



# MANNAI CORPORATION Q.S.C.

DOHA - QATAR

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012

### REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF MANNAI CORPORATION Q.S.C.

#### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Mannai Corporation Q.S.C. (the "Company") and its subsidiaries (the "Group") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### Scope of Review

Except as explained in the following paragraph, 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. Consequently, it 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.

#### Basis of Qualified Conclusion

The total assets, revenues and net profit for the period of the Group's subsidiary, Damas International Limited (the "Subsidiary"), which the Group obtained control effective 1 April 2012, included in the accompanying interim condensed consolidated financial statements aggregate to QR 3,058 Million, QR 778.6 Million, and QR 106.2 Million, respectively. The financial information of the Subsidiary as at 30 June 2012 was not reviewed by independent auditors and is included based on financial information furnished by the management. We were unable to carry out any review procedures and therefore are not in a position to provide any conclusion with regards to the amounts relating to the Subsidiary included in these interim condensed consolidated financial statements and consequently, are unable to determine whether any adjustments to these amounts were necessary.

#### Qualified Conclusion

Based on our review, except for the effects of such adjustments, if any, as might have been discussed in the "Basis of Qualified Conclusion" paragraph above, 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 IAS 34.

#### Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2011 were audited by another auditor, who expressed an unmodified opinion on those statements on 27 February 2012. Further, the interim condensed consolidated financial statements of the Group for the period ended 30 June 2011 were reviewed by another auditor, who expressed an unmodified conclusion on those statements on 9 August 2011.

Firas Qoussous  
of Ernst & Young  
Auditor's Registration No: 236  
Date: 8 August 2012  
Doha

### DIRECTORS' REPORT

The Directors are pleased to report an 85% growth in sales on a consolidated basis resulting in an increase in Net Profit of 46% for the period ended 30 June 2012 due to the acquisition of Damas during the 2nd quarter.

Net Profit attributable to the group was QR 168.6 Million compared to QR 140.5 Million for the same period in the previous year.

Return on Equity improved to 31% compared to 20% for the year ended 31st December, 2011.

**Keith Higley**  
Director

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	30 June 2012 QR'000 (Reviewed)	31 Dec. 2011 QR'000 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Bank balances and cash	186,904	88,293
Accounts receivable	575,997	450,734
Amounts due from related parties	24,041	3,103
Inventories	2,224,509	748,165
Margin to trade payable against unfixed gold	107,960	-
Advances to suppliers	82,543	46,414
Other current assets	101,485	35,424
<b>Total current assets</b>	<b>3,303,439</b>	<b>1,372,133</b>
<b>Assets related to discontinued operation</b>	<b>15,815</b>	<b>-</b>
<b>Non-current assets</b>		
Long-term receivables	714	1,428
Amounts due from related parties	188,355	-
Available for sale investments	37,474	14,485
Investment in joint venture companies	30,526	14,385
Investment in associate companies	1,191,329	1,147,281
Goodwill and other intangible assets	1,154,504	7,311
Property, plant and equipment	325,133	337,389
Investment properties	140,693	-
Other non-current assets	99,819	-
<b>Total non-current assets</b>	<b>3,168,547</b>	<b>1,522,279</b>
<b>TOTAL ASSETS</b>	<b>6,481,801</b>	<b>2,894,412</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdrafts	456,907	164,946
Interest bearing loans and borrowings	1,347,593	76,492
Amounts due to related parties	4,477	-
Accounts payable	489,111	224,465
Advances from customers	474,861	465,093
Other current liabilities	291,187	166,502
<b>Total current liabilities</b>	<b>3,064,136</b>	<b>1,097,498</b>
<b>Liabilities related to discontinued operation</b>	<b>8,653</b>	<b>-</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	1,657,150	390,862
Provision for employees' end of service benefits	70,009	36,501
Other non-current liabilities	31,831	-
<b>Total non-current liabilities</b>	<b>1,758,990</b>	<b>427,363</b>
<b>TOTAL LIABILITIES</b>	<b>4,831,779</b>	<b>1,524,861</b>
<b>Equity</b>		
Share capital	342,144	342,144
Legal reserve	513,216	513,216
Revaluation reserve	4,630	80,117
Foreign currency translation reserve	(1,014)	(1,180)
Fair value reserve	-	(1,095)
Proposed dividends	-	188,179
Retained earnings	491,644	247,586
<b>Attributable to equity holders of the parent</b>	<b>1,350,620</b>	<b>1,368,967</b>
Non-controlling interests	305,402	584
<b>TOTAL EQUITY</b>	<b>1,656,022</b>	<b>1,369,551</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,481,801</b>	<b>2,894,412</b>

These financial statements were approved and authorised for issue by the Director and Group Chief Executive Officer on 8 August 2012.

Keith Higley  
Director

Alekh Grewal  
Group Chief Executive Officer

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Six Month Period Ended 30 June	
	2012 QR'000 (Reviewed)	2011 QR'000 (Reviewed)
Revenue	2,032,913	1,097,623
Direct costs	(1,671,860)	(847,983)
<b>Gross profit</b>	<b>361,053</b>	<b>249,640</b>
Other income	215,132	13,729
Share of profit from associates and joint venture companies	29,238	13,488
General and administrative expenses	(227,961)	(73,133)
Selling and distribution expenses	(66,352)	(32,405)
Earnings before interest, depreciation and amortisation	311,110	171,319
Finance costs	(70,304)	(3,769)
Depreciation and amortisation	(30,757)	(19,755)
Net profit before directors' remuneration	210,049	147,795
Board of directors' remuneration	(8,647)	(7,205)
<b>Net profit from continuing operations for the period</b>	<b>201,402</b>	<b>140,590</b>
<b>Net profit from discontinued operation for the period</b>	<b>3,164</b>	<b>-</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b>204,566</b>	<b>140,590</b>
<b>Attributable to:</b>		
Owners of the parent company	168,571	140,537
Non-controlling interests	35,995	53
	<b>204,566</b>	<b>140,590</b>
<i>Earnings per share:</i>		
Basic and diluted earnings per share attributable to the owners of the parent company (QR)	4.93	4.93

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Month Period Ended 30 June	
	2012 QR'000 (Reviewed)	2011 QR'000 (Reviewed)
<b>NET PROFIT FOR THE PERIOD</b>	<b>204,566</b>	<b>140,590</b>
<b>Other comprehensive income (loss)</b>		
Net movement in fair value of available for sale investment	-	(650)
Foreign currency translation adjustment	395	5
<b>Other comprehensive income (loss) for the period</b>	<b>395</b>	<b>(645)</b>
<b>Total comprehensive income for the period</b>	<b>204,961</b>	<b>139,945</b>
<b>Attributable to:</b>		
Owners of the parent company	168,737	139,892
Non-controlling interests	36,224	53
	<b>204,961</b>	<b>139,945</b>