

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mannai Corporation Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at June 30, 2014, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended and related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis of matter

We draw attention to the fact that the Group is in the process of finalising negotiations with local partners relating to the exit of investments in certain countries. The final outcome of those negotiations is uncertain and certain prevailing tax obligations and liabilities may arise and crystallise on withdrawal of the ownership and cannot be determined with reasonable certainty at this time.

Doha - Qatar
August 8, 2014

For Deloitte & Touche
Qatar Branch

Muhammad Bahemia
Partner
License No. 103

GROUP CHIEF EXECUTIVE OFFICER & DIRECTOR'S REPORT

The Company is pleased to report a 62% growth in net profit for the period ended June 30, 2014.

Net profit was QR 315 million on a group turnover of QR 2.8 billion compared to QR 194 million for the same period in the previous year.

Earnings per share for the period increased to QR 6.91 from QR 4.25 in the corresponding period 2013.

Return on equity increased to 32.1% from 22% as compared to year ended December 31, 2013.

Alekh Grewal
Group Chief Executive Officer
& Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2014

	June 30, 2014 (Reviewed)	December 31, 2013 (Audited)
	QR '000	QR '000
ASSETS		
Current assets		
Bank balances and cash	108,809	156,750
Accounts receivable and prepayments	807,831	810,508
Amounts due from related parties	20,750	27,855
Inventories	2,245,269	2,501,899
	<u>3,182,659</u>	<u>3,497,012</u>
Assets classified as held for sale	--	52,436
Total current assets	<u>3,182,659</u>	<u>3,549,448</u>
Non-current assets		
Accounts receivable and prepayments	--	13,121
Amounts due from related parties	23,717	76,448
Available for sale investments	42,947	42,957
Investment in joint venture companies	17,604	17,111
Investment in associate companies	1,213,656	1,250,270
Goodwill and other intangible assets	1,211,805	1,215,500
Property, plant and equipment	385,861	360,372
Investment properties	119,114	125,716
Total non-current assets	<u>3,014,704</u>	<u>3,101,495</u>
Total assets	<u>6,197,363</u>	<u>6,650,943</u>
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Bank overdrafts	343,347	293,917
Interest bearing loans and borrowings	1,357,768	1,186,698
Amounts due to related parties	3,743	4,976
Accounts payable and accruals	1,507,944	1,923,951
	<u>3,212,802</u>	<u>3,409,542</u>
Liabilities classified as held for sale	--	21,072
Total current liabilities	<u>3,212,802</u>	<u>3,430,614</u>
Non-current liabilities		
Interest bearing loans and borrowings	898,103	649,437
Accounts payable and accruals	31,190	33,138
Provision for employees' end of service benefits	93,149	86,354
Total non-current liabilities	<u>1,022,442</u>	<u>768,929</u>
Total liabilities	<u>4,235,244</u>	<u>4,199,543</u>
Equity		
Share capital	456,192	456,192
Legal reserve	1,083,456	1,083,456
Revaluation reserve	4,630	4,630
Foreign currency translation reserve	(5,539)	(5,383)
Proposed dividends	--	250,906
Retained earnings	1,006,763	691,714
Acquisition reserve	(588,058)	(283,820)
Equity attributable to shareholders of the Company	<u>1,957,444</u>	<u>2,197,695</u>
Non-controlling interests	4,675	253,705
Total equity	<u>1,962,119</u>	<u>2,451,400</u>
Total liabilities and equity	<u>6,197,363</u>	<u>6,650,943</u>

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on August 8, 2014.

Mohamed Ali M. Al Kubaisi
Director

Alekh Grewal
Group Chief Executive Officer and Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

	Six month period ended	
	June 30, 2014 (Reviewed)	June 30, 2013 (Reviewed)
	QR '000	QR '000
Revenue	2,804,544	2,946,352
Direct costs	(2,263,237)	(2,391,319)
Gross profit	<u>541,307</u>	<u>555,033</u>
Other income	308,824	86,311
Share of profit from associates and joint venture companies	6,252	59,138
General and administrative expenses	(236,875)	(188,091)
Selling and distribution expenses	(198,681)	(168,895)
Profit before interest, depreciation and amortisation	<u>420,827</u>	<u>343,496</u>
Finance costs	(45,354)	(56,168)
Depreciation and amortisation	(42,878)	(36,853)
Profit for the period before directors' remuneration	<u>332,595</u>	<u>250,475</u>
Board of directors' remuneration	(17,500)	(10,800)
Net profit for the period	<u>315,095</u>	<u>239,675</u>
Attributable to:		
Shareholders of the Company	315,049	193,942
Non-controlling interests	46	45,733
	<u>315,095</u>	<u>239,675</u>
Earnings per share:		
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	6.91	4.25

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

	Six month period ended	
	June 30, 2014 (Reviewed)	June 30, 2013 (Reviewed)
	QR '000	QR '000
Net profit for the period	<u>315,095</u>	<u>239,675</u>
Other comprehensive income / (loss)		
Foreign currency translation adjustment	(158)	(2,637)
Total comprehensive income for the period	<u>314,937</u>	<u>237,038</u>
Attributable to:		
Shareholders of the Company	314,893	191,836
Non-controlling interests	44	45,202
	<u>314,937</u>	<u>237,038</u>