS 34 "Interim Financial Reporting"**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Accounting Standard - 34 "Interim Financial Reporting"**.

For Deloitte and Touche

Muhammad Bahemia
License No. 103

Doha - Qatar
August 9, 2010

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2010

ASSETS	Note	June 30, 2010 (Reviewed) QR'000	December 31, 2009 (Audited) QR'000
	-----	-----	-----
Current Assets:			
Bank balances and cash		148,001	169,352
Accounts and bills receivable		337,661	272,029
Due from related parties		1,600	1,472
Advances to suppliers		37,372	74,492
Inventories		524,748	531,197
Prepayments and other debit balances		26,672	17,814
		-----	-----
Total Current Assets		1,076,054	1,066,356
		-----	-----
Non-Current Assets:			
Available for sale investments	3	5,204	204
Long-term receivables		2,142	2,856
Investment in joint venture company		9,943	8,872
Property, plant and equipment	4	227,759	218,032
		-----	-----
Total Non-Current Assets		245,048	229,964
		-----	-----
Total Assets		1,321,102	1,296,320
		=====	=====

THE ATTACHED NOTES 1 TO 11 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2010

	Note	June 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	-----	----- QR'000	----- QR'000
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Bank overdrafts		6,470	83,524
Accounts payable		217,945	198,798
Advance from customers		23,331	104,042
Accruals and other credit balances		271,120	157,969
		-----	-----
Total Current Liabilities		518,866	544,333
		-----	-----
Non-Current Liabilities:			
Provision for employees' end of service benefits		30,363	27,035
		-----	-----
Total Non-Current Liabilities		30,363	27,035
		-----	-----
Shareholders' Equity:			
Share capital	5	237,600	158,400
Legal reserve		172,354	172,354
Revaluation reserve		80,117	80,117
Proposed dividends		--	79,200
Proposed bonus shares		--	79,200
Retained earnings		281,802	155,681
		-----	-----
Total Shareholders' Equity		771,873	724,952
		-----	-----
Total Liabilities and Shareholders' Equity		1,321,102	1,296,320
		=====	=====

These financial statements were authorised and approved for issue by the Director and Chief Executive Officer on August 09, 2010.



Mohamed Ali M. Al Kubaisi
Director



Alekh Grewal
Chief Executive Officer

THE ATTACHED NOTES 1 TO 11 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended June 30, 2010

	Note	<u>Six Month Period Ended June 30,</u>	
		2010	2009
		(Reviewed)	(Reviewed)
		QR'000	QR'000
Revenue		968,566	1,010,019
Direct costs		(736,257)	(788,786)
Gross Profit		232,309	221,233
Other income		1,940	4,042
Share of profit from joint venture company		2,601	1,496
General and administrative expenses		(66,910)	(74,943)
Selling and distribution expenses		(30,634)	(28,032)
Depreciation of property, plant and equipment		(5,816)	(6,615)
Finance costs		(1,937)	(6,840)
Net Profit for the Period before Directors' remuneration		131,553	110,341
Directors' remuneration		(5,432)	(4,937)
Net Profit for the Period		126,121	105,404
Total Comprehensive Income for the Period		126,121	105,404
Basic and diluted Earnings Per Share (QR)	6	5.31	4.44
Weighted Average Number of Shares		23,760,000	23,760,000

THE ATTACHED NOTES 1 TO 11 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended June 30, 2010

	Share Capital	Legal Reserve	Revaluation Reserve	Proposed Dividends	Proposed Bonus Shares	Retained Earnings	Total
	----- QR'000	----- QR'000	----- QR'000	----- QR'000	----- QR'000	----- QR'000	----- QR'000
Balance – January 1, 2009 (Audited)	144,000	172,354	80,117	86,400	14,400	129,856	627,127
Issue of bonus shares	14,400	--	--	--	(14,400)	--	--
Dividends paid	--	--	--	(86,400)	--	--	(86,400)
Total comprehensive income for the period	--	--	--	--	--	105,404	105,404
Balance – June 30, 2009 – (Reviewed)	158,400	172,354	80,117	--	--	235,260	646,131
Balance – January 1, 2010 (Audited)	158,400	172,354	80,117	79,200	79,200	155,681	724,952
Issue of bonus shares	79,200	--	--	--	(79,200)	--	--
Dividends paid	--	--	--	(79,200)	--	--	(79,200)
Total comprehensive income for the period	--	--	--	--	--	126,121	126,121
Balance – June 30, 2010 – (Reviewed)	237,600	172,354	80,117	--	--	281,802	771,873

THE ATTACHED NOTES 1 TO 11 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2010

	Note	Six Month Period Ended June 30,	
		2010	2009
		(Reviewed)	(Reviewed)
	-----	-----	-----
		QR'000	QR'000
Net Cash From Operating Activities		166,712	161,684
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment		(32,214)	(24,182)
Proceeds from disposal of property, plant and Equipment		5,762	8,680
Movement in long term receivables		714	714
Net movement in investments		(6,071)	(578)
		-----	-----
Net Cash Used in Investing Activities		(31,809)	(15,366)
		-----	-----
Cash Flows from Financing Activities:			
Dividends paid		(79,200)	(86,400)
		-----	-----
Cash Used in Financing Activities		(79,200)	(86,400)
		-----	-----
Net increase in cash and cash equivalents		55,703	59,918
Cash and cash equivalents at the beginning of period		85,828	(156,782)
		-----	-----
Cash and Cash Equivalents at the End of Period	7	141,531	(96,864)
		=====	=====

THE ATTACHED NOTES 1 TO 11 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

1. LEGAL STATUS AND ACTIVITIES

Mannai Corporation Q.S.C (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 registered office of the Company is situated in Doha, State of Qatar and listed on the Qatar Exchange. The consolidated financial statements comprise the Company and its subsidiaries together referred to as (the “Group”).

The principal activities of the Group are sales and service of automobiles and heavy equipment sales, information technology, engineering, geotechnical services, oil field services, sales and servicing of consumer products, office equipment, industrial products, travel, logistics, warehousing, facilities management, sponsorship and representation for international companies.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2009 except for certain new and revised standards and interpretations that became effective in the current period. These changes have had no material impact on the reported results or financial position of the Group. These interim condensed consolidated financial statements should be read in conjunction with the 2009 annual consolidated financial statements and the notes attached thereto.

The interim condensed consolidated financial statements are prepared under the historical cost convention.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

3. AVAILABLE FOR SALE INVESTMENTS

Available for sale investments includes QR 5 million invested in Mazaya Qatar Real Estate Development.

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	----- QR'000	----- QR'000
Net Book Value - beginning balance	218,032	222,088
Additions	32,214	45,130
Disposals	(5,369)	(9,966)
Charge for the period / year	(17,118)	(39,220)
	-----	-----
Net Book Value - ending balance	227,759	218,032
	=====	=====

5. SHARE CAPITAL

	June 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	----- QR'000	----- QR'000
23,760,000 (2009: 15,840,000) authorised, issued and fully paid shares of QR. 10 each	237,600	158,400
	=====	=====

The shareholders of the Company at the extraordinary meeting held on February 17, 2010 approved the Board of Directors proposal for the issue of 1 bonus share for every 2 shares held.

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

6. EARNINGS PER SHARE

	<u>Six Month Period Ended June 30,</u>	
	2010	2009
	(Reviewed)	(Reviewed)
	-----	-----
Net Profit for the period (QR)	126,120,635	105,403,780
Weighted average number of shares at end of the period	23,760,000	23,760,000
	-----	-----
Basic and diluted earnings per share (QR)	5.31	4.44
	=====	=====

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of statement of cash flows, comprise of the following:

	June 30,	June 30,
	2010	2009
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Bank balances and cash	148,001	135,580
Bank overdrafts	(6,470)	(232,444)
	-----	-----
	141,531	(96,864)
	=====	=====

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

8. RELATED PARTIES**a) Related party transactions**

Related parties represent the Joint Venture Company, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are at arms length basis.

Transactions with related parties included in the financial statements are as follows.

	<u>Six Month Period Ended June 30,</u>	
	2010	2009
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Sales	19,758	14,540
Purchases	798	1,291
Investments	5,000	--
	-----	-----

b) Compensation of Key Management Personnel and Directors' Remuneration:

	<u>Six Month Period Ended June 30,</u>	
	2010	2009
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Directors' remuneration	5,432	4,937
Compensation to key management personnel:		
Short-terms benefits	3,576	3,252
Post-employment benefits	253	153
Total	9,261	8,342
	=====	=====

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

9. CONTINGENCIES AND COMMITMENTS

	June 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	----- QR'000	----- QR'000
a) <u>Contingent Liabilities</u>		
Letters of guarantee	212,074	166,481
	=====	=====
b) <u>Commitments</u>		
(i) Capital commitments	113,250	14,571
	=====	=====
(ii) Lease commitments		
Less than one year	36,125	41,380
1 to 5 years	66,400	60,907
More than five years	22,317	25,805
	-----	-----
	124,842	128,092
	=====	=====

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

10. SEGMENTAL REPORTING

Six Month Period Ended June 30, 2010												
Business Segment	Auto	Heavy Equipment	Energy & Ind. Markets	Industrial Supplies	Information Technology	Travel	Engineering	Geotechnical Services	Home Appliances	Logistics	Shared Services	Total
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Revenue	291,171 =====	63,618 =====	54,077 =====	78,859 =====	317,764 =====	20,522 =====	57,591 =====	18,057 =====	54,929 =====	13,287 =====	(1,309) =====	968,566 =====
Net Profit	34,732 =====	9,244 =====	29,089 =====	9,347 =====	25,616 =====	11,592 =====	7,381 =====	775 =====	2,242 =====	1,356 =====	(5,253) =====	126,121 =====
Six Month Period Ended June 30, 2009												
Business Segment	Auto	Heavy Equipment	Energy & Ind. Markets	Industrial Supplies	Information Technology	Travel	Engineering	Geotechnical Services	Home Appliances	Logistics	Shared Services	Total
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Revenue	311,038 =====	91,689 =====	48,840 =====	69,209 =====	318,049 =====	23,749 =====	62,505 =====	20,767 =====	56,433 =====	14,208 =====	(6,468) =====	1,010,019 =====
Net Profit	28,620 =====	11,379 =====	17,047 =====	9,751 =====	19,249 =====	11,658 =====	8,464 =====	4,037 =====	3,887 =====	1,345 =====	(10,033) =====	105,404 =====

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2010

11. COMPARATIVE FIGURES

Certain comparative figures for the prior period / year have been reclassified, where necessary to conform to the current period's presentation.