MANNAI
CORPORATION

Mannai Corporation Q.S.C.

Annual Report

2014

His Highness The Father Emir
Sheikh Hamad Bin Khalifa Al-Thani

His Highness The Emir
Sheikh Tamim Bin Hamad Al-Thani

526

2014 will be remembered as a milestone year where the company for the first time achieved a profit in excess of Qatari Riyals half a billion.

Table of Contents

Mannai Group

- Automotive Group
- Information and Communication Technology
- Medical Division
- Damas International Limited, UAE
- Axiom Telecom, UAE
- Travel Group
- Home Appliances and Electronics Division
- Gulf Laboratories Co. WLL
- Gulf Geotechnical Services and Material Testing LLC, Oman
- Energy and Industrial Markets
- Industrial Supplies and Building Materials
- Manweir LLC
- Cofely Besix Mannai Facility Management LLC
- Qatar Logistics WLL
- Techsignia Solutions Private Limited, India
- Global Trading Center, UAE
- GTC Otomotiv A.S. Turkey

Chairman's Report

"In terms of shareholder value, QR 1 million invested in Mannai shares at the beginning of 2008 was worth more than QR 14 million to the investor at the end of 2014"

In my previous Annual Report I commented that Mannai was in the process of increasing its shareholding in Damas International Ltd in Dubai from 66% to 81% by acquiring the 15% stake of the founder shareholders. Following the completion of that transaction in early 2014 Mannai also succeeded in acquiring the remaining 19% shareholding held by a private equity company. Consequently, Damas became a wholly owned subsidiary of Mannai in 2014.

As a result of the 100% ownership, and the excellent performance of Damas during the year, Damas was the largest contributor to Mannai's Net Profit in 2014.

Once again the diversity of Mannai's business sustained the continued annual trend of increased profits. Mannai's IT business made a particularly strong contribution, as did the Automotive & Heavy Equipment businesses. Whereas, there was a drop in the contribution from the company's 35% stake in Axiom Telecom due to margin pressures in the handset sector during the year.

I am pleased to report that, overall, the consolidated Net Profit of Mannai Corporation grew by 18% during the year, from QR 446 million in 2013 to QR 526 million in 2014.

There is no doubt that the development of our business, year on year, has been made possible by the continuing underlying sound economic environment in Qatar, thanks to the wise leadership of the Emir H H Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani.

It is of interest to note that the success of the Qatar Exchange in obtaining MSCI Emerging Market status in June 2014, coupled with market liquidity measures recently introduced by the Qatar Exchange, has resulted in a record increase both in the trading of Mannai's Shares and in the number of international shareholders in Mannai. The number of foreign shareholders, mainly institutions more than doubled by the end of the year.

The creation of value for our shareholders has always been a key objective of the Board, and it is an important aspect of the Company's dividend policy.

Mannai was listed on the Qatar Exchange in August 2007, and in terms of shareholder value in the 7 full years since that time, QR 1 million invested in Mannai shares at the beginning of 2008 was worth more than QR 14 million to the investor at the end of 2014, based on share price appreciation, the benefit of bonus shares and the reinvestment of dividends during that period.

As a result of the continued strong profit performance in 2014, the Board has recommended an increased dividend of 60%, being QR 6 per share.

I would like to express my thanks and appreciation to the managers and staff throughout all our businesses for their individual efforts and contributions to the ongoing achievements of the Company.

Looking ahead, the economic consequences for the region of the recent fluctuations in the oil price are not clear, but I am confident that Mannai's diversified business and its active participation in the infrastructure developments taking place in Qatar will underpin the Company's good performance in 2015 and beyond.

Hamad Bin Abdulla
Bin Khalifa Al-Thani
Chairman

Director & Group Chief Executive Officer's Report

"2014, a milestone year"

2014 will be remembered as a milestone year where the company for the first time achieved a profit in excess of Qatari Riyals half a billion.

While the year on the whole was positive we did encounter headwinds in some of our businesses. However, a key strength of Mannai is the diversity of its portfolio of businesses and being a diverse conglomerate these underperforming businesses were more than compensated for by the over achievement of others.

The company completed a buy-out of the minority shareholders in Damas and consequently Damas is now a wholly owned subsidiary of Mannai. Damas increased its Operating Profit from its core activities by 30% in 2014. During the year Damas added to its extensive range of stores by opening more than 25 new stores designed in the new concept and commenced a refurbishment programme of existing stores.

Auto Group expanded its presence in Turkey and now has two Opel dealerships and one Toyota dealership in Istanbul. In Qatar, its Heavy Equipment division benefitted from the increased activity in the country's infrastructure development. JCB unit sales increased by 31% over the previous year while Grove cranes increased by 46%.

The ICT business delivered another year of record profits by focussing on a coherent alignment of their products and services portfolio. Its strong order book will ensure that the business will continue its excellent performance in the coming year.

Our associate company AXIOM struggled during the year due to the spill over effects of the significant decline in Blackberry sales, along with Samsung eroding margins to maintain market share with only limited support. The company is however well positioned to execute its new strategic initiatives which will bring its earnings back on track.

The first half of 2014 witnessed the on boarding of our new shareholder Cofely Besix Facility Management to form a new entity Cofely Besix Mannai Facility Management. This partnership will enhance our capabilities to deliver world class services to our clients.

Performance

The Company delivered another year of record profits:

- Group Turnover increased to QR 5.9 Billion
- Net Profit attributable to the company amounted to QR 526 million, an increase of 18% over 2013 Net Profit of QR 446 million
- The Company's overseas operations contributed 59% of the overall profit of the Group
- Return on Equity is 24.3%

Diversity of business

Mannai Corporation is a conglomerate operating within a single set of values that we call the "Mannai Way". We work with an array of leading globally recognised brands and international partners.

Our diverse range of trade and service businesses deal with customers in the Oil & Gas industry, the commercial and government sector, as well as retail clients throughout the GCC and more recently in Turkey. We aim to continue to provide a platform for future profitable growth, listening and responding to the changing needs of our customers and clients while staying true to our core values of quality, value, service and trust.

Details of our businesses are expanded on in a subsequent section of this report.

Awards

We sincerely appreciate the recognition accorded to us by our multinational principals for our on-going commitment to the Service and Quality, which are listed later in this report.

Future outlook

Mannai will continue to explore acquisition opportunities directly or through its Damas subsidiary. We are cautiously optimistic that the recent decline in Oil and Gas prices will be temporary, so as not to affect consumer sentiment and infrastructure development.

We remain committed to continuing our growth as a company, and delivering positive results for our shareholders.

Alekh Grewal
Director &
Group Chief Executive Officer

OUR VISION

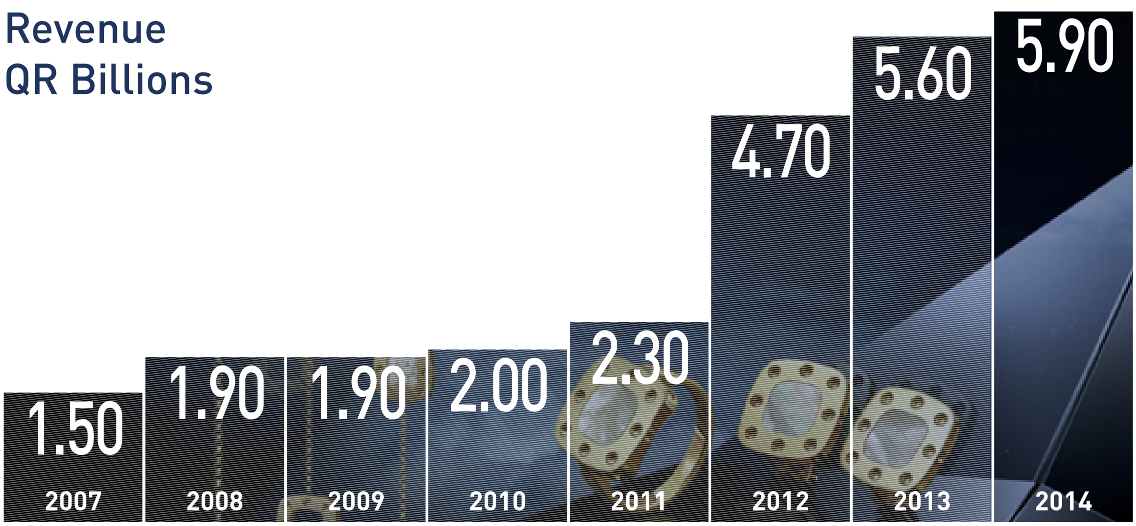
Through exceptional service and added value, build Mannai to be the most dependable business partner in the region.

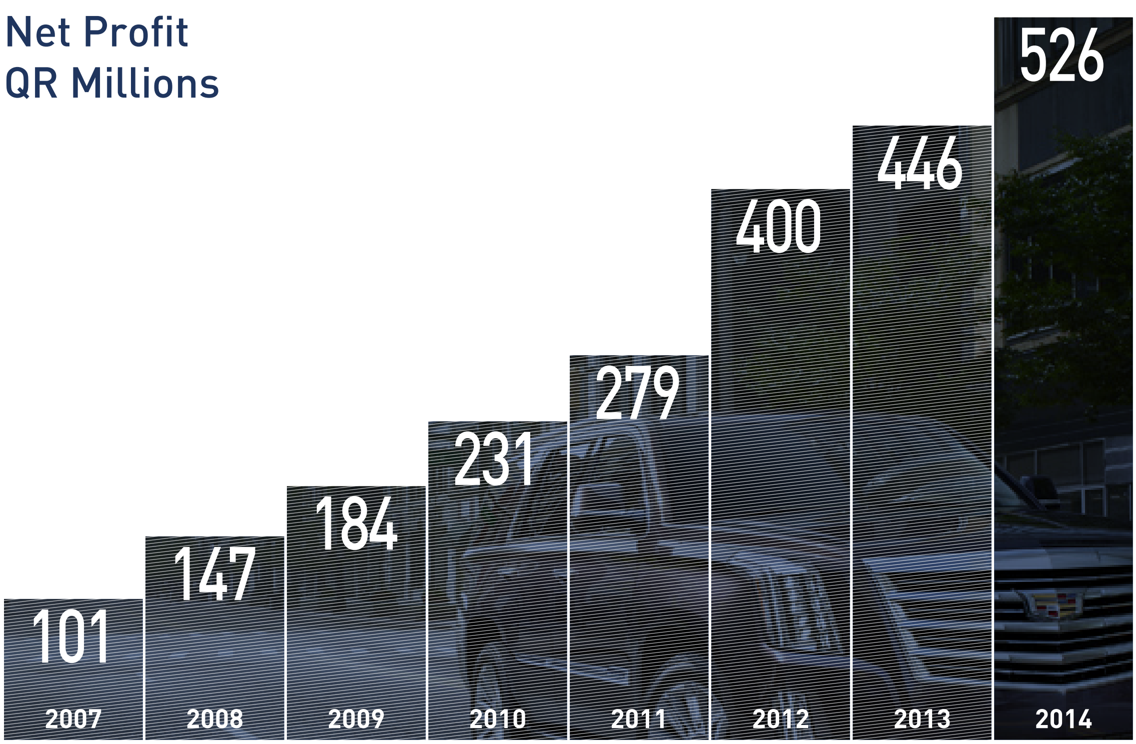
OUR MISSION

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.

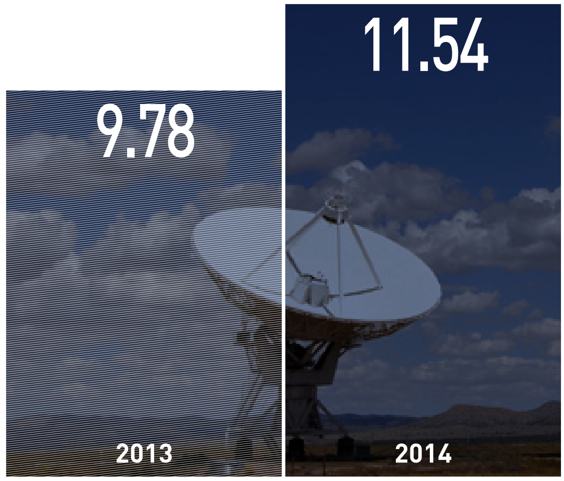

DIAMOND FLOWER BROOCH

Financial Highlights

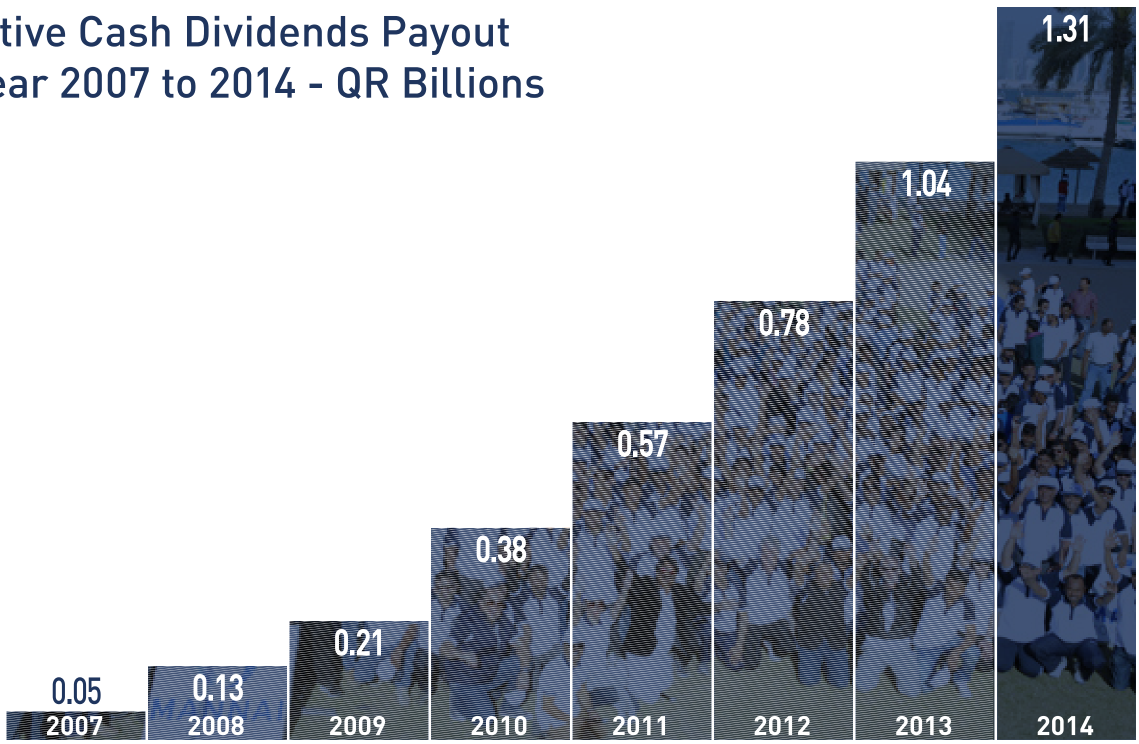




Earnings Per Share - QR



Cumulative Cash Dividends Payout From Year 2007 to 2014 - QR Billions



Board of Directors

Sheikh Hamad Bin Abdulla Al-Thani
Chairman

Sheikh Suhaim Bin Abdulla Al-Thani
Vice Chairman

Alekh Grewal
Group Chief Executive Officer
and Director

Mohamed Ali M. Al Kubaisi
Director

Rashid Fahad Al Naimi
Director

Ali Yousef Kamal
Director

Keith Higley
Director

Khalid Mannai
Director

Said Abu Odeh
Director

Executive Committee

Sheikh Suhaim Bin Abdulla Al-Thani
Chairman of the Executive Committee

Alekh Grewal
Group Chief Executive Officer
and Director

Khalid Mannai
Vice Chairman of the Executive
Committee

Mohamed Helmy
Group General Manager, Automotive

Ewan Cameron
Chief Financial Officer

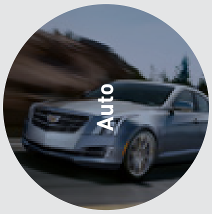
Murat Hacisalihzade
Group General Manager,
Information and Communication
Technology

Stephane Ageorges
Head of Operations

Said Abu Odeh
Member

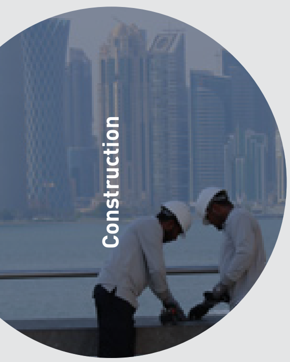
Awards Received
by Mannai Corporation QSC, Group of Companies

Damas CEO as Retail CEO of the Year 2014
Service Excellence Award 2013
Won CAD/CAM Technology Award in the Professional Group Category
Won Object D' Art Award in the Professional Group Category



Fix It Right First Time or FIRFT Award- Q4
GM award - Mannai-Qatar as first place for Service Advisor Championship for Q4 2013
GM certificate & Gold Award to Mannai for Fix It Right First Time (FITRT) - Q2 of 2014

Best DPAD (Data Protection and Availability Division) Partner of the Year 2014
RSA EMEA Partner of the Year award 2014
PALO ALTO - Partner of the Year in Qatar
BARRACUDA - Partner of the Year for MEA
CITRIX - Fastest Growing Partner
SYMANTEC - Small Business Achiever Award
STARLINK - Excellence in IT Security Leadership
HP New Style for IT Partner of the Year - Middle East 2014
NEXThink Partner of the Year - Middle East 2014
NEXThink Innovation Award "Security" - Worldwide 2014
Oracle Specialized Partner of the Year: Engineered Systems/Big Data/BI – Gulf States and Saudi Arabia
ICT Business Award: Service Provider of the Year (Hardware)
OpenText Partner of the Year – Middle East
Cisco Capital Partner of the Year 2014
EMC DPAD Partner of the Year 2014
EMC-RSA Partner of the year for EMEA
Panduit Partner of the Year 2014



Best distributor of Bitumat products in Export/ Middle East region during the year 2014
Best distributor of Lama Products for the year of 2014
Excellence award in Sales & Marketing (TWIN WALLS LLC) during the year 2014
Excellence award in Sales & Marketing of Terraco waterproofing products in Qatar for the year 2014
Best distributor of Construction Material in Qatar during the 2012, 2013 and 2014
Excellence award in Sales (ALYAF) for the period January to December 2014
Excellence award in Sales of Eastern Coast Polystyrene in Middle East Region during the year 2014

Distributor Partner of the Year FY13 – Ricoh
No. 1 software sales – Ricoh, MEA region excluding Turkey, U.A.E, Morocco and South Africa

The Mannai Way

We want Mannai to be clearly recognised as the standard of excellence.

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 the countries in which we operate 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.

Corporate Governance

Mannai Corporation is committed to having a high level of corporate governance practices and procedures in a way which maintains the company's standards and enhances shareholder value.

During 2009, the Qatar Financial Markets Authority issued a Corporate Governance Code for listed companies in Qatar. Accordingly, as reported in the 2009 Annual Report the Board of Mannai Corporation began structuring its corporate governance procedures in line with the principles of the Code and the actions taken and updated status is summarised below:

- The Terms of Reference for our Board Committees were published in 2009 Annual Report and are available on our website www.mannai.com

- The Company's Dividend Policy and Remuneration Policy have been submitted to our shareholders in accordance with the Code. These have been outlined below and are also available on the Company's website.

  The company has not yet adopted the following Articles of the Code into the Company's Articles of Association and the explanations are given below:

  › Code Article 9/1 Board Composition. However, the composition of our Board is compliant with this Article of the Code.
  › Code Article 23/1 Access to Information. However, detailed existing terms of access to information are contained in our present Articles of Association although not in the exact terms of the Code.
  › Code Article 26/1 Shareholders' Rights Concerning Board Members' Election. However, the Board accepts the principle.
  › Code Article 28/2 & 3 Minority Shareholders' Rights and Tag along Rights (The Board recognise their responsibility to represent the interests of all shareholders, however shareholder decisions will ultimately depend on a majority vote, in accordance with the Article 128 of the Commercial Companies Law no. 5 for the year 2002).

  At the Ordinary General Assembly on 22nd March, 2015 the shareholders have been informed of the position as stated above and supported the Company's approach on Corporate Governance.

- The annual report for the financial year ended 31st December, 2014 is also available in Arabic and English on the company's website.

BOARD COMMITTEES

AUDIT COMMITTEE		NOMINATION COMMITTEE	
Sheikh Suhaim Bin Abdulla Al-Thani	Chairman	Sheikh Suhaim Bin Abdulla Al-Thani	Chairman
Mohamed Al Kubaisi	Member	Mohamed Al Kubaisi	Member
Ali Yousef Kamal	Member	Ali Yousef Kamal	Member
Alekh Grewal	Member		
REMUNERATION COMMITTEE		**CORPORATE GOVERNANCE COMMITTEE**	
Sheikh Suhaim Bin Abdulla Al-Thani	Chairman	Keith Higley	Chairman
Mohamed Al Kubaisi	Member	Said Abu Odeh	Member
Keith Higley	Member		

DIVIDEND POLICY

Article 37 of the Corporate Governance Code requires that the Board of Directors shall submit to the General Assembly a clear policy on Dividend Distribution.

This shall include the background and rationale of such policy in terms of the best interest of the Company and the shareholders.

The payment of dividends is subject to the recommendation of the Board of Directors and approval by the Company's shareholders.

Since becoming a Listed Company the company paid the following Cash dividend and Bonus Shares:

Years	Cash Dividend	Bonus Shares
2007	40%	20%
2008	60%	10%
2009	50%	50%
2010	70%	20%
2011	55%	-
2012	47.5%	-
2013	55%	-
2014	60%	-

The declaration of dividends is discretionary and generally in line with market practice. Any future dividend payments by the Company will depend on a number of factors including but not limited to the company's operational performance, financial results, financial condition and prospects, as well as cash and liquidity requirements (including capital expenditure and investment plans) the market situation, legal regulatory and other such factors as the Board may deem relevant at the time.

The Company believes that the payment of dividends is an important element in creating shareholder value for its investors and subject to the above, it is the policy of the company at this time, which may be subject to changes in the future, to propose to the shareholders cash dividends generally in line with the market.

REMUNERATION POLICY

Mannai Corporation aims to remunerate fairly and responsibly by ensuring reward for performance is competitive and by aligning executive reward with shareholders interests.

Remuneration takes into account the responsibilities and scope of the functions at all levels as well as the performance of the company.

Compensation at Management and Senior Executive level includes fixed and performance related components in order to motivate the achievement of objectives and to link rewards to corporate and individual performance. It may also include a component based on long term performance of the company.

No Senior Executive or Director should decide his or her own remuneration.

Business Review 2014

Automotive Group

Cadillac's Escalade grew by an impressive 55% while GMC Yukon increased by more than 30%.

In line with Mannai's strategy of targeting markets that will continue to grow (with the intent to geographically diversify its revenue), Mannai Automotive Group has been looking for acquisition opportunities internationally and has been diversifying outside Qatar under the GTC brandname.

In continuation of its diversification strategy, Mannai's fully owned subsidiary in Turkey – GTC Otomotiv started two new 3S Facilities (Sales, Spares & Service) in 2014, representing General Motors' Opel range of vehicles on the Anatolian side of Istanbul and Toyota's range of vehicles on the European side of Istanbul. Consequent to GM's decision to discontinue Chevrolet brand in Europe, hence GTC Otomotiv continues to sell spares and service Chevrolet vehicles.

GTC (Global Trading Center), the overseas operations at Jebel Ali Free Zone, started establishing its presence in its territory over the last couple of years by actively trading in a wide range of Auto spares - Hengst filters from Manfred Germany, Berco Italy's undercarriage, Metaris Canada's hydraulic parts, ETP Italy's heavy equipment spare parts, mechanical, electrical and trailer parts from Schaefler, Hella & Jost from Germany, alongside many others.

Mannai Automotive Group in Qatar is constituted of two broad segments - the Passenger & Commercial vehicles segment and the Heavy Equipment & Construction Machinery segment; together they represent more than forty principals that are based across the globe.

Mannai Automotive Group has been offering all its clients the widest range of vehicles, heavy equipment and machinery, well supported by an extensive network of after sales service centres.

Mannai Automotive Group has been delivering exceptional service and added value, in line with Mannai's Vision Statement, making Mannai the most dependable business partner in the region.

Cadillac

GMC
COMMANDS RESPECT

SUBARU
Confidence in Motion

New Vehicle Sales

Mannai Automotive Group holds exclusive franchise for General Motors' leading vehicle brands, Cadillac and GMC, and is also the sole distributor in Qatar for Subaru vehicles, the premium Japanese manufacturer.

GM had started aligning its models with those of its competitors in the market since last year; Mannai Automotive, has successfully launched 3 new models (the Cadillac ATS, Cadillac XTS & GMC Sierra) in 2013; further launched the much awaited flagship models, the Cadillac Escalade and Yukons in 2014, along with Cadillac CTS and Cadillac ATS Coupe, all of which boast of highly advanced technologies. Customer enthusiasm and confidence in General Motors' new range of products was reflected in the increase in Sales of units (2014 vs. 2013). Cadillac's Escalade grew by an impressive 55% while GMC Yukon increased by more than 30%. The momentum for newly launched models is expected to continue during 2015 and the outlook looks very positive.

Service and Parts

Mannai Automotive Group won the Service Advisor Gold award in the Service Advisors Championship – Q2, 2014 conducted by General Motors. This was an outcome of providing our customers with quality service leading to achieve higher level of customer satisfaction with respect to after-sales service and maintenance.

The Service division ranked amongst the top 3 Dealers for the 'Fix it Right First Time' program conducted in the GCC & Levant region.

Having invested in Satellite Outlets / Branches (establishing Mannai presence across the geographical spread of the State of Qatar) and additional Mobile Units (providing Services at Customers' premises), Mannai Automotive Group has enhanced its capability to provide faster, more efficient, convenient and comfortable delivery of products and services to customers. This has resulted in meeting & exceeding our customers' expectations.

GTC TURKEY

TOYOTA Let's Go Places

Wir leben Autos.

CHEVROLET


JCB
JCB
JCB 500

Heavy Equipment Division

The Heavy Equipment Division (HED), a business segment within Mannai Automotive Group, specialises in the sales and marketing of Heavy equipment and construction machinery, catering to the construction and industrial sectors. The product line includes Grove cranes, JCB units, TCM forklifts, Massey Ferguson agricultural tractors and farm equipment, generators, Daewoo Buses, DAF and Eicher Trucks, Comp Air-Holman air compressors, Thermo King Transport refrigeration and Detroit Diesel industrial/marine engines.

HED also provides an efficient after-sales support with adequate stock of spares and components maintained in the warehouse and specialised workshop services for repairs and maintenance. For increasing customer satisfaction and convenience, HED invested in after-sales operations by opening an additional Service Center in the Industrial area, primarily focused on Trucks and Buses.

HED continued to capitalise upon strong market growth in the construction industry during the year 2014, thereby recording significant increase in the market share of its reputable brand names.

In 2014, HED registered handsome growth in sale of JCB units over 2013, which led to a significant increase in its units in operation.

Furthermore, HED achieved substantial market share in Cranes and was certified by Grove Cranes as "Elite Distributor", a recognition granted for the strong efforts and marked improvements in developing after sales support for its customers in Qatar.

Having signed distributorship agreements with Dulevo from Italy and Mathieu from France, HED complemented its existing range of Elgin Road Sweepers and thereafter bagged a big order from a reputed customer, for the entire range of its product-lineup of Sweepers.

With huge emphasis from the State of Qatar to grow the infrastructure sector over the next decade, HED, with its wide product range and efficient workshop facilities, is well positioned to increase its market share.

Information and Communication Technology

Mannai's ICT Group achieved excellent results in 2014, growing its revenue by 30% to almost QR 1.6 billion.

This impressive performance was primarily driven by very strong results of its Networking & Telecoms and InfoTech business in Qatar. As such the focus on its core pillars and the dominant leadership position in its local market proved to be the key elements to Mannai ICT's continuing success.

ICT Group has a clear focus on their key principals and a coherent alignment of the product and service portfolio. This is ensuring that Mannai ICT is ideally positioned to provide the highest quality solutions to its customers throughout the entire technology stack and to participate in the National Vision 2030 of Qatar.

The ICT Group is organised into the following business units: **Networks and Telecom** provides Cisco based voice and data solutions, structured cabling, EMC storage and CCTV to key customers in Qatar; Mannai InfoTech is aligned with the portfolio of its key principal Oracle and is in an ideal position to add value to its customers businesses by providing optimally integrated end-to-end solutions. The division is leaving a distinct mark with its excellent professional service skills relating to application development and implementation. The **Systems** division provides comprehensive hardware, storage, virtualization and security solutions from, Microsoft, VMWare, NetApp, Symantec and a host of other vendors; Finally, HP is represented with an individual business unit HP Solutions within Mannai ICT to reflect its broad capabilities in the realm of Hardware, Software and Printing & Computing Systems.

Mannai ICT's **Networks and Telecom** division provides solutions for Data Center infrastructure based on industry best practices to address needs of Small, Medium, Enterprise & Service-Provider customers. The Business Unit focused successfully to provide integrated solutions that involve Computing, Virtualization, Storage, Backup, Recovery, Security & Automation that are provided by Market Leaders like Cisco Systems, EMC, VMware, VCE, RSA & Pivotal. Mannai Networks & Telecom was honoured with two prestigious awards – Best DPAD Partner of the Year 2014 and the RSA EMEA partner of the year. In addition to the above honours, Mannai Networks became the 1st in Qatar to earn the VMware Software-Defined Storage competency.

The **InfoTech** (formerly Software Services) division showed an outstanding performance by revenue growth of 24% YoY. Having further broadened its foothold in Qatar's private and public sector, the division has gone from strength to strength and consistently over-delivered on strategic software implementation projects in the sphere of mobile, cloud computing and big data based solutions. This excellent work under the division's new team was duly recognised by Oracle and was conferred Specialised Partner of the Year award for its services in the area of Engineered Systems / Big Data / BI. Additionally, OpenText has accredited Mannai as its Platinum Partner and bestowed it as a Specialised Partner for delivering OpenText solutions.

Within Mannai ICT's Systems division, the broad cosmos of world-class technology solution partners was further broadened by new tie-ups with Nutanix, Watchdox, Accelops, Secunia. Major turnkey solution projects were delivered for Hamad Medical Corporation and the Supreme Educational Council. The division was awarded the highest partnership status from VMWare and was accredited as the Symantec Platinum Certified partner in the Gulf. Additionally, Partner of the Year awards were received from Palo Alto Networks, Barracuda, Vision Solutions (Double Take), Citrix, Starlink & Veeam. The division is excellently positioned in order to gain from increased IT spending in the fields of cloud computing and IT security.

Mannai ICT's **HP Solutions** division continues to be the No. 1 HP Partner in Qatar & Middle East for the second consecutive year. HP Solutions division was accredited as the First & only HP Platinum Partner for the HP Printing & Computing Systems in the State of Qatar. The division has become the only HP Partner in Qatar that is accredited as a HP Platinum Partner for Hardware, Software and Printing & Computing Systems. These accolades have been achieved on the back of many major turnkey solution projects which were delivered to Qatar's public and private sector.

Mannai ICT's **Galileo** division achieved another successful year as Qatar's premier provider of Global Distribution System (GDS) services to Qatar's growing travel industry and further increased its market share. This was achieved by signing a long term subscription agreement with a Qatar's leading travel management company.

Mannai ICT's **Office Equipment** division contributed solid results in terms of revenue and steady net profits. The division's performance has been acknowledged internationally by its most significant business partner Ricoh, and was conferred the Partner of the Year award.

The **Medical and Scientific Equipment** division made important contribution to Qatar's growing and ambitious healthcare & scientific research sector. Most significant was the installation and handing over of GE Healthcare's first 3.0 Tesla MRI Scanner in the country at ASPETAR Hospital. The division also installed and commissioned region's first TomAblate system, a cutting-edge technology for the treatment of bone metastases, at the National Center for Cancer Cure & Research (NCCCR). Another first was the penetration of the Omnicell Pharmacy Automation System into Hamad Medical Corporation for its Medical City Project. Making its presence felt in the Scientific and Research sectors, for Qatar Foundation's QEERI and QBRI projects, high value contracts were won by the division along with other niche products for other research institutions. With a robust backlog of orders in hand and while building up its execution capabilities, the division is exploring new areas of growth and is confident to make further contributions to the healthcare sector in the State of Qatar.

CISCO ORACLE hp Microsoft OPENTEXT Partner PLATINUM esri BEACONMEDÆS Leica

Damas International Limited

At the beginning of 2014 Mannai completed a buy-out of the minority shareholders in Damas and consequently Damas is now a wholly owned subsidiary of Mannai.

Damas International Limited (Damas) is the leading jewellery house in the Middle East.

Since its inception in 1907, Damas has grown to become known and respected for unparalleled quality and delightful innovations in diamond jewellery, gold jewellery, pearls, precious stones and watches. It has the most extensive network of jewellery stores throughout the GCC.

Damas entered the Mannai group of companies in April 2012 when Mannai Corporation acquired a 66% stake in Damas. A level of remedial work was required and a restructuring plan has been successfully implemented over the past 2 years.

Headquartered in Dubai in the UAE, Damas operates throughout the Gulf region and employs around 2000 staff. In 2013, Damas launched a new corporate strategy to realign the business with the changing customer landscape. This resulted in a new brand identity and refreshed store concepts to enhance the shopping experience of its customers.

At the beginning of 2014 Mannai completed a buy–out of the minority shareholders in Damas and consequently Damas is now a wholly owned subsidiary of Mannai.

During 2014 Damas opened more than 25 new stores designed in the new concept and commenced a refurbishment programme of existing stores.

As well as its own collection of new and established in-house brands such as; Farfasha, OneSixEight, Gehna, Hayati, Legacy, Orana, Solana and Vera, Damas also represents more than 40 famous international brands including Graff, Forevermark, Roberto Coin, Mikimoto, Girard Perregaux, Parmigiani, Folli Follie, Stroili, Arnold and Son and Louis Moinet.

In addition to refreshed stores and product innovation, a further key area for investment in 2014 was in training and development.

The "Our Damas" programme, concentrating on interactive presentations of the values defined within Damas, were held with the staff in each of the company's networks in the GCC.

More than 250 sales personnel were trained and qualified by Gemological Institute of America, and this GIA qualification programme continues into 2015.

A further client service programme 'The Damas Signature Customer Experience' was also launched in 2014.

Facebook, Twitter, Instagram and the Emirates Airlines in-flight video entertainment system were added to media activities during the year to further develop Damas brand awareness.

In terms of financial performance Damas increased its Operating profit from core activities by 30% in 2014, fully meeting Mannai's expectations. The overall Net Profit of AED 435 million in 2014 included significant exceptional income resulting from the financial restructuring activities initiated since Mannai's investment.

The turnaround phase of Damas as a company is complete. It now has a healthy balance sheet, a strong management team and a growth strategy already underway.

damas

FABERGÉ

ROBERTO COIN

GRAFF

LOUIS MOINET 1806

PARMIGIANI FLEURIER

MIKIMOTO

Axiom Telecom

Mannai Corporation acquired a 35% shareholding interest in Axiom Limited (Axiom) as a part of its diversification strategy in 2011.

Axiom is the Middle East's leading multi-brand, multi-channel distributor of mobile telecommunications handsets, accessories and telecom services.

Axiom employs over 2,000 employees, a portfolio of 500 retail points and reaches over 4,733 points of sale across the region. The Company has a presence in the United Arab Emirates (UAE), Saudi Arabia (KSA), Kuwait. Axiom generates revenue from the sale and service of mobile handsets and accessories (referred to as "mobile devices") and telecommunication services via its partnerships with mobile telecommunication operators (referred to as "telecom services").

The Company is a strategic partner of major telecommunication operators such as du (UAE) and Zain (KSA) and sells a full range of products sourced directly from major brands, including Apple, BlackBerry, Nokia, Samsung, HTC, Huawei, Lenovo, Sony and LG.

Key strengths:

- Middle East handset and telecom services market leader
- Unique partnerships with world's top mobility businesses
- Strong presence in booming and emerging markets
- Multi-brand, multi-channel strategy
- Customer loyalty continually bolstered via a comprehensive range of value-added services
- Reputation for innovation, including introducing key products to market ahead of its competitors

Throughout 2015 and beyond, Axiom aims to ramp up its business by:

- Fine-tuning and developing value-added services to pre-empt or to react to customer needs
- Continue to leverage existing distribution channels to bring must have products to market ahead of the curve.

Salik:

Axiom has recently started selling Salik (toll gate) top up vouchers to customers from all points of presence in UAE. Another great initiative from Axiom which provides further convenience to customers who need to top up the credit on their Salik tag.

Mannai Air Travel

Travel Group had a challenging year and yet has managed to stay ahead of the market and is recognised as a market leader. It is always striving to retain its leadership position as an IATA /ASTA and an ISO 9001 certified travel service provider. The Travel Group since its inception as an in-house service provider has grown and today has five divisions; Mannai Air Travel, Space Travel, Cargo, Mannai Holidays, and VFS.

Mannai Air Travel as an IATA agent is one of the most trusted Travel Management Companies in the region, offering services to a range of large corporate clientele in the Oil and Gas industry, Educational sector, Banks and SMEs. Mannai Air Travel has a global reach through its affiliation with BCD Travel, a global Travel Management Company providing strong support to service the multinational companies as well as local and regional corporate business clients.

Space Travel as a General Sales Agent represents Philippine Airlines, Korean Air, Kenya Airways and is establishing and growing a distribution network for flydubai, the fastest growing regional low cost carrier which currently operates 9 daily flights in and out of Doha, and has gained a larger market share over the years. As the flydubai network grows, so does the opportunity for Space Travel. Flydubai has ambitious growth plans for the year 2015 with route expansion and is looking at additional flights to Qatar as well.

Space Travel has been successful in establishing an impressive market share for **flydubai Cargo** by establishing effective networking and supporting the Cargo agents to use flydubai as it is now offering more destinations.

Mannai Holidays is a comprehensive Leisure Travel Services provider and has grown over the years to become a mature and respected name among both principals and end users. It offers full range of leisure products and provides all inclusive packages to both individual and group travellers and is now branching out to represent international holiday products.

Mannai Holidays represents a number of international companies and helps them position their products within the regional travel trade, as well as making the same services available to the end user, the holiday and leisure traveller.

We as a local **VFS** representative are the most recognised and established business process support company for acceptance of visa applications on behalf of several European and Asian missions.

During 2015, the goal is to expand the Travel Group within the GCC region and also to grow our back office operation to extend our reach in the regional market and stay competitive. The Online tool is now being rolled out to the Corporates in Doha who are looking for a web based Corporate Booking Tool and self-booking options and this operation is now supported by a web based On Line Booking Tool. With our own proprietary Travel Management System, we will give the local and multinational companies a smart application to manage their travel needs most efficiently.

Home Appliances and Electronics (HAED)

A "Total Home Solution Provider", Mannai Home Appliances and Electronics Division (HAED) continues to improve the quality of life by providing its customers with world class appliances and electronics under one roof.

HAED business is focussed on retail and wholesale customers as well as projects directly linked to the construction of commercial and residential properties in Qatar.

HAED's Wholesale section continues to witness a steady growth year on year. Our product availability has been further strengthened by the Wholesale section through its distribution network, which includes major hypermarkets, supermarkets, power retailers and many medium-scale dealers in Qatar.

During end of 2014, HAED Retail section relocated into a spacious modern showroom, to provide customers with convenience and accessibility to our quality products. The new showroom features wide range of quality products for Home and Kitchen Appliances and Electronics.

HAED Projects is continuously growing and has won many prestigious projects in Qatar and was able to meet its commitment of providing a total Home Appliances solution for commercial and residential projects. In 2014, Projects Section was able to secure many landmark projects assisted by its global suppliers Electrolux, White Westinghouse, Ignis, Bompani, Toshiba, TCL, Moulinex, Scotsman and Coleman.

Under the motto "We Service, Whatever We Sell", our HAED Service section has also been instrumental in the overall success of HAED. The turn-around-time for servicing of appliances and electronics has been improved with its professional service team, thereby enhancing customer satisfaction. The Service Section has a continuous improvement ethic assuring optimal service to our customers.

Mannai has been an exclusive partner for Seiko in Qatar for over 3 decades. Recently, the luxury range of Seiko was successfully introduced in Qatar through Damas, our retail Jewellery business.

With Qatar awarding major infrastructure development projects of Rail networks and Metro, we are confident HAED with its wide range of products portfolio would capitalise on these opportunities.

SEIKO

Electrolux

TOSHIBA Leading Innovation

White-Westinghouse

Moulinex

Bompani

TCL The Creative Life

IGNIS

Coleman

Energy and Industrial Markets (E&IM)

Energy and Industrial Markets (E&IM), a division of Mannai Trading Company WLL, has an excellent track record in providing comprehensive services to international manufacturers, suppliers and contractors by providing local expertise and "know-how" to the Oil & Gas and infrastructure segments of the Qatari Economy.

2014 was a successful year whereby E&IM was able to win and deliver along with our principals many packages of the Strategic Water Mega Reservoirs {Ductile Iron (DI) Pipes & Fittings, Chase Wrapping Tapes & Heat Shrinkable Sleeves}, New Doha Port Project (Heavy Duty Covers Packages) and other electrical supplies to Kahramaa and various contractors.

E&IM product portfolio includes pumps, cable cleats, cable joints, terminations and accessories, heat tracing materials, gas flow metres and gas chromatographs, medium voltage and low voltage switchgear, moulded case circuit breakers, package substations, ductile iron pipes and fittings, heavy duty DI covers, hatches, access panels and ladders, municipality covers, valves, pipe wrapping materials "Serviwrap and Maflowrap", HVAC equipment and construction materials.

E&IM strives to continuously upgrade its capabilities and provide added value services and products for its customers and principals alike and have been successful in expanding its product portfolio by adding new suppliers.

Heating, Ventilation and Air Conditioning Systems (HVAC)

HVAC Projects, a segment of Energy and Industrial division, is one of the leading suppliers of HVAC equipment and services in Qatar. It represents major manufacturers within the HVAC world notably, SKM, Toshiba, Novenco, Honeywell, Lawton and Heatrae Sadia. The collaboration of Mannai and its partners ensures the availability of the largest range of HVAC equipment in Qatar {Chillers, VRF, Packaged Units, Air Handling Units, Swimming pools Units, Heat Recovery Units, Fan Coil units, Ducted split systems, Mini split units, Window AC, Domestic / Central / Car park ventilation fans, Copper Tubes and accessories (AC, Plumbing and Medical) Electrical and solar water heaters}.

In 2014, HVAC have won and delivered many prestigious projects in Qatar. To name just few:

- **Ministry of Interior:**
  - General Guard Complex phase 1 & 2 (6 accommodation buildings, Mess Building, Transportation buildings)
  - Civil Defence Station & Accommodation
  - Al Wakrah Security Complex
  - Police Training Institute

- **Public Works Authority (ASHGHAL):**
  - 20 schools
  - 2 Healthcare Centres

- **Qatar Petroleum**
  - Halul Island (Accommodation)

- **Hamad Medical Corporation (HMC)**
  - HH building
  - Building 20
  - BIO BANK

and many more....

HVAC PROJECTS is well positioned to play a significant role in the construction and development activities planned in Qatar.

Industrial Supplies and Building Materials (ISBM)

Industrial Supplies & Building Materials (ISBM), a business unit of Mannai Trading Co. under the umbrella of Mannai Corporation, deals in the supply of specialised waterproofing products of membranes & construction chemicals, supply of tools & machinery and welding products etc. It serves to the Oil & Gas industry in the State of Qatar by the supply of genuine spares for Gas Turbines & Compressors. The following products are marketed through the business division within ISBM as follows:

Specialised Waterproofing

This segment caters to needs of local infrastructure projects by supply of high quality waterproofing membranes & construction chemicals from renowned supplier Bitumat of KSA, TWIN Walls of UAE, which greatly enhances the durability of buildings. Moreover, the segment also offers Expansion Joint Fillers, Non-woven Geotextiles, Polypropylene Corrugated Sheet, Plywood Boards and Protection Boards etc. Supply of Bitumen 60/70 to local construction activities is also handled by this segment.

Waterproofing segment won the award as best distributor of Bitumat products in Middle East region during the year 2014. It also received Appreciation Certificate of Excellence in Sales and Marketing from Twin Walls UAE, LAMA-Jordan Bituminous Products, Alyaf Industrial Co., Terraco UAE, Eastern Coast, QUDS Paints.

Industrial Tools & Machinery & Welding Equipment & Consumables

This segment caters to the local civil & mechanical construction industry, shipyards, manufacturing & fabrication by supply of industrial tools & machinery, welding equipment & consumables, power generator & tower lights, air operated diaphragm pumps, electrical & pneumatic lifting & pulling equipment, wide range of abrasive material such as, cutting & grinding disc, pipe tools & pipe cutters, threading & grooving machines, wide range of measuring equipment, bar bending & cropping machines and various types of industrial bearing from well-known supplier, NSK, Europe.

The segment also offers high-tech welding equipment ranging from shielding gas welding machines through TIG, MIG/MAG to portable MMA inverter welding machines & consumables from reputed manufacturers. Our well equipped workshop facility along with factory trained service representatives provide after sales service support to this segment.

During year 2014, we have introduced the following new products to cater to the growing demand in industrial markets, construction activities:

- **Greaves Cotton, India** – Complete range of Power Generators, capacities ranging from 20KVA to 500KVA, also Greaves Cotton can supply Generators with Volvo and Perkins Engine, especially in the higher capacity range up to 2000KVA.
- **Rotair SPA, Italy** – Vast range of engine driven mobile compressors, used in construction sector as well as industries.
- **Heller Maquine-Herramienta, S.L. Spain** – Wide range of workshop equipment, like Horizontal Bandsaw machines, Tool Grinders and Column Drilling Machines used in all kinds of industries.
- **Shinmaywa Submersible Pumps/ Toku Pneumatic Co, Japan** – Wide range of pumps/ impact wrenches, chipping hammers and breakers for various applications including dewatering applications.

Turbine Parts & Services

This segment caters to the needs of Oil & Gas Industry for Power generation at offshore and onshore facilities. The segment sources genuine parts from the well known manufacturer, Siemens for Gas Turbines & Compressors located at off/onshore locations.

During 2014, Siemens acquired the industrial gas turbines, compressor and related services business of Rolls-Royce energy. Being an authorised distributor of Siemens, this segment caters to local customers of their requirements of spares and services for Rolls-Royce engines.

Gulf Laboratories Co. WLL

Drilling and Ground Investigation Services include onshore and offshore geotechnical investigations, water well drilling and testing, groundwater monitoring well installations and monitoring, earthing and cathodic protection borehole drilling, geophysical surveys, hydrogeological and environmental investigations and mineral resource studies. Ground investigations have been performed to support both preliminary and detailed engineering design activities as part of the Doha Metro Project, New Port Project, Lusail Development, QP/Shell Al Karana Petrochemical Plant, New Doha International Airport, Mega-Reservoirs Project, the IDRIS project, Education City, Artificial Recharge and Storage project, and for numerous road and infrastructure projects. Water wells, soakaway, earthing and cathodic protection borehole drilling works are also routinely carried out as part of construction projects.

Laboratory testing services are offered to the construction industry and include the physical and chemical analysis of construction materials including soil, rock, aggregate, cement, concrete and asphalt. These services are performed at an extensive central laboratory located in the Industrial Area or at project sites where temporary laboratory facilities are established. On-site material testing laboratories and call-off testing services provide ongoing involvement at the Doha Metro Projects, New Port Project, Lusail Development Project, Pearl GTL, Doha Expressway, Dukhan Highway, RasGas, Qatargas, Education City, Cultural Village and various Sewage Treatment Plants. Petroleum testing services are also offered at a testing facility located in Ras Laffan. Services include the physical and chemical analysis of transformer and lubricant oils.

Environmental testing activities includes chemical and microbiological testing of groundwater, seawater, potable water and treated and untreated effluent. The services are performed either to support initial baseline environmental surveys or as part of long term environmental monitoring plans. The environmental testing laboratory continues to be involved with various monitoring and testing programmes for Dolphin Gas, Pearl GTL, Qatar Petroleum, Qatar Airways and a number of Ashghal sewage treatment plants and groundwater monitoring wells.

The company's quality and occupational health, safety and environmental management systems are certified to ISO 9001, OHSAS 18001 and ISO 14001 standards. The laboratories have around 300 tests accredited to BS EN ISO 17025:2005 and continue to add further test parameters to the accreditation.

Gulf Labs also have operations in the Sultanate of Oman, where they trade under the name of Gulf Geotechnical Services & Material Testing LLC. The company has 7 drilling rigs based in the country capable of performing both ground investigation drilling and deep mineral exploration boreholes to depths of over 1000m. Laboratory testing facilities have also been established to provide material testing services to the construction industry. The scope of testing services is currently being expanded to include analysis of metals in support of on-going mineral exploration projects.

Manweir LLC

With nearly 40 years of operations in Qatar and the GCC, Manweir LLC has served from its beginnings the Oil & Gas industry both offshore and onshore. Manweir services have extended further, to Petrochemical, Marine and Energy during this time. Its success has been linked to its dedication to serve and satisfy customers through strong processes and excellent quality within API and ISO 9001 QMS certification as well as developing the technological skills within its team in Qatar.

In 2012, Manweir LLC invested in new state of the art service facilities in Ras Laffan allowing it to expand further services in Electrical, Mechanical and Valves/Instrumentation fields. Manweir invested in new CNC machines to complement its range of operations and increase capacity and capability within the Machining workshop.

Manweir has established 4 core activities using various technologies and processes:

- **Field Services** providing skilled and certified manpower to customers wherever they require them, supporting short and long term requirements for end users or specialist service providers.
- **Manufacturing**, with workshops producing new parts and steel works including welding and fabrication.
- **Services** in dismantling, repairing, upgrading and testing customer equipment at our workshops.
- **Calibration Services** to support customer needs for regular certification of their measuring equipment.

Today Manweir, with over 500 permanent employees and access to our regular field service resource of 250 personnel, is dedicated to delivering on customer expectations.

Two Centres of Excellence:

Salwa, with its 17,000 m² footprint, is the original focal point of our company with:

- **Advanced Machining Centre** for manufacture and repair. The division is specialised in threading of API and Premium Proprietary OCTG of a variety of oilfield equipment.

- **Welding/ Fabrication Shop** for manufacture and repair. It builds structural oil field and industrial installations and equipment. This includes cladding, hard facing, brazing and carbide dressing.

- **Field Services** provides skilled personnel to meet customer manpower resource demands and field related shop services.

- **Calibration Laboratory (Metrology)** for Calibration, Verification, Certification precision measuring instruments covering both analog and digital requirements.

- **Oilfield Products & Services Division (OPSD)** is engaged in supplying the oil industry with equipment, tools & services required for exploration, drilling & production of hydrocarbons. This is realised through its association with international companies including; NOV-Andergauge; DNV; TIW for liner hangers; Water Weights; GSP for chemical cleaning; QuickFlange; Zenith Structural access solutions for flare tip replacement; EC Works for Eddy Current inspection; Cyberhawk for UAV inspection; Jacobi for activated hydrocarbons; Fishbones for reservoir stimulation services; Macoga for expansion joints; Verwater for tank design.

Ras Laffan, at 46,600 m² is our new purpose built facility with:

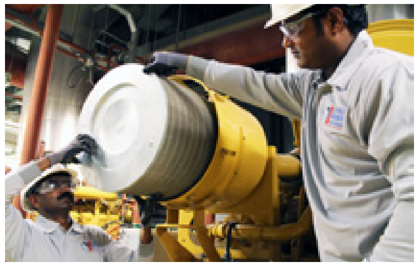
- **Electrical Repair Solution Centre** specialising in rewinding, repair overhaul & reclamation of motors, generators and transformers. Manweir is the 1st entity in the region certified by Baseefa UK as facility to repair & overhaul explosion proof rotating machines & enclosures. The large Vacuum Pressure Impregnation (VPI) Tank, along with the two Dynamic Balancing Machines of 20 Tonnes & 300 Kg capacities and resistive load bank capabilities offer enhanced services. This facility is also geared for Transformer oil testing & analysis, complete with purification & regeneration system.

- **Instrumentation and Valve Service Centre** provides a total service in repairs, overhauling and testing of all types of Valves & Instruments. We provide onsite maintenance services during planned shutdowns with well-equipped portable workshops & OEM trained competent technicians.

- **Mechanical Service Centre** specialises in maintenance, inspection, repair, overhauling & refurbishment of all types of static & rotating equipment such as pumps, turbines, engines, compressors, exchangers and various other oilfield equipment such as Well Head & Christmas Tree equipment, BOPs, Slush Pump Modules, Hoists, Hooks, Swivels etc. with a crane capacity of up to 60 tonnes. This service covers all customer markets requiring mechanical support.

Cofely Besix Mannai Facility Management LLC

The first half of 2014 witnessed the onboarding of our new shareholder Cofely Besix Facility Management (CBFM) to form a new entity Cofely Besix Mannai Facility Management (CBMFM).



This has been a very positive step in our company's development and further enhanced our capabilities to deliver world class services to our clients within the State of Qatar.

COFELY BESIX Facility Management was founded in 2008 as a joint venture between Cofely Services GDF Suez and the Besix Group.

COFELY Services is a brand of GDF SUEZ ENERGY Services and is a European market leader in the maintenance and operations of technical installations (MEP), facility management and energy management.

The BESIX Group is a Belgian conglomerate of companies involved in construction, engineering, environmental, real estate and concession, and has been active in the Middle East for more than 40 years.

These capabilities combined with Mannai Corporation's outstanding presence in the Qatar market provides CBMFM with an unparalleled platform to take our business forward.

CBMFM underwent an ISO surveillance and recertification audit conducted by Bureau Veritas. The standards audited were ISO 9001, 14001 & 18001. We are proud to report the CBMFM has once successfully retained these important ISO standards again, demonstrating our commitment across the whole business to be best in class.

In October, the new entity Cofely Besix Mannai Facility Management was awarded its first contract by Qatar Petroleum (QP Dukhan) to maintain and replace all the necessary HVAC equipment located within the QP Dukhan Fields.

Cofely Besix Mannai Facility Management will be responsible for maintaining more than 1200 HVAC assets in Dukhan Fields, Qatar, an area admeasuring approximately 65 km long, containing over 700 oil-gas-and water injection wells, and over 4,000 km of pipelines. The contract with Qatar Petroleum is valid for five years initially and will require a total of 120 operational personnel.

New project wins such as this, combined with our excellent contract retention rate, augurs for a very positive 2015 with a number of very large opportunities currently under tender review with existing and new clients.

COFELY BESIX MANNAI facility management

MEFMA MIDDLE EAST FACILITY MANAGEMENT ASSOCIATION

Qatar Logistics WLL

Qatar Logistics WLL is a wholly owned subsidiary of Mannai Corporation. An exclusive partner of "Hellmann Worldwide Logistics", one of the major freight forwarding networks in the world, Qatar Logistics' global reach extends to over 400+ offices in 157 countries and is supported by over 20,000 logistics professionals worldwide.

Qatar Logistics WLL is also a licenced Customs Clearance Broker, and has one of the most experienced Customs Clearance team in the country, providing complete import and export clearance services. The company also offers full export packing service, specialised crating, shipping, transportation & trucking and secure state-of-the-art warehousing & distribution facilities.

In 2014, Qatar Logistics was appointed as the Total Logistics Solution service provider for a leading contracting company, offering a complete solution for the shipping, clearance and delivery of over 600 TEUs annually. The company was also appointed as the exclusive local clearance partner for two leading Logistics companies in Qatar specialising in Oil & Gas and Hospitality sectors. Qatar Logistics also successfully completed a contract of shifting headquarters of a major airline to a new location. The shifting involved moving of over 5,000 cubic metres of office furniture and equipment over a period of three months.

In February, a massive fire completely destroyed Qatar Logistics Distribution Centre. However, we were able to quickly recover from it and within few weeks we successfully established a full-fledged warehousing operation in alternate locations. The company maintained its position as a key player in the warehousing market and is planning to commence the rebuilding of the Distribution Centre during 2015.

Next year is expected to be a very busy year for Qatar Logistics with numerous opportunities on the horizon in various market sectors. Qatar Logistics is expecting a significant growth in business from the start of the year as the country commences various infrastructure and development projects.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2014

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Mannai Corporation Q.S.C.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mannai Corporation Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of Qatar Commercial Companies Law, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Mannai Corporation Q.S.C and its subsidiaries as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the directors' 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 Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Group's activities or its financial position.

Doha – Qatar
February 23, 2015

For Deloitte & Touche
Qatar Branch

Muhammad Bahemia
Partner
License No. 103

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014

ASSETS	Notes	2014	2013
		QR '000	QR '000
Current assets			
Bank balances and cash	5	**114,263**	156,750
Accounts receivable and prepayments	6	**1,014,847**	810,508
Amounts due from related parties	27(b)	**34,574**	27,855
Inventories	7	**2,585,410**	2,501,899
		3,749,094	3,497,012
Assets classified as held for sale	15	**--**	52,436
Total current assets		**3,749,094**	3,549,448
Non-current assets			
Accounts receivable and prepayments	6	**36,021**	13,121
Amounts due from related parties	27(b)	**20,599**	76,448
Available for sale investments	8	**42,947**	42,957
Investment in joint venture companies	10	**18,306**	17,111
Investment in associate companies	11	**1,177,040**	1,250,270
Goodwill and other intangible assets	12	**1,201,157**	1,215,500
Property, plant and equipment	13	**399,581**	360,372
Investment properties	14	**115,836**	125,716
Total non-current assets		**3,011,487**	3,101,495
Total assets		**6,760,581**	6,650,943

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014

LIABILITIES AND EQUITY	Notes	2014	2013
		QR '000	QR '000
Liabilities			
Current liabilities			
Bank overdrafts	5	348,362	293,917
Interest bearing loans and borrowings	17	1,877,653	1,186,698
Amounts due to related parties	27(b)	6,481	4,976
Accounts payable and accruals	18	1,489,833	1,923,951
		3,722,329	3,409,542
Liabilities classified as held for sale	15	--	21,072
Total current liabilities		3,722,329	3,430,614
Non-current liabilities			
Interest bearing loans and borrowings	17	741,599	649,437
Accounts payable and accruals	18	31,217	33,138
Employees' end of service benefits	19	99,258	86,354
Total non-current liabilities		872,074	768,929
Total liabilities		4,594,403	4,199,543
Equity			
Share capital	20	456,192	456,192
Legal reserve	21(a)	1,083,456	1,083,456
Revaluation reserve		4,630	4,630
Foreign currency translation reserve		(9,539)	(5,383)
Proposed dividends	22	273,715	250,906
Retained earnings		940,987	691,714
Acquisition reserve	21(b)	(588,058)	(283,820)
Equity attributable to shareholders of the Company		2,161,383	2,197,695
Non-controlling interests		4,795	253,705
Total equity		2,166,178	2,451,400
Total liabilities and equity		6,760,581	6,650,943

These consolidated financial statements were approved by the Board of Directors and authorised for issue on February 23, 2015.

....

Sheikh Suhaim Bin Abdulla Al-Thani
Vice Chairman

Alekh Grewal
Director and Group Chief Executive Officer

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2014

	Notes	**2014**	2013
		QR '000	QR '000
Revenue		**5,939,941**	5,613,626
Direct costs		**(4,734,201)**	(4,468,586)
Gross profit		**1,205,740**	1,145,040
Other income	24	**362,216**	294,417
Share of results of joint ventures and associates - net		**13,884**	80,612
General and administrative expenses	25	**(444,986)**	(410,548)
Selling and distribution expenses		**(400,650)**	(371,902)
Profit before interest, depreciation and amortisation		**736,204**	737,619
Finance costs		**(90,141)**	(100,690)
Depreciation and amortisation	12,13&14	**(88,594)**	(76,838)
Profit for the year before directors' remuneration		**557,469**	560,091
Directors' remuneration	27(d)	**(25,470)**	(21,600)
Profit from continuing operations before tax		**531,999**	538,491
Income tax		**(3,794)**	(3,288)
Profit from continuing operations after tax		**528,205**	535,203
(Loss)/profit from discontinued operation	16	**(1,401)**	3,891
Net profit for the year		**526,804**	539,094
Attributable to:			
Shareholders of the Company		**526,427**	446,076
Non-controlling interests		**377**	93,018
		526,804	539,094
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	26	**11.54**	9.78
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	26	**11.57**	9.69

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2014

	2014	2013
	QR '000	QR '000
Net profit for the year	526,804	539,094
Other comprehensive loss		
Items that may be reclassified subsequently to statement of profit or loss:		
Foreign currency translation reserve		
Foreign currency translation adjustment	(4,156)	(4,126)
Total other comprehensive loss for the year	(4,156)	(4,126)
Total comprehensive income for the year	522,648	534,968
Attributable to:		
Shareholders of the Company	522,271	442,531
Non-controlling interests	377	92,437
	522,648	534,968

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2014

	Share capital	Legal reserve	Revaluation reserve	Foreign currency translation reserve
	QR '000	**QR '000**	**QR '000**	**QR '000**
Balance – January 1, 2013	456,192	1,083,456	4,630	(1,838)
Total comprehensive income for the year	--	--	--	(3,545)
Dividends paid (Note 22)	--	--	--	--
Acquisition of additional non-controlling interests (Note 21 (b))	--	--	--	--
Proposed dividend (Note 22)	--	--	--	--
Withdrawal of non-controlling interests	--	--	--	--
Social and sports contribution for 2013	--	--	--	--
Balance – December 31, 2013	**456,192**	**1,083,456**	**4,630**	**(5,383)**
Total comprehensive income for the year	--	--	--	(4,156)
Dividends paid (Note 22)	--	--	--	--
Acquisition of additional non-controlling interests (Note 21 (b))	--	--	--	--
Proposed dividend (Note 22)	--	--	--	--
Withdrawal of non-controlling interests	--	--	--	--
Social and sports contribution for 2014	--	--	--	--
Balance – December 31, 2014	**456,192**	**1,083,456**	**4,630**	**(9,539)**

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2014

Proposed dividends	Acquisition reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total
QR '000	**QR '000**	**QR '000**	**QR '000**	**QR '000**	**QR '000**
216,691	--	500,903	2,260,034	340,348	2,600,382
--	--	446,076	442,531	92,437	534,968
(216,691)	--	--	(216,691)	--	(216,691)
--	(283,820)	--	(283,820)	(178,778)	(462,598)
250,906	--	(250,906)	--	--	--
--	--	--	--	(302)	(302)
--	--	(4,359)	(4,359)	--	(4,359)
250,906	**(283,820)**	**691,714**	**2,197,695**	**253,705**	**2,451,400**
--	--	526,427	522,271	377	522,648
(250,906)	--	--	(250,906)	(6,698)	(257,604)
--	(304,238)	--	(304,238)	(242,137)	(546,375)
273,715	--	(273,715)	--	--	--
--	--	--	--	(452)	(452)
--	--	(3,439)	(3,439)	--	(3,439)
273,715	**(588,058)**	**940,987**	**2,161,383**	**4,795**	**2,166,178**

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	2014	2013
	QR '000	QR '000
OPERATING ACTIVITIES		
Profit from continuing g operations before tax	531,999	538,491
(Loss)/profit from discontinued operation	(1,401)	3,891
Profit for the year before tax	530,598	542,382
Adjustments for:		
Depreciation and amortization	88,594	76,838
Reversal of impairment loss made on investment properties	--	(43,785)
Impairment of property, plant and equipment	16,342	--
Impairment loss/(write back) on accounts receivables, net	535	(5,517)
Allowance for doubtful advance	--	13,249
Impairment on available for sale investment, associates and joint ventures	29,352	2,295
Reversal of impairment on other receivable	(301,236)	(97,167)
Impairment loss on other receivable	603	13,918
Provision for obsolete and slow moving items, net	60,306	25,887
Gain on disposals of property, plant and equipment	(3,257)	(5,735)
Gain on disposals of Investment property	(9,010)	--
Gain on disposal of non-current assets classified as held for sale	(12,459)	--
Finance costs	90,141	100,690
Share of results from joint ventures and associates	(13,884)	(80,612)
Provision for employees' end of service benefits	21,886	18,741
Operating profit before working capital changes	498,511	561,184
Working capital changes:		
Accounts receivables and prepayments	69,906	172,531
Inventories	(143,817)	75,684
Amounts due to/from related parties	50,635	(6,105)
Accounts payable and accruals	(442,188)	183,435
Movement in assets and liabilities held for sale	1,401	(3,891)
Cash flows from operations	34,448	982,838
Finance costs paid	(91,111)	(93,625)
Employees' end of service benefits paid	(8,870)	(8,275)
Social and sports contribution paid	(4,359)	(5,791)
Net cash (used in)/generated from operating activities	(69,892)	875,147

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	2014	2013
	QR '000	QR '000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(137,310)**	(100,258)
Proceeds from disposal of property, plant and equipment	**26,507**	14,032
Acquisition of available for sale of investment	**(8,279)**	(8,550)
Proceeds from disposal of non-current assets classified as held for sale	**28,164**	--
Proceeds from disposal of investment property	**12,313**	--
Acquisition of investment in joint venture company	**(102)**	--
Acquisition of subsidiary held for sale	**--**	(14,281)
Dividend received from joint ventures and associates	**79,220**	71,045
Proceeds from disposal of available for sale investments	**--**	102
Acquisition of further shares in a subsidiary	**(546,375)**	--
Net cash used in investing activities	**(545,862)**	(37,910)
FINANCING ACTIVITIES		
Net movements in interest bearing loans and borrowings	**783,117**	(838,116)
Dividend paid	**(250,906)**	(216,570)
Net cash generated from/(used in) financing activities	**532,211**	(1,054,686)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(83,543)**	(217,449)
Cash and cash equivalents at the beginning of the year	**(159,360)**	58,089
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 5)	**(242,903)**	(159,360)

1. CORPORATE INFORMATION

Mannai Corporation Q.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated in Doha, State of Qatar. The Company is listed on the Qatar Exchange.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include automotive and heavy equipment distribution and service, information and communication technology, engineering services to the oil & gas sector, office systems, medical equipment, home appliances and electronics, building materials, logistics and warehousing, geotechnical, geological, environmental and material testing services, facilities maintenance and management service, travel services, trading and representation and trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on a wholesale and retail basis.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries listed below:

Name of subsidiary	Country of incorporation	Group's effective shareholding percentage December 31, 2014	December 31, 2013
Mannai Trading Company W.L.L.	Qatar	100	100
Manweir W.L.L.	Qatar	100	100
Gulf Laboratories Company W.L.L.	Qatar	100	100
Space Travel W.L.L.	Qatar	100	100
Qatar Logistics W.L.L.	Qatar	100	100
Technical Services Company W.L.L.	Qatar	100	100
Mansoft Qatar W.L.L.	Qatar	100	100
Mansoft Solutions and Systems Pvt. Limited	India	100	100
Mansoft Solutions and Systems (UAE) L.L.C.	UAE	100	100
Techsignia Solutions Pvt. Ltd.	India	100	100
Gulf Geotechnical Services and Material Testing L.L.C.	Oman	100	100
Utility Networks Information Systems	Jordan	--	75
Global Trading Center FZCO	UAE	100	100
Damas International Limited	UAE	100	81
GTC Otomotiv Anonim Sirketi	Turkey	100	100
Mannai Network & Solution L.L.C.	Oman	100	100
Utility Network Co.	Saudi	100	100
Damas L.L.C.	UAE	100	81
Damas Jewellery L.L.C.	UAE	100	81
Damas Jewellery DMCC	UAE	100	81
Al Mana Damas International L.L.C.	UAE	51	41
Ayodhya Jewellers L.L.C.	UAE	100	81
Time art watches and optics trading L.L.C.	UAE	100	81
Arshi Jewellery L.L.C.	UAE	75	61
Farhan Jewellery L.L.C.	UAE	75	61
Premium Investments International L.L.C.	UAE	100	81

		Group's effective shareholding percentage	
Name of subsidiary	Country of incorporation	December 31, 2014	December 31, 2013
Damas SPV Jewellery L.L.C.	UAE	100	81
Gem Universe L.L.C.	Oman	70	57
Damas Company W.L.L.	Bahrain	100	81
Damas & Al Ghannam Jewellery Co W.L.L.	Kuwait	90	73
Damas Saudi Arabia Company Limited	KSA	98	79
Islanders Demas Pvt. Ltd.	Maldives	75	61
Damas (Thailand) Co. Ltd.	Thailand	100	81
Transfield Mannai Facilities Management Services W.L.L	Qatar	--	100
Golden Investments Limited	UAE	100	--
Golden Investments Holdings Limited	UAE	100	--
Golden Investments Services Limited	UAE	100	--
Global Motor Sports W.L.L.	Qatar	100	--

Mannai Trading Company W.L.L. and Damas International Limited are the material subsidiaries of the Group.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

2.1 New and revised IFRSs affecting amounts reported in the consolidated financial statements

The following are the revised IFRSs that were effective in the current year and have been applied in the preparation of these consolidated financial statements:

(i) Revised Standards

Effective for annual periods beginning on or after January 1, 2014

- IAS 32 (Revised) — *Financial Instruments: Presentation – Amendments to clarify existing application issues relating to the offsetting requirements.*
- IFRS 10, IFRS 12 and IAS 27 (Revised) — *Amendments to introduce an exception from the requirement to consolidate subsidiaries for an investment entity.*
- IAS 36 (Revised) — *Amendments arising from recoverable amount disclosures for non-financial assets.*
- IAS 39 (Revised) — *Amends IAS 39 Financial Instruments: Recognition and Measurement to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.*

(ii) New Interpretation:

Effective for annual periods beginning on or after January 1, 2014

› IFRIC 21	*Levies*

The adoption of these new and revised standards had no significant effect on the consolidated financial statements of the Group for the year ended December 31, 2014, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

(i) New Standards:

Effective for annual periods beginning on or after January 1, 2016

› IFRS 14	*Regulatory Deferral Accounts.*

Effective for annual periods beginning on or after January 1, 2017

› IFRS 15	*Revenue from Contracts with Customers.*

Effective for annual periods beginning on or after January 1, 2018

› IFRS 9	Financial Instruments.

(ii) Revised Standards:

Effective for annual periods beginning on or after July 1, 2014

› IAS 19 (Revised)	*Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.*
› Annual improvements to IFRSs 2010-2012 cycle	*Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.*
› Annual Improvements 2011-2013 Cycle	*Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40.*

Effective for annual periods beginning on or after January 1, 2016

› Annual Improvements 2012-2014 Cycle	*Amendments to issue clarifications and add additional/ specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*
› IFRS 10 & IAS 28 (Revised)	*Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture*
› IFRS 11 (Revised)	*Amendments regarding the accounting for acquisitions of an interest in a joint operation.*

› IAS 16 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
› IAS 38 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
› IAS 41 (Revised)	*Amendments bringing bearer plants into the scope of IAS 16.*

Effective for annual periods beginning on or after January 1, 2016

› IAS 27 (Revised)	*Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*

Effective for annual periods beginning on or after January 1, 2018 (on application of IFRS 9)

› IFRS 7 (Revised)	*Financial Instruments Disclosures – Amendments requiring disclosures about the initial application of IFRS 9.*
› IAS 39 (Revised)	*Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.*

Management anticipate that the adoption of the above Standards and Interpretations (except as described in next paragraph) in future years will have no material impact on the consolidated financial statements of the Company in the period of initial application.

The management anticipate that IFRS 15 and IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning from January 1, 2017 and January 1, 2018 respectively. The application of these standards may have significant impact on amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements. However, the management have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

03. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of Qatar Commercial Companies' Law No. 5 of 2002.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost basis, except for land and building classified as property, plant and equipment, and derivative financial instruments and available-for-sale financial assets that are measured at revalued amount and fair value, respectively.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

These consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentation currency. The principal accounting policies are set out below.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Group:

(i) has power over the investee;
(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combination
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in statement of profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months after the acquisition) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement is classified as joint venture whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted here after to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in statement of profit or loss in the period in which the investment is acquired.

When there is an indication of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the investment is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. If a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, then Group also reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Land and capital work-in-progress are not depreciated.

Capital work-in-progress is stated at cost. When the asset is ready for intended use, it is transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Group's policies.

Land and buildings are stated at revalued amount and for buildings less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the consolidated statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated statement of profit or loss, in which case the increase is recognised in consolidated statement of profit or loss. A revaluation deficit is recognised in consolidated statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10-25 years
Plant, machinery and equipment	3-15 years
Office furniture and equipment	3-5 years
Motor vehicles	3-5 years
Assets on hire	3-5 years

Maintenance, repairs and minor improvements are charged to the consolidated statement of profit or loss as and when incurred. Major improvements and replacements are capitalized.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditures are recognised in the consolidated statement of profit or loss as and when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss in the year the item is derecognised.

The assets' useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Investment property

Investment property comprises property held for capital appreciation, rental yields or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is carried at cost less accumulated depreciation and impairment losses, if any.

Land held for undetermined use is classified as investment property and is not depreciated.

When the development of investment property commences, it is transferred to capital work-in-progress until development is complete, at which time it is transferred to the respective category, and depreciated on the straight-line method, at the rate calculated to reduce the cost of the asset to its estimated residual value over its expected useful life, as follows:

Building	20 years

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expensed in the period in which the expenditures are incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

The Group assesses whether there is an indication that an asset (tangible or intangible excluding goodwill) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets (excluding goodwill), an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or Cash Generating Unit's (CGUs) recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill
Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Inventories
Inventories are stated at the lower of cost and net realisable 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:

Spare parts 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
Diamond jewellery, pearl jewellery, watches and precious stones*	-	purchase cost on specific identification basis
Gold and gold jewellery	-	purchase cost on a weighted average cost basis
Others	-	purchase cost on a first-in-first-out (FIFO) basis

*Making charges related to inventory of own and unfixed gold jewellery is included in inventories.

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

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' end of service benefits
The Group provides end of service benefits to its employees 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 reporting date.

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.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus transaction cost.

Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available for sale investments
Available-for-sale financial investments comprise of equity securities. Equity securities classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and accumulated in the fair value reserve in equity until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the fair value reserve to the consolidated statement of profit or loss.

Dividends on AFS equity instruments are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and receivables (including trade and other receivables, bank balances and others) are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:
(i) significant financial difficulty of the issuer or counterparty; or
(ii) default or delinquency in interest or principal payments; or
(iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
(iv) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30-180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss in the period.

In respect of available for sale equity securities, impairment losses previously recognised in the consolidated statement of profit or loss are not reversed through consolidated statement of profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in the statement of profit or loss and other comprehensive income and accumulated under the heading of fair value reserve in statement of changes in equity.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit or loss.

Financial liabilities and equity instruments

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in consolidated statement of profit or loss.

Other financial liabilities
Financial liabilities that are not classified as FVTPL (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments
The Group enters into derivative financial instruments to manage its exposure to market risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

(i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
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 reporting date.

Investment income
Income from investments other than joint venture is either accounted for on an accrual basis or when right to receive the income is established.

Interest income
Interest received under instalment credit sale agreement and bank deposits is accounted for on a time proportion basis taking into account the principal outstanding and interest rate applicable.

Rental income
Rental income is accounted for when earned.

Fee income
Fee income is recognized on time proportion basis.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time

pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Taxation
Taxes are calculated based on applicable tax laws or regulations in which the Group operates.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Foreign exchange difference
In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise except as otherwise stated in the reporting framework.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Qatari Riyal using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

4. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make 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 period in which the estimate is revised if the revision affects only that period or in the period of the revisionand future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies
The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements:

Classification of investments
Management decides on acquisition of an investment whether it should be classified as financial assets carried at fair value through profit and loss (FVTPL), held to maturity investments or available for sale financial assets.

The Group classifies investments as fair value though profit and loss (FVTPL), if they are acquired primarily for the purpose of making a short term profit by the Group or held for trading.

All other investments are classified as available for sale investments.

Investments in joint ventures and associates are assessed and classified based on management's judgement and in accordance with the provisions of IFRSs.

Impairment of available-for-sale financial assets
The Group follows the guidance of IAS 39 Financial Instruments: Recognition and Measurement to determine whether an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Management recognises the decline in the fair value of available-for-sale investments in the consolidated statement of profit or loss as impairment loss when the change in fair value is significant and prolonged.

Impairment of goodwill
The Group carries out impairment testing annually in respect of the goodwill on acquisition of subsidiaries. In carrying out the impairment analysis, the Group makes the following estimates which are critical:

Growth rate
Management uses the projected cash flows over a 5 year horizon. The growth rate used in determining the perpetual cash flows is computed keeping in view the nature of the industry and the general growth in the economic activity witnessed in the region where the Group operates.

Discount rate
The Management discounts the cash flows using its weighted average cost of capital. In determining the cost of capital, estimated risk free rate of return adjusted for the equity market risk premium and the cost of debt is considered in proportion to the debt-equity structure of the Group.

The Management performs sensitivity analysis on the above assumptions in ascertaining its impact on the carrying value of the goodwill in the consolidated financial statements. Changes in the above assumptions may have a material impact on the recoverable amounts of goodwill.

Impairment of investment properties
The Group carries out the impairment review of its investment properties annually. Independent qualified valuers are engaged to value the investment properties to identify the existence of impairment, if any. The independent valuers use comparable basis or comparable basis cross referenced by investment valuation approach, comparable basis cross referenced by residual valuation approach depending on the nature of the properties. In cases where comparable transactions are not available, the management considers the value in use based on the intended use of the respective properties.

Classification of properties
In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management.

Revenue recognition
Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18: Revenue, and in particular whether the Group had transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold and proof of receipt of the goods by the customers, management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Group determined the amount within a range of reasonable fair value estimates. In making its judgement, the Group considered recent prices of similar properties in the same location and similar conditions, with adjustments to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period. Certain specified properties which would not reasonably have a comparable market value due to the specific nature of the property, have been valued at historical replacement cost.

In arriving at the estimates of market values as at December 31, 2014, the valuers have use their market knowledge and professional judgement and have not only relied solely on historic transactional comparables. In these circumstances, there is greater degree of uncertainty than which exists in a more active market in estimating market values of investment property.

Impairment of investments in joint ventures and associates
Management regularly reviews its investments in joint ventures and associates for indicators of impairment. In determination of whether indicators of impairment exist in investments in joint ventures and associates, Management evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future.

The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in statement of profit or loss. Management is satisfied that no impairment provision is necessary on its investments in joint ventures and associates.

Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the respective notes.

Impairment of tangible and intangible assets
The Group's management evaluates whether there are indicators of impairment of its tangible and intangible assets. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Tangible and intangible assets useful lives
The Group's management determines the useful lives and related depreciation or amortization charge of the tangible or intangible assets. The depreciation or amortization charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Impairment of financial assets
The Group's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the consolidated statement of profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Furthermore, an estimate of the collectible amount of gold unfixed with trade receivables is made when recovery of inventories are no longer probable or the cash margins are not securing these inventories are not sufficient to cover the exposure.

5. CASH AND CASH EQUIVALENTS

	2014	2013
	QR '000	QR '000
Bank balances and cash	**114,263**	156,750
Less: Fixed and margin deposits under lien	**(8,804)**	(22,193)
	105,459	134,557
Less: Bank overdrafts	**(348,362)**	(293,917)
Cash and cash equivalents	**(242,903)**	(159,360)

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2014	2013
	QR '000	QR '000
Trade accounts receivable	835,703	780,655
Less: Allowance for impairment	(145,677)	(145,967)
	690,026	634,688
Advances to suppliers	90,970	34,489
Notes receivable	105,970	42,164
Prepayments	54,286	46,316
Deposits	17,795	16,364
Accrued income	22,545	18,592
Others	69,276	31,016
	1,050,868	823,629

Presented in the consolidated statement of financial position as follows:

	2014	2013
	QR '000	QR '000
Current	1,014,847	810,508
Non-current	36,021	13,121
	1,050,868	823,629

The movement in allowance for impairment is as follows:

	2014	2013
	QR '000	QR '000
At January 1,	145,967	151,484
Provision during the year	8,169	11,421
Written off during the year	(825)	--
Write back during the year	(7,634)	(16,938)
At December 31,	145,677	145,967

As at December 31, the ageing of unimpaired trade accounts receivable and notes receivable were as follows:

	2014	2013
	QR '000	QR '000
Aging of neither past due nor impaired		
Up to 180 days	616,594	421,888
Aging of past due but not impaired		
0 – 90 days	113,859	175,299
90 – 180 days	33,696	22,503
180 + days	31,847	57,162
Total	179,402	254,964

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

7. INVENTORIES

	2014	2013
	QR '000	QR '000
Gold and other jewelleries (net of consignment inventory)*	1,411,681	1,317,116
Work-in-progress	679,524	635,544
Merchandises, spares and tools	475,112	455,946
Vehicles and heavy equipment	182,272	206,407
Industrial supplies	36,144	24,380
Others	4,029	4,767
	2,788,762	2,644,160
Less: Provision for obsolete and slow moving items	(203,352)	(142,261)
	2,585,410	2,501,899

*Gold and other jewelleries are net of gold loans received from bullion banks amounting to QR. 687,873 (2013: QR 666,676) and inventory loaned to customers which were fully provided at the time of acquisition of the subsidiary in the amount of QR. 554,132 (2013: QR 554,115).

Movements in the provision for slow moving and obsolete inventories are as follows:

	2014	2013
	QR '000	QR '000
At January 1,	142,261	117,625
Provision during the year	174,291	25,914
Write back during the year	(113,985)	(27)
Utilised during the year	--	(536)
Amount written off	771	(715)
Exchange loss on translation of foreign currency	14	--
At December 31,	203,352	142,261

8. AVAILABLE FOR SALE INVESTMENTS

	2014	2013
	QR '000	QR '000
Unquoted investments:		
At January 1,	42,957	36,804
Additions	8,279	8,550
Disposals	--	(102)
Impairment loss	(8,289)	(2,295)
At December 31,	42,947	42,957

Note

(a) At December 31, 2014, available for sale investments include certain investments in unquoted equity shares and unquoted equity funds amounting to QR 16.32 million (2013: QR. 24.61 million) carried at fair value. The fair value of the unquoted equity shares is based on the net asset value of the underlying investments provided by the fund manager/investee companies.

(b) At December 31, 2014, certain unquoted equity investments amounting to QR. 26.62 million (2013: QR 18.34 million) were carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

9. SUBSIDIARIES

The table below shows details of non-wholly owned subsidiaries of the Group that had material non-controlling interests at December 31,

Name of subsidiary	Proportion of ownership by the non-controlling interests	
	2014	2013
Damas International Limited	--	19%
Utility Networks Information Systems	--	25%

Summarised financial information in respect of each of the Group's subsidiaries that had material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

(a) Damas International Limited

	2014	2013
	QR '000	QR '000
Total assets	--	2,552,201
Total liabilities	--	(1,238,374)
Net assets	--	1,313,827
Equity attributable to owners of the Company	--	1,060,832
Non-controlling interests	--	252,995

	2014	2013
	QR '000	QR '000
Total revenue	--	3,129,841
Total expenses	--	(2,807,405)
Total profit for the year	--	322,436
Profit attributable to owners of the Company	--	229,421
Profit attributable to the non-controlling interests	--	93,015

Change in the Group's ownership interest in a subsidiary

During the year, the Group acquired an additional interest of 19% in Damas International Limited for the purchase consideration of QR. 546.38 million thereby converting it to a wholly owned subsidiary of the Group. This transaction has been recorded by acquiring QR. 242.14 million share of non-controlling interest (being proportionate share of the carrying value of net assets of Damas International Limited) and the remaining amount of QR. 304.24 million has been recorded directly in equity attributed to owners of the Group. (Note 21(b)).

(b) Utility Networks Information Systems

	2014	2013
	QR '000	QR '000
Total assets	--	3,276
Total liabilities	--	(438)
Net assets	--	2,838
Equity attributable to owners of the Company	--	2,128
Non-controlling interests	--	710

	2014	2013
	QR '000	QR '000
Total revenue	199	3,717
Total expenses	(2,489)	(3,706)
Total profit for the year	(2,290)	11
Profit attributable to owners of the Company	(1,717)	8
Profit attributable to the non-controlling interests	(573)	3

During the year, the Group disposed off its entire interest in Utility Networks Information System.

10. INVESTMENT IN JOINT VENTURE COMPANIES

The Group has investments in the following joint venture companies:

Name	Country of incorporation	Ownership interest	
		2014	2013
Cofely Besix Mannai Facilities Management L.L.C. (i)	Qatar	51%	--
Gulf Land Survey W.L.L. (ii)	Qatar	51%	--
Paspaley Pearl Jewellery L.L.C.	UAE	51%	51%
Roberto Coin Middle East L.L.C.	UAE	51%	51%

(i) Cofely Besix Mannai Facilities Management L.L.C. (formerly known as Transfield Mannai Facility Management Services W.L.L.) is engaged in facilities and asset management business. At the beginning of year, the Group owned 100% of the total interest of the Company and subsequently on May 31, 2014, the Group disposed off 49% of its interest to Cofley Besix Facilities Management L.L.C to form a joint venture.

(ii) Gulf Land Survey W.L.L is primarily engaged in carrying on aerial, ground and underground survey business. The Group share 25% of profit earned by the joint venture while 100% loss, if any, in the joint venture is borne by the other joint venture partner.

(iii) Paspaley Pearl Jewellery L.L.C. and Roberto Coin Middle East L.L.C. are engaged in trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although the Group holds 51% equity in all of the above entities, decisions need unanimous consent of both parties and the investments are classified as joint ventures. Movements during the year are as follows:

	2014	2013
	QR '000	QR '000
At January 1,	**17,111**	30,933
Acquired during the year	**14,361**	--
Dividends received	**--**	(8,415)
Share of profit from joint ventures	**1,061**	1,100
Impairment of investment in joint venture	**(14,227)**	--
Transfer on account of obtaining controlling interest	**--**	(6,507)
At December 31,	**18,306**	17,111

Summarised financial information in respect of the Group's joint venture companies are as follows:

	Assets	Liabilities	Revenue	Net profit / (loss)
December 31, 2014	**QR '000**	**QR '000**	**QR '000**	**QR '000**
Cofely Besix Mannai Facilities Management L.L.C. (iv)	**54,352**	**34,160**	**55,648**	**1,787**
Gulf Land Survey W.L.L.	**1,333**	**750**	**1,490**	**381**
Paspaley Pearl Jewellery L.L.C.	**19,785**	**3,886**	**10,591**	**286**
Roberto Coin Middle East L.L.C.	**8,345**	**7,521**	**7,447**	**(180)**
	83,815	**46,317**	**75,176**	**2,274**
Group's share of results				**1,061**

(iv) The revenue and net profit represent the activities of the Group for the period beginning from June 1, 2014 till the reporting date.

	Assets	Liabilities	Revenue	Net profit/ (loss)
December 31, 2013	QR '000	QR '000	QR '000	QR '000
Transfield Mannai Facilities Management Services W.L.L. (for six month period ended June 30, 2013)	--	--	48,441	2,625
Paspaley Pearl Jewellery L.L.C.	20,172	15,093	11,713	(271)
Roberto Coin Middle East L.L.C.	9,831	8,827	8,436	165
	30,003	23,920	68,590	2,519
Group's share of results				1,100

11. INVESTMENT IN ASSOCIATE COMPANIES

The Group holds investments in the following associate companies:

Name	Country of incorporation	Ownership interest	
		2014	2013
Axiom Limited	UAE	**35%**	35%
Daiso Japan Value Stores L.L.C.	UAE	**51%**	51%
LTC International General Trading Co	Kuwait	**35%**	35%
LTC International Qatar L.L.C.	Qatar	**50%**	50%
Daiso Trading	Bahrain	**35%**	35%
Al Mana Jewellery Co. - Damas W.L.L.	Qatar	**49%**	49%
Al Baraka Jewellery W.L.L.	Bahrain	**33.33%**	33.33%
Tanya Collections Ltd.	Thailand	**49%**	49%
TCO Damas Associates L.L.C.	UAE	**51%**	51%

Axiom Limited is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services. All other associates are engaged in trading of gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although, the Group holds 50% or more equity in Daiso Japan Value Stores L.L.C., LTC International Qatar L.L.C. and TCO Damas Associates L.L.C., the Group does not have the power to govern the financial and operating activities of these investees and thus, does not have control or joint control in these entities.

The movements during the year are as follows:

	2014	2013
	QR '000	QR '000
At January 1,	**1,250,270**	1,233,388
Dividends received	**(79,220)**	(62,630)
Share of profit from associates	**41,546**	79,512
Impairment in the value of investment	**(35,559)**	--
Exchange gain on translation of foreign currency	**3**	--
At December 31,	**1,177,040**	**1,250,270**

Summarised financial information in respect of the Group's associate companies are as follows:

	Assets	Liabilities	Revenue	Net profit/ (loss)
December 31, 2014	**QR '000**	**QR '000**	**QR '000**	**QR '000**
Axiom Limited	**1,606,420**	**1,214,082**	**7,995,033**	**(34,731)**
Daiso Japan Value Stores L.L.C.	**32,354**	**15,033**	**122,531**	**35,386**
LTC International General Trading Co.	**4,966**	**1,550**	**18,611**	**4,697**
LTC International Qatar L.L.C.	**34,843**	**7,348**	**92,866**	**22,761**
Daiso Trading	**4,550**	**290**	**6,494**	**1,662**
Al Mana Jewellery Co. - Damas W.L.L.	**34,809**	**24,561**	**179,758**	**28,328**
Al Baraka Jewellery W.L.L.	**--**	**--**	**--**	**--**
Tanya Collections Ltd.	**51,631**	**24,448**	**39,948**	**1,387**
TCO Damas Associates L.L.C.	**247,937**	**116,090**	**211,705**	**41,622**
	2,017,510	**1,403,402**	**8,666,946**	**101,112**
Group's share of results				**41,546**

	Assets	Liabilities	Revenue	Net profit
December 31, 2013	QR '000	QR '000	QR '000	QR '000
Axiom Limited	1,826,779	1,281,373	8,021,304	123,849
Daiso Japan Value Stores L.L.C.	26,926	11,878	95,057	19,556
LTC International General Trading Co.	4,367	1,246	14,262	2,229
LTC International Qatar L.L.C.	30,184	8,951	86,964	21,812
Daiso Trading	2,891	293	5,421	829
Al Mana Jewellery Co. - Damas W.L.L.	61,086	33,024	198,678	20,569
Al Baraka Jewellery W.L.L.	9,138	3,581	15,861	157
Tanya Collections Ltd.	53,756	25,973	54,165	3,282
TCO Damas Associates L.L.C.	231,250	114,889	169,951	26,649
	2,246,377	1,481,208	8,661,663	218,932
Group's share of results				79,512

12. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Trade name	Distribution rights	Other intangible assets	Total
	QR '000	QR '000	QR '000	QR '000	QR '000
Cost:					
At January 1, 2013	550,252	670,000	24,339	--	1,244,591
Additions	494	--	--	207	701
Adjustment	(8,512)	--	--	--	(8,512)
At December 31, 2013	542,234	670,000	24,339	207	1,236,780
Additions	--	--	--	803	803
Disposal	(11,892)	--	--	--	(11,892)
At December 31, 2014	**530,342**	**670,000**	**24,339**	**1,010**	**1,225,691**
Impairment/ amortisation:					
At January 1, 2013	4,344	--	8,789	--	13,133
Charge for the year	--	--	8,113	34	8,147
At December 31, 2013	4,344	--	16,902	34	21,280
Charge for the year	--	--	7,437	178	7,615
Relating to disposal	(4,344)	--	--	--	(4,344)
Foreign exchange translation	--	--	--	(17)	(17)
At December 31, 2014	--	--	24,339	195	24,534
Net carrying amounts:					
At December 31, 2014	**530,342**	**670,000**	**--**	815	1,201,157
At December 31, 2013	537,890	670,000	7,437	173	1,215,500

The useful lives of goodwill and trade name are for indefinite period whilst useful life of distribution rights are for 3 years.

(i) Allocation of goodwill to cash generating units for impairment

Goodwill, amounting to QR. 538.85 million which arose on account of acquisition of Damas International Limited, has been allocated for impairment testing purposes to Damas International Limited, UAE cash generating unit (Damas CGU). The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 12 % per annum based on CAPM. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.

The budgeted growth rate is assumed to be CAGR of 6.02% over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period.

Terminal period cash flows are assumed to grow at a perpetual growth rate of 4%which is based on UAE's long term CPI and GDP growth rates. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

(i) Allocation of trade name to cash generating units for impairment

Trade name was valued using the Relief from Royalty Method (RRM) which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trade name to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trade name are as follows:

(a) Royalty rate–Management applied a royalty rate of 2.75%.
(b) Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 6.02% over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate.
(c) Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 4% which is based on UAE's long term CPI and GDP growth rates.
(d) Discount rate of 14% per annum based on CAPM, inclusive of 2% premium to cover the inherent risk.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and building
	QR '000
Cost/revaluation:	
At January 1, 2014	302,875
Additions	20,669
Disposals/other adjustments	(31,530)
Reclassifications	--
At December 31, 2014	**292,014**
Accumulated depreciation:	
At January 1, 2014	109,169
Charge for the year	12,754
Relating to disposals/other adjustments	(22,390)
Effect of foreign exchange difference	--
At December 31, 2014	**99,533**
Net carrying amount:	
At December 31, 2014	**192,481**

	Land and building
	QR '000
Cost/revaluation:	
At January 1, 2013	307,606
Additions	1,368
Disposals/other adjustments	(7,730)
Reclassifications	1,631
At December 31, 2013	302,875
Accumulated depreciation:	
At January 1, 2013	101,448
Charge for the year	15,454
Relating to disposals/other adjustments	(7,730)
Effect of foreign exchange difference	(3)
At December 31, 2013	109,169
Net carrying amount:	
At December 31, 2013	193,706

Plant and machinery	Office furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
126,409	214,526	54,104	80,253	16,387	794,554
12,023	17,770	15,385	45,364	26,099	137,310
(6,281)	(12,969)	(10,593)	(26,375)	(40)	(87,788)
313	18,261	--	--	(18,574)	--
132,464	**237,588**	**58,896**	**99,242**	**23,8 72**	**844,076**
81,758	185,341	31,566	26,389	(41)	434,182
13,046	17,535	9,406	21,657	--	74,398
(5,959)	(10,539)	(6,399)	(19,251)	--	(64,538)
6	382	46	--	19	453
88,851	**192,719**	**34,619**	**28,795**	**(22)**	**444,495**
43,613	**44,869**	**24,277**	**70,447**	**23,894**	**399,581**

Plant and machinery	Office furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
102,170	201,409	41,807	48,013	26,235	727,240
7,684	16,753	20,055	43,885	10,513	100,258
(405)	(4,546)	(7,758)	(11,645)	(860)	(32,944)
16,960	910	--	--	(19,501)	--
126,409	214,526	54,104	80,253	16,387	794,554
69,674	173,281	27,817	21,148	860	394,228
12,480	16,147	8,261	11,857	--	64,199
(405)	(4,536)	(4,499)	(6,617)	(860)	(24,647)
9	449	(13)	1	(41)	402
81,758	185,341	31,566	26,389	(41)	434,182
44,651	29,185	22,538	53,864	16,428	360,372

14. INVESTMENT PROPERTIES

	2014	2013
	QR. '000	QR. '000
Cost:		
Opening balance as at January 1,	260,566	268,672
Disposal/impairment	(4,867)	--
Classified as held for sale	--	(8,106)
Exchange gain on translation of foreign currency	4	--
Closing balance as at December 31,	255,703	260,566
Accumulated Depreciation/impairment:		
Opening balance as at January 1,	134,850	131,237
Charge for the year	6,581	4,492
Disposal/impairment	(1,564)	44,327
Reversal of impairment	--	(43,785)
Classified as held for sale	--	(1,421)
Closing balance as at December 31,	139,867	134,850
Carrying amount as at December 31,	115,836	125,716

Notes:

(a) At December 31, 2014, the fair value of these investment properties are QR. 149.73 million (December 31, 2013: QR. 250 million) based on the valuation performed internally by management. The valuation of the investment properties are based on an individual assessment, for each property type, of both, their future earnings and their required yield based on management's strategy.

(b) Land and buildings with a cost of QR. 35.56 million as at December 31, 2013 were held in the names of Abdullah Brothers (former non-controlling shareholders of Damas International Limited) and a company owned by them for the beneficial interest of the Group.

15. ASSETS AND LIABILITIES HELD FOR SALE

	December 31, 2014	December 31, 2013
	QR '000	QR '000
Assets held for sale		
Assets of subsidiary held for sale (Note a)	--	45,751
Investment property held for sale (Note b)	--	6,685
	--	52,436
Liabilities held for sale		
Liabilities of subsidiary held for sale (Note a)	--	21,072

(a) The major classes of assets and liabilities at the end of the reporting year are as follows:

	December 31, 2014	December 31, 2013
	QR '000	QR '000
Bank balances and cash	--	10,790
Accounts receivable	--	18,029
Work in progress	--	1,873
Other receivables and prepayments	--	4,297
Property, plant & equipment	--	2,733
Goodwill	--	8,029
Assets classified as held for sale	--	45,751
	--	
Accounts payables and accruals	--	15,001
Provision for employees' end of service benefit	--	6,071
Liabilities associated with assets classified as held for sale	--	21,072

During the year, management disposed off 49% share of its subsidiary to Cofely Besix Facilities Management L.L.C. with a sales proceed of QR. 12.86 million. A gain of QR. 3.84 million has been recognised in the consolidated statement of profit or loss.

(b) During the year ended December 31, 2013, the Group entered into an agreement to dispose of an investment property with a carrying amount of QR. 6.68 million, for a consideration of QR. 15.27 million. The sale was completed in the current year and the gain on disposal amounting to QR. 8.62 million is recognised in the consolidated statement of profit or loss.

16. DISCONTINUED OPERATION

Subsidiary held for sale
Results of the subsidiary's operations classified as discontinued operation are as follows:

	2014	2013
	QR '000	QR '000
Total revenue	**28,693**	47,692
Total expenditure	**(30,094)**	(43,801)
(Loss)/profit for the year from discontinued operation	**(1,401)**	3,891

17. INTEREST BEARING LOANS AND BORROWINGS

	2014	2013
	QR '000	QR '000
Working capital facilities and others (a)	1,564,628	939,288
Term loans (b)	1,054,624	896,847
	2,619,252	1,836,135

Presented in the consolidated statement of financial position as follows:

	2014	2013
	QR '000	QR '000
Current	1,877,653	1,186,698
Non-current	741,599	649,437
	2,619,252	1,836,135

Notes:

(a) During the year, the Group obtained short term loans from commercial banks mainly to finance working capital requirements. These loans carry interest at commercial rates and have a varying maturity between 6 to 18 months.

(b) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates and are to be repaid in quarterly installments. Some of the above interest bearing loans and borrowings are secured by:
- › Fixed deposits amounting to QR 8.8 million (Note 5),
- › Negative pledge on all the assets owned by the Group.

(c) In addition to the above loans, the Group has outstanding gold loans as at December 31, 2014 received from bullion banks on an unfixed basis aggregating to 5,023 Kgs (December 31, 2013: 4,693 Kgs).

(d) The above gold loans are covered by way of stand-by-letters of credit issued in favour of these bullion banks which are presented as part of the Group's contingencies and commitments disclosure note 28(a).

18. ACCOUNTS PAYABLE AND ACCRUALS

	2014	2013
	QR '000	QR '000
Trade accounts payable	464,243	501,281
Advances from customers	561,985	607,689
Payable on acquisition of additional non-controlling interests	--	462,598
Accrued expenses and others	491,383	381,162
Social and sports contribution	3,439	4,359
	1,521,050	1,957,089

Presented in the consolidated statement of financial position as follows:

	2014	2013
	QR '000	QR '000
Current portion	1,489,833	1,923,951
Non-current portion	31,217	33,138
	1,521,050	1,957,089

19. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position are as follows:

	2014	2013
	QR '000	QR '000
At January 1,	86,354	75,888
Provided during the year	21,886	18,741
End of service benefits paid	(8,870)	(8,275)
Exchange gain on translation of foreign currency	(112)	--
At December 31,	99,258	86,354

20. SHARE CAPITAL

	2014	2013
	QR '000	QR '000
Authorised, issued and fully paid-up shares		
[45,619,200 shares of nominal value 10 QR each]	456,192	456,192

21. RESERVES

(a) Legal reserve

As required by Qatar Commercial Companies' Law No. 5 of 2002, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

(b) Acquisition reserve

In case of acquisitions or disposal of subsidiaries without change in control, the difference between the decrease/increase in the non-controlling interests and the consideration paid or received is recognised as 'acquisition reserve' directly in equity attributed to the owners of the Company. During the year, QR. 304.24 million (2013: QR. 283.82 million) has been transferred to this reserve on account of acquisition of non-controlling interest (Note 9(a)).

22. DIVIDENDS PAID AND PROPOSED

The Board of Directors has proposed a cash dividend of QR. 6.0 per share aggregating to QR. 273.72 million for the year 2014, which is subject to the approval of the shareholders at the Annual General Assembly (2013: QR. 5.5 per share totalling to QR. 250.91 million).

During the year, the dividend paid amounted to QR. 250.91 million (2013: QR. 216.69 million).

23. SEGMENT INFORMATION

The Group is organised into business units based on its products and services and has twelve (12) reporting segments as follows:

- Auto
- Heavy equipment
- Energy and industrial markets
- Industrial supplies
- Information technology
- Travel
- Engineering
- Geotechnical services
- Logistics
- Jewellery trading
- Telecom retail
- Others

Management monitors the operating results of the operating segments to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses that are attributed in line with the assets and liabilities allocated. The following table summarises the performance of the operating segments:

(a) By operating segments

	Auto	Heavy equipment	E&I markets
December 31, 2014	**QR'000**	**QR'000**	**QR'000**
Revenue	**824,592**	**323,264**	**84,905**
Gross profit	**161,436**	**49,304**	**51,560**
Net profit	**59,235**	**26,438**	**37,816**
Segment assets	**457,722**	**215,990**	**103,701**
Segment liabilities	**158,156**	**58,738**	**33,403**
Other information			
Share of results from joint venture and associate companies	**--**	**--**	**--**
Investments in joint venture and associates companies	**--**	**--**	**--**
December 31, 2013	QR'000	QR'000	QR'000
Revenue	718,392	214,730	156,582
Gross profit	143,911	40,117	31,871
Net profit	60,716	22,636	19,368
Segment assets	406,588	117,232	68,924
Segment liabilities	187,808	23,835	28,083
Other information			
Share of results from joint venture and associate companies	--	--	--
Investments in joint venture and associates companies	--	--	--

Industrial supplies	Information technology	Travel	Engineering	Geotechnical services	Logistics	Jewellery Trading	Telecom retail	Others	Total
QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**
240,825	**1,579,610**	**42,211**	**120,215**	**77,035**	**37,271**	**2,353,000**	**--**	**157,013**	**5,939,941**
36,788	**194,145**	**39,582**	**25,251**	**25,051**	**9,420**	**613,847**	**--**	**(644)**	**1,205,740**
24,547	**101,160**	**15,721**	**(3,571)**	**3,862**	**3,965**	**394,298**	**(53,523)**	**(83,144)**	**526,804**
103,353	**1,354,443**	**82,435**	**114,594**	**63,167**	**10,914**	**2,282,895**	**1,103,938**	**867,429**	**6,760,581**
30,730	**900,534**	**36,031**	**109,892**	**39,483**	**4,090**	**1,362,615**	**--**	**1,860,731**	**4,594,403**
--	**--**	**--**	**--**	**--**	**--**	**53,755**	**(40,879)**	**1,008**	**13,884**
--	**--**	**--**	**--**	**--**	**--**	**76,039**	**1,103,938**	**15,369**	**1,195,346**
QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
203,161	1,213,799	40,634	105,356	58,140	28,773	2,798,118	--	75,941	5,613,626
34,267	149,685	40,108	21,611	23,306	8,561	626,310	--	25,293	1,145,040
22,027	76,036	15,377	(5,737)	7,636	4,528	309,974	25,433	(18,900)	539,094
62,064	1,174,177	75,037	101,337	44,680	8,539	2,474,772	1,167,056	950,537	6,650,943
12,055	1,003,200	32,722	93,064	20,747	2,680	1,238,374	--	1,556,975	4,199,543
--	--	--	--	--	--	42,362	37,096	1,154	80,612
--	--	--	--	--	--	100,325	1,167,056	--	1,267,381

(a) By geography

	Qatar	Other GCC countries	Others	Total
December 31, 2014	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Revenue	**3,523,106**	**2,369,966**	**46,869**	**5,939,941**
Gross profit	**584,845**	**613,793**	**7,102**	**1,205,740**
Net profit	**137,562**	**393,853**	**(4,611)**	**526,804**
Segment assets	**3,287,062**	**3,407,858**	**65,661**	**6,760,581**
Segment liabilities	**3,203,265**	**1,382,109**	**9,029**	**4,594,403**
Other information				
Share of results from joint venture and associate companies	**1,008**	**12,876**	**--**	**13,884**
Investment in joint venture and associate companies	**15,369**	**1,179,977**	**--**	**1,195,346**
December 31, 2013	QR'000	QR'000	QR'000	QR'000
Revenue	2,753,193	2,817,825	42,608	5,613,626
Gross profit	510,871	626,830	7,339	1,145,040
Net profit	174,350	367,321	(2,577)	539,094
Segment assets	2,938,160	3,674,335	38,448	6,650,943
Segment liabilities	2,928,099	1,269,044	2,400	4,199,543
Other information				
Share of results from joint venture and associate companies	1,154	79,458	--	80,612
Investment in joint venture and associate companies	--	1,267,381	--	1,267,381

24. OTHER INCOME

	2014	2013
	QR '000	QR '000
Reversal of impairment loss on other receivables	301,236	203,606
Reversal of impairment loss made on investment properties	--	43,785
Reversal of allowances made on trade receivables	7,628	9,500
Gain on disposal of property, plant and equipment	3,257	5,735
Gain on disposal of investment classified as held for sale	12,459	--
Gain on disposal of investment property	9,010	--
Old liabilities written back	972	--
Miscellaneous income	27,654	31,791
	362,216	294,417

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	QR '000	QR '000
Staff costs	203,506	191,733
Legal and professional fees	45,452	37,659
Allowance for inventories, net	23,917	25,887
Repairs and maintenance	21,277	20,743
Rent	22,613	19,405
Travelling	20,376	14,709
Communication	14,368	12,350
Utility charges	6,971	7,330
Insurance	6,788	7,192
Printing and stationary	5,201	4,965
Bank charges	5,730	4,380
Impairment of property, plant and equipment	16,342	--
Other administrative expenses and allowances	52,445	64,195
	444,986	410,548

26. EARNINGS PER SHARE

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

	2014	2013
Profit for the year attributable to the shareholders of the Company from continuing operations (in QR '000)	**527,828**	442,185
(Loss)/profit for the year attributable to the shareholders of the Company from discontinued operations (in QR '000)	**(1,401)**	3,891
Profit for the year attributable to the shareholders of the Company (QR '000)	**526,427**	446,076
Weighted average number of shares outstanding during the year (in thousands of shares)	**45,619**	45,619
Basic and diluted earnings per share (QR) (attributable to the shareholders of the Company)	**11.54**	9.78
Basic and diluted earnings per share (QR) from continuing operations (attributable to the shareholders of the Company)	**11.57**	9.69

27. RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group and entities in which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2014	2013
	QR '000	QR '000
Sales	**154,908**	176,676
Purchases	**16,992**	17,745

(b) Related party balances

	2014	2013
	QR '000	QR '000
Due from related parties		
Long term loans to joint venture companies and associates	20,599	22,311
Receivable from joint venture companies and associates	34,574	27,855
Receivable from other related parties	--	54,137
	55,173	104,303
Presented in the financials as follows:		
Current	34,574	27,855
Non-current	20,599	76,448
	55,173	104,303
Due to related parties		
Payable to joint venture companies and associates	6,481	4,976
	6,481	4,976

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms-length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(d) Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2014	2013
	QR '000	QR '000
Short term benefits	19,687	10,035
Post-employment benefits	1,187	672
	20,404	10,707
Directors' remuneration	25,470	21,600

28. CONTINGENCIES AND COMMITMENTS

(a) 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 and jointly and severally liable as principal obligor. The amount of Group facilities outstanding is as follows:

	2014	2013
	QR '000	QR '000
Letters of guarantees	**525,361**	400,397
Letters of credit	**34,271**	119,594
Stand-by letter of credit	**635,340**	772,883
	1,194,972	1,292,874

The stand-by letters of credit are provided by commercial banks in favour of the suppliers of gold who have loaned gold on an unfixed basis to the Group (refer note 17(d)).

(b) Commitments

Capital commitments

	2014	2013
	QR '000	QR '000
Capital work in progress – contracted but not provided for	**13,493**	7,179

Operating lease commitments under non-cancellable lease arrangements:

	2014	2013
	QR '000	QR '000
Less than one year	**136,484**	105,737
1 to 5 years	**153,161**	136,234
	289,645	241,971

(c) Contingent liabilities and commitments related to joint ventures and associates

	2014	2013
	QR '000	QR '000
Contingent liabilities		
- Guarantees	**88,735**	68,516
- Letters of credit	**74,046**	97,661
	162,781	166,177
Operating lease commitments	**33,476**	30,123

(d) Litigation

The Group received a legal notice from the joint venture partner of a joint venture on May 10, 2010, notifying the Group and one of its subsidiaries Damas Jewellery L.L.C., of a claim filed before the Abu Dhabi Courts for QR. 113 million in relation to the joint venture business that the subsidiary had participated in Abu Dhabi, UAE.

In reference to the civil suit filed by the joint venture partner claiming compensation for an alleged breach of the joint participation agreement that the subsidiary of the Group had signed when establishing the venture, the Group defended its position before the courts and filed a counter claim. The Court of First Instance, confirmed the view of the Group as to the strength of its position, and rejected the claim of the joint venture partner and further accepted the counter claim filed by the Group. The joint venture partner appealed the verdict pronounced by the Court of First Instance and the Court of Appeal delivered a judgement in favour of the Group. The Court of Appeal also dismissed the civil suit filed by the joint venture partner.

The Group filed an application to enforce the judgement on the Group's counter claim before the Execution Court. The Execution Court upheld the case in favour of the Group and ordered the joint venture partner to pay the amount claimed. During the year, the Group received the remaining amount awarded by the Court amounting to QR. 5.91 million (2013: QR. 67.67 million) from the joint venture partner, which has been recognised in the consolidated income statement under other income.

29. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise of interest bearing loans and borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise of bank balances and cash, accounts and retention receivable, available for sale financial investments, amounts due from related parties and certain other receivables that arise directly from its operation.

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/financial liabilities	Fair value as at December 31,		Fair value Hierarchy
	2014	2013	
	QR '000	QR '000	
Available-for-sale investments	**16,321**	24,610	Level 3
	16,321	24,610	

There is no in or out movement from Level 3 fair value measurements. The investments classified under Level 3 category have been fair-valued based on information available for each investment such as net asset value.

AFS investments amounting to QR. 26.62 million (2013: QR. 18.35 million) are carried at cost, since their fair value cannot be reliably estimated.

All other financial assets and liabilities are carried at amortized cost. The fair values of the financial assets and liabilities are not materially different from their carrying values in the consolidated statement of financial position, as these assets and liabilities are either of short term maturities or are re-priced frequently based on market movement in interest rates.

Fair value sensitivity analysis
The following table shows the sensitivity of fair values to 10% increase or decrease as at December 31:

	2014	2013
Basis points	**+/-1,000**	+/-1,000
Effect on equity (QR '000)	**+/-4,294**	+/-4,296

30. FINANCIAL RISK MANAGEMENT

The Group is exposed to 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 its operations through internal risk reports. The major risks are discussed below.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances (call deposits), bank overdraft and interest bearing loans and borrowings, which bear floating interest rate.

The following summary sets out the Group's exposure to interest rate risk as of December 31:

	2014	2013
	QR '000	QR '000
Bank deposits and call accounts	**31,153**	42,912
Bank overdraft	**(348,362)**	(293,917)
Interest bearing loans and borrowings	**(2,619,252)**	(1,836,135)
	(2,936,461)	(2,087,140)

The Group is exposed to interest rate risk as it maintains and 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,:

	2014	2013
Basis points	+/-25	+/-25
Effect on profit for the year (QR '000)	-/+7,341	-/+5,218

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balances is limited as they are placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The credit terms for accounts receivable are 30 to 180 days.

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2014	2013
	QR '000	QR '000
Bank balances (excluding cash on hand)	109,427	152,959
Accounts receivable and others	883,067	706,232
Amounts due from related parties	55,173	104,303
	1,047,667	963,494

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign currency exposure is minimal since the Group deals mostly in Qatar Riyals and US Dollars. Balances in other GCC currencies, with the exception of Kuwaiti Dinar, do not expose the Group to significant currency risk since they are pegged to the US Dollar. The following table details the Group's sensitivity to an increase or decrease in Qatar Riyal 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:

	Increase/decrease in Euro, GBP and other rates to the QR	Effect on profit before tax QR '000
2014	**+/- 3%**	**+/- 1,715**
2013	+/- 3%	+/- 1,724

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations and reputation.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sale require amounts to be paid within 30-180 days of the date of sale.

The table below summarises the maturities of the Group's undiscounted financial liabilities at December 31, based on contractual payment dates and current market interest rates.

	Less than 1 year	1 to 5 years	Total
At December 31, 2014	**QR '000**	**QR '000**	**QR '000**
Accounts payable and accruals	**927,848**	**31,217**	**959,065**
Amounts due to related parties	**6,481**	**--**	**6,481**
Interest bearing loans and borrowings at gross	**1,937,671**	**779,780**	**2,717,451**
Bank overdrafts	**348,362**	**--**	**348,362**
Total	**3,220,362**	**810,997**	**4,031,359**

	Less than 1 year	1 to 5 years	Total
At December 31, 2013	QR '000	QR '000	QR '000
Account payable and accruals	1,316,262	33,138	1,349,400
Amounts due to related parties	4,976	--	4,976
Interest bearing loans and borrowings at gross	1,229,616	681,929	1,911,545
Bank overdrafts	293,917	--	293,917
Total	2,844,771	715,067	3,559,838

Capital management

The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged from 2013. The Group monitors its capital using a gearing ratio which is net debt divided by total equity.
The Group includes within the net debt, interest bearing loans and borrowings (included in Note 17) and bank overdraft less bank balances and cash.

Gearing ratio
The gearing ratio at December 31, is as follows:

	2014	2013
	QR '000	QR '000
Debt	**2,967,614**	2,130,052
Bank balances and cash	**(114,263)**	(156,750)
Net debt	**2,853,351**	1,973,302
Total equity	**2,166,178**	2,451,400
Add: acquisition reserve	**588,058**	283,820
	2,754,236	2,735,220
Gearing ratio	**1.04:1**	0.72:1

MANNAI CORPORATION Q.S.C.
P.O. BOX 76, Doha, Qatar
T: +974 4455 8888 F: +974 4455 8880
E: info@mannai.com.qa
www.mannai.com