

## CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

### INVITATION

#### TO THE ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF MANNAI CORPORATION QSC

##### Dear Shareholder,

The Board of Directors of Mannai Corporation QSC (the "Company") have the pleasure to invite you to attend the Ordinary and Extraordinary General Assembly meetings to be held successively on Sunday, March 22, 2015 at 06.30 p.m. at Al-Wajba Ballroom, Intercontinental Hotel, to discuss the respective agendas as shown below. In case the quorum is not met, a second meeting will be held on Wednesday, March 25, 2015 at the same time and venue:

##### First: Agenda of the Ordinary General Assembly

- Hearing the message of His Excellency the Chairman.
- Hearing and approving Chairman's Report on behalf of the Board of Directors on the Company activities and financial position for the year ended December 31, 2014.
- Hearing and approving external Auditor's Report on the Financial Statements for the year ended December 31, 2014.
- Discussing and approving the Corporation's financial statements for the year ended December 31, 2014.
- Reviewing and approving the Board of Directors' proposals for a cash dividend payment of QR6 per share, being 60% of the nominal share value (QR10 per share).
- Absolving the Chairman and Board members for the year ended December 31, 2014 and fixing their remuneration.
- Appointing the External Auditors for the year 2015 and fixing their remuneration.
- Reviewing the Corporate Governance Report for the year 2014 which will be distributed to the shareholders present at the meeting.

A copy of the Company's Financial Statements for 2014, Directors' Report and External Auditor's Report for the same year are published along with this invitation for your ready reference.

##### Second: Agenda of the Extraordinary General Assembly:

- Approving cancellation of Article (22) of the existing Articles of Association of the Company due to repetition of this article in Article 24 thereof.
- Approving cancellation of Article (23) of the existing Articles of Association of the Company due to repetition of this article in Article 25 thereof.
- Approving amendment of Article (26) of the existing Articles of Association of the Company to read as follows after amendment:

Article (26)  
Company shall be managed by a Board of Directors of 9 members, to be elected for a term of 3 years. A director may be re-elected more than once. The Procedures of nomination of the Directors shall be formal, strict and transparent. The nomination of the Directors shall take into account, among other things, the ability of the candidates to give a sufficient time to their duties as Directors, in addition to their skills, knowledge, experiences, professional technical and academic qualifications and their personalities. The Board of Directors shall include executive, non-executive and independent directors.

- Approving amendment of Article (27) of the Articles of Association to read as follows after amendment:

Article (27)  
A Director shall not hold less than 20,000 (twenty thousand) shares. Nonetheless, the General Assembly may elect Directors from non-shareholders if interests of the company so require.

The nominee for the position of Independent Director shall not own in the company's capital more than the shares required to guarantee his membership in the company's Board of Directors.

The Director shall be qualified and shall have sufficient knowledge in administrative matters and the appropriate experience to carry out his tasks in an effective manner for the benefit of the company and shall also allocate sufficient time to carry out his work in all integrity and transparency in a way achieving the company's benefit, goals, and purposes.

If a member of the Board of Directors is representing a company, corporation or an establishment, it shall solely have the right to dismiss such representatives or appoint others at any time.

5. Approving addition of the following clause at the end of Article 28 of the existing Articles of Association of the Company:  
The position of the Chairman of the Board and that of the CEO or any other executive position at the company shall not be combined

6. Approving addition of the following clause at the end of Article 32 of the existing Articles of Association of the Company:  
The Board shall conduct an annual self-assessment of the performance of the Board in order to maintain or improve the effectiveness of the Board performance.

7. Approving addition of the following clause at the end of Article 35 of the existing Articles of Association of the Company:  
Any shareholder has the right to ask for information on the candidates to the membership of the Board before the election, including a description of the candidate's professional and technical skills, experience and other qualifications.

8. Approving authorization of Mr. Khalid Ahmed Mannai, Director, with all the powers necessary for execution of the above resolutions and completing their procedures before official authorities in the State.

**Hamad Bin Abdulla Bin Khalifa Al Thani**  
Chairman

##### NOTES:

1. Exclusively for the review of the Company's shareholders, the Company will make available, three days before the date of the meetings, statements showing the wages, charges, commissions, loans, letters of credit, privileges in kind and remuneration received by the Chairman and each member of the Board of Directors, along with the External Auditor's report in this regard at the Board of Directors Office, Mannai Corporation, Salwa Road, Ramada Junction, Doha.

2. Every individual shareholder may authorize another shareholder to attend the meetings, provided that such an authorization is in writing and given specifically for the purpose of attending the meetings. A Director may not be authorized for this purpose and the number of shares held by a proxy in this capacity shall not exceed 5% of the share capital of the Company. In case the shareholder is corporate person, the representative of the shareholder shall present a written authorization from such corporate person duly signed and stamped in order for the representative to be able to attend the meetings.

3. Minors will be represented by their legal guardians.

4. In order to complete registration, please attend at 05:30 p.m. on the date of the meetings.

### DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER'S REPORT

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.

##### 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

### INDEPENDENT AUDITORS' REPORT

##### 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**

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014	2013
	QR '000	QR '000
<b>ASSETS</b>		
<b>Current assets</b>		
Bank balances and cash	114,263	156,750
Accounts receivable and prepayments	1,014,847	810,508
Amounts due from related parties	34,574	27,855
Inventories	2,585,410	2,501,899
	3,749,094	3,497,012
Assets classified as held for sale	--	52,436
<b>Total current assets</b>	<b>3,749,094</b>	<b>3,549,448</b>
<b>Non-current assets</b>		
Accounts receivable and prepayments	36,021	13,121
Amounts due from related parties	20,599	76,448
Available for sale investments	42,947	42,957
Investment in joint venture companies	18,306	17,111
Investment in associate companies	1,177,040	1,250,270
Goodwill and other intangible assets	1,201,157	1,215,500
Property, plant and equipment	399,581	360,372
Investment properties	115,836	125,716
<b>Total non-current assets</b>	<b>3,011,487</b>	<b>3,101,495</b>
<b>Total assets</b>	<b>6,760,581</b>	<b>6,650,943</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdrafts	348,362	293,917
Interest bearing loans and borrowings	1,877,653	1,186,698
Amounts due to related parties	6,481	4,976
Accounts payable and accruals	1,489,833	1,923,951
	3,722,329	3,409,542
Liabilities classified as held for sale	--	21,072
<b>Total current liabilities</b>	<b>3,722,329</b>	<b>3,430,614</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	741,599	649,437
Accounts payable and accruals	31,217	33,138
Employees' end of service benefits	99,258	86,354
<b>Total non-current liabilities</b>	<b>872,074</b>	<b>768,929</b>
<b>Total liabilities</b>	<b>4,594,403</b>	<b>4,199,543</b>
<b>Equity</b>		
Share capital	456,192	456,192
Legal reserve	1,083,456	1,083,456
Revaluation reserve	4,630	4,630
Foreign currency translation reserve	(9,539)	(5,383)
Proposed dividends	273,715	250,906
Retained earnings	940,987	691,714
Acquisition reserve	(588,058)	(283,820)
<b>Equity attributable to shareholders of the Company</b>	<b>2,161,383</b>	<b>2,197,695</b>
Non-controlling interests	4,795	253,705
<b>Total equity</b>	<b>2,166,178</b>	<b>2,451,400</b>
<b>Total liabilities and equity</b>	<b>6,760,581</b>	<b>6,650,943</b>

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

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended December 31, 2014

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

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended December 31, 2014

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