



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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2009
TOGETHER WITH
AUDITOR'S REVIEW REPORT**

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2009

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DIRECTORS' REPORT

The Directors are pleased to report a Net Profit of QR 105.4 Million for the six months ended 30th June, 2009 which is an increase in Net Profit of 32% over the corresponding period in 2008.

Following an AGM and EGM in February, 2009, the capital was increased to QR 158.4 Million by the issue of 1.44 Million bonus shares of QR10 each.

Earnings per share increased to QR 6.65 for the half year compared to QR 5.06 in the first half of 2008.

Mohamed Ali M. Al Kubaisi
Director

QR. 31230

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**To The Board of Directors
Mannai Corporation Q.S.C
Doha - Qatar**

We have reviewed the accompanying interim condensed consolidated financial position of Mannai Corporation Q.S.C as at June 30, 2009, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the six month period ended June 30, 2009, 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 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

**Doha – Qatar
August 4, 2009**

**Muhammad Bahemia
License No. 103**

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2009

ASSETS	Note	June 30, 2009 (Reviewed)	December 31, 2008 (Audited)
	-----	----- QR'000	----- QR'000
Current Assets:			
Bank balances and cash		135,580	26,887
Accounts and bills receivable		274,589	340,725
Due from related parties		1,073	1,204
Advances to suppliers		41,351	47,715
Accrued income		10,230	7,275
Inventories		637,520	646,406
Prepayments and other debit balances		13,518	13,759
		-----	-----
Total Current Assets		1,113,861	1,083,971
		-----	-----
Non-Current Assets:			
Investments		102	102
Long-term receivables		2,856	3,570
Investment in joint venture company		6,977	6,399
Property, plant and equipment	3	220,043	222,088
		-----	-----
Total Non-Current Assets		229,978	232,159
		-----	-----
Total Assets		1,343,839	1,316,130
		=====	=====

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2009

THE ATTACHED NOTES 1 TO 9 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2009

	Note	June 30, 2009 (Reviewed)	December 31, 2008 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY	-----	QR'000	QR'000
Current Liabilities:			
Bank overdrafts		232,444	183,669
Accounts payable		164,003	279,154
Advance from customers		122,983	48,133
Accruals and other credit balances		153,605	160,994
		-----	-----
Total Current Liabilities		673,035	671,950
		-----	-----
Non-Current Liabilities:			
Provision for employees' end of service benefits		24,673	17,053
		-----	-----
Total Non-Current Liabilities		24,673	17,053
		-----	-----
Shareholders' Equity:			
Share capital	4	158,400	144,000
Legal reserve		172,354	172,354
Revaluation reserve		80,117	80,117
Proposed dividends		--	86,400
Proposed bonus shares		--	14,400
Retained earnings		235,260	129,856
		-----	-----
Total Shareholders' Equity		646,131	627,127
		-----	-----
Total Liabilities and Shareholders' Equity		1,343,839	1,316,130
		=====	=====

These financial statements were authorised and approved for issue by the Director and Chief Executive Officer on August 4, 2009.

Mohamed Ali M. Al Kubaisi
Director

Alekh Grewal
Chief Executive Officer

THE ATTACHED NOTES 1 TO 9 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.S.C

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME AND
COMPREHENSIVE INCOME**

For the six month period ended June 30, 2009

	Note	Six Month Period Ended June 30,	
		2009	2008
		(Reviewed)	(Reviewed)
	-----	-----	-----
		QR'000	QR'000
Revenue		1,010,019	989,824
Direct costs		(788,545)	(800,839)
		-----	-----
Gross Profit		221,474	188,985
Other income		4,042	1,970
Share of profit from joint venture company		1,496	1,005
General and administrative expenses		(74,943)	(75,399)
Selling and distribution expenses		(28,273)	(22,915)
Depreciation of property, plant and equipment		(6,615)	(4,747)
Finance costs		(6,840)	(4,909)
		-----	-----
Net Profit for the Period before Directors' remuneration		110,341	83,990
Directors' remuneration		(4,937)	(3,838)
		-----	-----
Net Profit for the Period		105,404	80,152
		=====	=====
Total Comprehensive Income for the Period		105,404	80,152
		=====	=====
Basic and diluted Earnings Per Share (QR)	5	6.65	5.06
		=====	=====
Weighted Average Number of Shares		15,840,000	15,840,000
		=====	=====

THE ATTACHED NOTES 1 TO 9 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, 2009

	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, 2008 – (Audited)	120,000	172,354	80,117	48,000	24,000	84,136	528,607
Issue of bonus shares	24,000	--	--	--	(24,000)	--	--
Proposed dividends	--	--	--	(48,000)	--	--	(48,000)
Total comprehensive income for the period	--	--	--	--	--	80,152	80,152
Balance – June 30, 2008 – (Reviewed)	144,000	172,354	80,117	--	--	164,288	560,759
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)	--	-
Proposed dividends	--	--	--	(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

THE ATTACHED NOTES 1 TO 9 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, 2009

	Note	<u>Six Month Period Ended June 30,</u>	
		2009	2008
		(Reviewed)	(Reviewed)
	-----	-----	-----
		QR'000	QR'000
Net Cash From Operating Activities		161,684	87,513
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment		(24,182)	(27,799)
Proceeds from disposal of property, plant and equipment		8,680	4,802
Movement in long term receivables		714	714
Net movement in investments		(578)	716
		-----	-----
Net Cash Used in Investing Activities		(15,366)	(21,567)
		-----	-----
Cash Flows from Financing Activities:			
Dividends paid		(86,400)	(48,000)
		-----	-----
Net Cash Used in Financing Activities		(86,400)	(48,000)
		-----	-----
Net increase in cash and cash equivalents		59,918	17,946
Cash and cash equivalents at beginning of period		(156,782)	(130,708)
		-----	-----
Cash and Cash Equivalents at End of Period	6	(96,864)	(112,762)
		=====	=====

THE ATTACHED NOTES 1 TO 9 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2009

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 principal activities of the Company and its subsidiaries (the “Group”) are sales and service of automobiles and heavy equipment, information technology services, engineering, geotechnical services, oil field services, hire and servicing of consumer products, sale of office equipment and 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, 2008 and should be read in conjunction with the 2008 annual consolidated financial statements and the notes attached thereto, except for the adoption of new revised standards, which are as follows:

IFRS 8, “Operating Segments”

IFRS 8 is a disclosure Standard effective for annual periods beginning on or after January 1, 2009 that has resulted in a redesignation of the Group’s reportable segments, but has had no impact on the reported results or financial position of the Group.

IAS 1 (Revised 2007), “Presentation of Financial Statements”

The revised Standard effective for annual periods beginning on or after January 1, 2009 has introduced a number of terminology changes and has resulted in a number of changes in presentation and disclosures. However, the revised Standard has had no impact on the reported results or financial position of the Group.

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, 2009 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2009.

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2009

3. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2009 (Reviewed)	December 31, 2008 (Audited)
	----- QR'000	----- QR'000
Net book value - beginning balance	222,088	202,816
Additions	24,182	54,834
Disposals	(6,953)	(5,720)
Charge for the period / year	(19,274)	(29,842)
	-----	-----
Net Book Value - ending balance	220,043	222,088
	=====	=====

4. SHARE CAPITAL

	June 30, 2009 (Reviewed)	December 31, 2008 (Audited)
	----- QR'000	----- QR'000
15,840,000 (2008: 14,400,000) authorised, issued and fully paid shares of QR. 10 each	158,400	144,000
	=====	=====

- The shareholders of the Company at the extraordinary meeting held on February 26, 2009 approved the Board of Directors proposal for the issue of 1 bonus share for every 10 shares held.

For the six month period ended June 30, 2009

5. EARNINGS PER SHARE

	<u>Six Month Period Ended June 30,</u>	
	2009	2008
	(Reviewed)	(Reviewed)
	-----	-----
Net Profit for the period (QR.)	105,403,780	80,151,747
Weighted average number of shares at end of the period	15,840,000	15,840,000
	-----	-----
Basic and diluted earnings per share (QR.)	6.65	5.06
	=====	=====

6. CASH AND CASH EQUIVALENTS

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

	June 30,	June 30,
	2009	2008
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Bank balances and cash	135,580	55,286
Bank overdrafts	(232,444)	(168,048)
	-----	-----
	(96,864)	(112,762)
	=====	=====

For the six month period ended June 30, 2009

7. 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.

Transactions with related parties included in the income statement are as follows.

	<u>Six Month Period Ended June 30,</u>	
	2009	2008
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Sales	11,419	9,978
	-----	-----
Purchases	1,207	810
	-----	-----

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

	<u>Six Month Period Ended June 30,</u>	
	2009	2008
	(Reviewed)	(Reviewed)
	-----	-----
	QR'000	QR'000
Directors' remuneration	4,937	3,838
Compensation to key management personnel:		
Short-terms benefits	3,252	3,359
Post-employment benefits	153	162
	-----	-----
Total	8,342	7,359
	=====	=====

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2009

8. CONTINGENCIES AND COMMITMENTS

	June 30, 2009 (Reviewed)	December 31, 2008 (Audited)
	----- QR'000	----- QR'000
a) <u>Contingent Liabilities</u>		
Bank guarantees	166,929 =====	149,688 =====
b) <u>Commitments</u>		
Capital commitments	7,657 =====	16,641 =====

MANNAI CORPORATION Q.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2009

9. SEGMENTAL REPORTING

Business Segment	Six Month Period Ended June 30, 2009										
	Auto	Heavy Equipment	Energy & Industrial Markets	Information Technology	Travel	Engineering	Geotechnical Services	Home Appliances	Logistics	Shared Services	Total
	(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
Revenue	311,038 =====	91,689 =====	118,049 =====	318,049 =====	23,741 =====	62,505 =====	20,767 =====	56,433 =====	14,208 =====	(6,460) =====	1,010,019 =====
Net Profit	28,620 =====	11,379 =====	26,798 =====	19,249 =====	11,658 =====	8,464 =====	4,037 =====	3,887 =====	1,345 =====	(10,033) =====	105,404 =====

Business Segment	Six Month Period Ended June 30, 2008										
	Auto	Heavy Equipment	Energy & Industrial Markets	Information Technology	Travel	Engineering	Geotechnical Services	Home Appliances	Logistics	Shared Services	Total
	(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
Revenue	435,724 =====	97,750 =====	88,173 =====	224,023 =====	23,811 =====	63,829 =====	13,503 =====	37,167 =====	16,774 =====	(10,930) =====	989,824 =====
Net Profit	45,250 =====	9,925 =====	12,461 =====	13,236 =====	8,036 =====	8,748 =====	2,313 =====	2,334 =====	560 =====	(22,711) =====	80,152 =====

- Geographically, the Group operates in India, Oman and U.A.E. Qatar operations contributed 100% of the Group's profit (2008: 99.9%).