MANNAI CORPORATION

MANNAI CORPORATION Q.S.C.

ANNUAL REPORT 2015

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

His Highness The Emir
Sheikh Tamim Bin Hamad Al-Thani

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Chairman's Report

"Since 2010 the Capital and Reserves of Mannai Corporation have almost tripled from QR 866 Million to QR 2.4 Billion at the end of 2015."

I mentioned in my annual report 5 years ago that the Board's medium term strategy has three main aims: to maintain a strong capital base for growth, expansion of the Company's overseas earnings, and the continued development of our core business in Qatar.

These objectives remain the pursuit of the Board.

Since 2010 the Capital and Reserves of Mannai Corporation have almost tripled from QR 866 Million to QR 2.4 Billion at the end of 2015.

The Company's earnings from overseas operations have grown to 43% of the overall profit of the Group in 2015 and our core business in Qatar continues to provide a solid base for the Company and its plans for future growth.

As outlined later in this report, Mannai announced in December 2015 that it had made an offer to acquire a majority stake in an IT company in France in further pursuit of its growth strategy. As a result of the diversity of Mannai's business I am pleased to report that despite the challenging global economic environment in 2015 Mannai has been able to deliver a stable operating performance for the year.

The Net Profit of QR 533 Million achieved in 2015 is marginally ahead of last year. However, the 2014 result included a significant level of one-off exceptional income from the conclusion of the Damas turnaround and restructuring activity. The underlying normalized Group earnings in 2015 actually grew by 21% after excluding the exceptional income in 2014.

There was particularly strong growth in our core business in Qatar, which delivered 57% of Group profits. Our IT business in Qatar had an outstanding year and achieved a record performance.

Damas delivered the largest individual profit contribution, even though business in Damas was impacted by the general slowdown in consumer retail spending and the sharp decline in Chinese and Russian visitors to Dubai. The market penetration of Damas in the GCC remains robust, and an increased number of customers were served in 2015, but at lower spending levels.

The strength of the Qatar economy and Mannai's participation in infrastructure projects drove the growth in local business. Once again the sound and stable economic environment in Qatar provided a firm base for the continued development of our business, thanks to the wise leadership of the Emir HH Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani.

As touched on earlier, in pursuit of new opportunities for growth and further diversification, Mannai made an offer in December 2015 to acquire a 51% stake in GFI Informatique, a French Public Company, for a consideration of approximately Euro 290 Million. GFI specialises in IT solutions in France and across a number of countries in Europe. Mannai's bid has been accepted by the Board of GFI and is presently awaiting regulatory approval in France.

The business of GFI will add a European dimension to Mannai's business base and further improve the diversity of Mannai's earnings stream.

In consideration of the sound operating performance in 2015 and Mannai's future plans for growth, the Board has recommended a dividend of 50%, being QR 5 per share.

I wish to report some changes in the composition of the Board since the beginning of 2016, and following the election of Directors for a new 3 year term at the General Assembly held on 23rd March 2016.

Accordingly, I am pleased to welcome H.E. Sheikh Khalifa Bin Abdulla Bin Khalifa Al-Thani, Khalid Sultan Al Rabban, and Mohammed Yousuf Hussein Ali Kamal as new members of our Board.

I must thank Khalid Mannai, Said Abu Odeh and Rashid Fahad Al Naimi, who stepped down from the Board at the end of the term in March, for their valuable contribution and devoted service to the Mannai Board, particularly since listing on the Qatar Exchange in 2007.

Once again, I would like to express my appreciation to the managers and staff throughout the Mannai Group of companies for their personal contributions to the continued development of their businesses.

Business conditions in the year ahead seem set to remain overshadowed by the weakness in global growth expectations, and of course, the weaker oil price adds to the uncertainty of economic conditions in the region.

However, I am confident that the diversity of our portfolio of long established businesses in Qatar and in the region plus the proposed acquisition in Europe will provide an enduring strength that will continue to underpin Mannai's growth going forward.

Hamad Bin Abdulla
Bin Khalifa Al-Thani,
Chairman

Director and Group Chief Executive Officer's Report

"2015 was an outstanding year for our Qatar businesses, recording an increase in profits of 120%"

2015 was an outstanding year for our Qatar businesses, recording an increase in profits of 120% over the previous year. While on the surface it would appear that 2015 was marginally ahead in terms of the Group prior year's net profit, the reality is that the growth in operating earnings was substantially greater when taking into account that we did not have the same level of 'one off' recoveries from Damas restructuring activities which concluded in 2014.

While the whole year was positive, we did face challenges in our overseas businesses but being a diversified conglomerate, ensured continued stability in our earnings, which is a key strength of Mannai.

The ICT business once again delivered a record breaking performance by its outstanding position as Qatar's leading systems integrator that has built upon its reputation of trust and quality to successfully serve the IT needs of its diverse range of corporate and government customers. The business is ideally positioned to provide the highest quality solutions to its customers throughout the entire technology stack.

Gulf Laboratories which offers drilling and ground investigations services along with laboratory and environmental testing services had the best year in its history.

Energy & Industrial division performed well again due to the many infrastructure projects it has in its portfolio of works and by securing a major share of the strategic Water Mega Reservoirs project in Qatar. Following the continuous successful business between Mannai & Saint Gobain Pam, both companies have agreed to further strengthen their activities in Qatar, and have established the "first of its kind" distribution platform in Qatar under the name of "Saint Gobain Pam & Mannai LLC". This platform will ensure the immediate availability of Ductile Iron pipes, fittings and valves in Qatar to service our clients' needs.

Heavy Equipment division grew its market share achieving greater profitability. New vehicle sales were buoyant as our new Cadillacs and GMCs flew out of our showrooms, proving that the new models are truly aesthetically desirable.

Internationally, Damas witnessed a slowdown in business due to the challenges in the retail market in the GCC. It was most affected by a lack of high end customers visiting Dubai.

Axiom also faced significant challenges due to the retail slowdown in the UAE along with handset manufacturers reducing the margin available to its distributors. However, the company is on track to execute its strategic initiatives which should produce a significant improvement in its earnings.

PERFORMANCE

The Group delivered another year of record profits:

- Group Turnover : QR 5.9 Billion.
- Net Profit for the year : QR 533 Million.
- The Group's overseas operations contributed 43% of the overall profit of the Group.
- Return on Equity is 24%.
- Earnings Per Share : QR 11.68

DIVERSITY OF BUSINESSES

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 trading, retail and service businesses deal with customers in the Oil & Gas industry, the Commercial and Government sector, as well as retail client's throughout the GCC and Turkey. We aim to continue to provide a platform for future profitable growth, listening and responding to 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 Service and Quality, which are listed later in this report.

FUTURE OUTLOOK

Mannai is on course to acquire 51% of GFI Informatique, a French Public Listed company. The acquisition will be concluded once all regulatory approvals have been obtained. GFI is a leading IT services provider with operations in France, Spain, Portugal, Morocco and Northern Europe. The Company has long term relationships with leading French multinationals and offers Consulting, Application and Infrastructure services, Enterprise and Software Solutions. This acquisition will significantly diversify Mannai's International footprint and further broaden our earnings base.

We remain cautiously optimistic that Mannai will continue to maintain an active role in the planned infrastructure developments in Qatar.

Although the economic outlook is challenging in the near term, we remain committed to continuing our unbroken record of growth as a Public Company and delivering positive results for our shareholders.

Alekh Grewal
Director and Group Chief Executive Officer


GMC

OUR VISION

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

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.

Financial Highlights

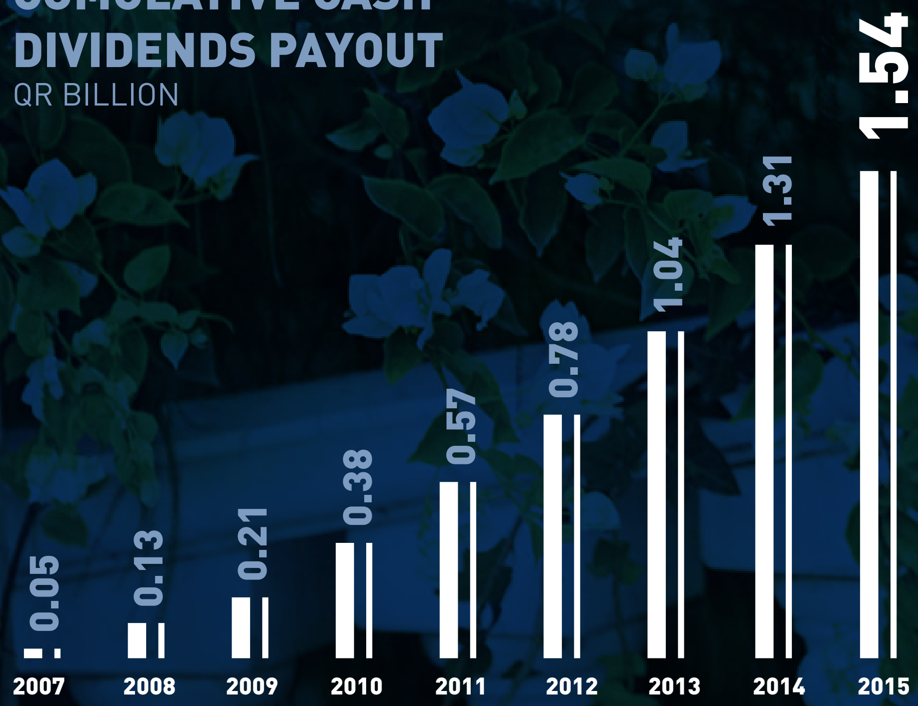
REVENUE
5.93
QR BILLION

EBITDA
724
QR MILLION

NET PROFIT
533
QR MILLION

EARNING PER SHARE
11.68
QR

CUMULATIVE CASH DIVIDENDS PAYOUT
QR BILLION



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 in 2015

Auto Group
- General Motors' 2015 Cadillac Grandmasters Dealer Award
- Best GMC Sierra Market Share in Middle East 2015
- Cadillac Highest Sales Growth – Middle East 2015
- Cadillac Highest Market Share – Middle East 2015
- 2015 Largest JCB Excavator Dealer in the World
- Elite Distributor Award by Grove Cranes
- Caltex Lubricants, Gold Award - Highest Performing Marketer (Distributor) 2015
- First place in the Middle East and Africa under the Caltex Distributor Program
- Best Premium Brand (Cadillac) Dealer and amongst Top 5 Dealers for the Core Brand (GMC) for the 'Fix it Right First Time' program conducted by General Motors in the GCC and Levant region

Damas
- Winner: Anan Fakhreddin, CEO of Damas Jewellery, Best Business Leader Category
- Winner: Damas Jewellery. Most Admired Retailer of the Year – Gold, Jewellery and Watches Category

Infotech
- 2015 Oracle Specialised Partner of the Year - Applications - Global
- 2015 Oracle Specialised Partner of the Year - Applications - EMEA
- 2015 Oracle Storage Award - MEA
- 2015 Open Text Most Collaborative Partner Award

Integrated IT Solutions
- Microsoft Best Cloud Partner for SMB, Qatar 3rd Quarter- 2015
- NetApp Partner of the Year 2015
- Top Performing Veritas Partner in Gulf - Ingram Micro-Aptec
- Recognised as founding member of Partner Force Program 2K15, recognised at Veritas EMEA Partner Link Conference, Monaco

Networks
- CISCO Master Collaboration Specialised Partner
- CISCO Gold Certified Partner - 2015
- CISCO Master Security Partner - 2015
- EMC: Tier 1 Solution Provider Gold Business Partner - 2015
- VMware - Premier Solution Provider - 2015
- VCE - Solution Provider Gold Partner - 2015
- RSA - Securworld Gold Partner - 2015
- Panduit Partner of the year - 2015

HP Solutions
- HP Enterprise Partner of the Year - Middle East 2015 (Third Year in a Row - 2013, 2014 and 2015)
- NEXThink Partner of the Year Middle East 2014
- NEXThink Innovation Award "Security" - Worldwide 2014

Home Appliances and Electronics
- White Westinghouse – Best Sellout in Power Retailers Category, 2015
- Moulinex- Excellence Award 2015 for Exceptional Growth on Moulinex, 2015

Energy and Industrial Markets
- Outstanding Performance on the Water Security Mega Reservoirs Project from Saint Gobain PAM

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 are 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 Articles 9/2** (Board Composition), 16/2 (Nomination Committee), 17/1 (Remuneration Committee) and 18/1 (Audit Committee) respectively provide that formation of the Board and these Board Committees shall include independent Directors. At present, Mannai has a majority of Non-Executive Directors, but only one fully independent Director.

  The Chairman considers that the Board and its committees have a good balance of skills and experience in its Executive and Non-Executive Directors but with reference to the Corporate Governance Code has requested the Board to consider how it might work towards creating a further independent member.

  › **Code Article 24/1** (Obtaining Information): The Board of Directors annually provides necessary information and data to shareholders before holding the General Assembly and informs shareholders of such right in the invitation addressed to them to attend the General Assembly of the company. The Articles of Association of the company do not include specific procedures for obtaining information, but the company seeks to be transparent in the information published on its website and its Annual Report.

  › **Code Article 27/2** (Cumulative Voting): The Board is satisfied that shareholder decisions depend ultimately on a majority vote, which is in accordance with Article 128 of the Commercial Companies Law no. 5 of 2002, being "one vote per share" voting system, without any exceptions among shareholders, irrespective of the number of shares they own.

  › **Code Article 29** (Minority Shareholders' Rights and Tag along Rights and Major Transactions): 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.

The annual report for the financial year ended 31st December, 2015 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 28 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%	-
2015	50%	-

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 2015

Automotive Group

Mannai's market share in the premium segment grew 40%

Automotive Group

Mannai Automotive Group in Qatar is constituted of two broad segments: the Passenger and Commercial vehicles segment and the Heavy Equipment and Construction Machinery segment; together they represent more than forty principals from 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.

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 operating in Turkey and UAE under the GTC brandname.

Mannai's fully owned subsidiary in Turkey – GTC Otomotiv operates three 3S Facilities (Sales, Spares and Service), two representing General Motors' Opel range of vehicles on the Anatolian side of Istanbul and the other representing Toyota's range of vehicles on the European side of Istanbul.

GTC (Global Trading Center), the overseas operations at Jebel Ali Free Zone, has been 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 and Jost from Germany, alongside many others.

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.

Vehicle Sales in 2015 were at almost the same levels of 2014, despite the price advantage enjoyed by the Japanese and the European brands due to weakening currencies.

Mannai's market share in 2015 in the premium segment for Cadillac range of vehicles grew by almost 40% and closed as the highest in the region – almost two-thirds higher than the regional market share (Source : General Motors).

In recognition of the above accomplishment, Mannai was awarded with 'Cadillac – Highest Sales Growth – Middle East 2015' and 'Cadillac – Highest Market Share – Middle East 2015'.

Earlier this year, Mannai Automotive won General Motors' 2015 Cadillac Grandmasters International Operations Dealer Award, a global award conferred for excellent performance and for the highest level of customer satisfaction in sales and after-sales.

General Motors' has been launching new range of products in the last couple of years that boast of highly advanced technologies. Sale of Cadillac range of vehicles grew substantially with ATS at 50% and Escalades registering an impressive increase in sales as well. Customer enthusiasm and confidence in General Motors' new range of products has been growing over the recent years; the momentum is further expected to continue during 2016, with GM scheduled to launch two new products CT6 and XT5 during the year. Further, the Fleet sales of GMC range of vehicles grew by almost 20% with its flagship brand of Yukons overall growing approximately at a double digit percentage.

Mannai has been showcasing GMC Pick-ups as Lifestyle vehicles and its success with customers was yet again recognised, when General Motors awarded Mannai having Best GMC Sierra Market Share in Middle East 2015.

Service and Parts

The Service division of Mannai Automotive Group was ranked as the Best Premium Brand (Cadillac) Dealer and amongst the Top 5 Dealers for the Core (GMC) Brand for the 'Fix it Right First Time' program conducted by General Motors in the GCC and Levant region.

Mannai Automotive Group won the Service Advisor Gold award in the Service Advisors Championship – Q1 and Q2, 2015 conducted by General Motors. One of the Service Advisor was also selected as one of the Top 10 Advisory Staffs in the Year 2015, across the GCC and Levant region. 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.

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 will be further enhanced with the opening of another facility at Al Kheisa. Mannai Automotive Group will continue to meet and exceed the customers expectations.

GTC TURKEY

CHEVROLET

TOYOTA Let's Go Places


3CX
JCB
N 73490
3CXeco

Heavy Equipment Division

In 2015, HED registered handsome growth in sale of JCB units and was awarded the largest Excavator Dealer Award in the World.

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 and Eicher Buses, Dulevo, Mathieu and Elgin Sweepers, DAF and Eicher Trucks, Comp Air-Holman air compressors, Thermo King Transport refrigeration, Allison fully automatic Transmissions, Chalwyn Safety Valves and MTU Diesel industrial/marine engines.

HED also provides an efficient aftersales 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 has been investing in after-sales operations by operating dedicated Service Center in the Industrial area, primarily focused on Trucks, Buses and Refrigeration Units.

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.

HED earned the first place in the whole of Middle East and Africa, under the Caltex Distributor Program, by selling premium, multigrade, diesel engine Lubricant products.

HED continued to capitalise upon strong market growth in the construction industry during 2015, thereby recording a significant increase in the market share of its world class brands.

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 and make its strong presence felt in the Heavy Equipment Market as one of the Top Dealers in the State of Qatar.

Information and Communication Technology

Mannai's ICT Group performed outstandingly in 2015, growing its revenue beyond 1.6 billion QR and further advancing its offerings along the value chain. All of Mannai ICT's constituent business units performed above last year and thus, enabled a truly remarkable result. The biggest contributors were Networks and Data Center, and Mannai InfoTech, but Mannai's HP Solutions also deserves special mention for its excellent performance. As such Mannai ICT Group is now standing stronger than ever in its position as Qatar's leading systems integrator and has built upon a reputation of trust and quality to successfully serve the IT needs of its diverse range of customers.

The ICT Group is organised into the following business units: **Networks and Data Center** provides CISCO based voice and data solutions, structured cabling, EMC storage and CCTV to key customers in Qatar; **Mannai InfoTech** with its key principal ORACLE 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 skills relating to application development and implementation.
The **Integrated IT Solutions** division provides comprehensive hardware, storage, virtualization and security solutions from, MICROSOFT, VMWARE, NETAPP, SYMANTEC and a host of other vendors; Finally, **HP Solutions** has done a remarkable job to represent the portfolio of HP Enterprise and HP Inc. in the State of Qatar and to ensure that its broad capabilities in the realm of Hardware, Software, Printing and Computing Systems are well positioned to meet customer needs at all times.

Networks and Data Center division provides innovative next generation technology solutions that involve Networking, IP Telephony, Unified Collaboration, Computing, Virtualization, Storage, Backup, Recovery, Security and Integrated IT that are provided by market leaders like Cisco Systems, EMC, VMware, VCE, RSA and Pivotal for IT Infrastructure catering to the needs of Small, Medium Enterprise, Government, Defense and Service-Provider customers.

Mannai Networks and Data Center also has extensive experience in supplying, installing and commissioning a range of ELV and security systems enabling it to meet the clients' requirements in a variety of sectors encompassing CCTV networks, integrated command control center, public announcement systems, audio/video, access control, IP Lighting, and other smart solutions .

Networks and Data Center is a CISCO Gold Certified Partner and received numerous honors and prestigious awards from its principals in 2015. Mannai Networks is regionally recognised for its innovative approach towards delivering business value and its commitment to quality and support.

Mannai InfoTech division achieved another year of excellence which culminated in receiving the global award as Specialized Partner of the Year 2015 – Applications at Oracle's OpenWorld Annual Partner Summit in San Francisco. Offering a broad spectrum of IT services including Application Implementation, bespoke Application Development, Systems Integration, Mobility, Master Data Management, Enterprise Content Management, Data Warehousing, Enterprise Resource Planning (ERP), and Customer Relationship Management (CRM) using on-premises and/or cloud architecture, Mannai InfoTech has established itself firmly as the most sophisticated next generation IT service provider in the State of Qatar.

Mannai InfoTech takes special pride in being OpenText Platinum Partner for Enterprise Information Management (EIM), the countries only Gold Partner of Kony for delivering Mobile Applications and Esri® Strategic Business Partner and Esri® Sole Distributor for the State of Qatar.

Integrated IT Solutions division is a "turn-key solution provider", integrating disparate technologies to provide cost efficient solutions and support in the most effective manner. Integrated IT Solutions has evolved from a systems Integrator to a next generation hyper-converged solution provider encompassing partnership with 20+ technology vendors under one roof.

The division remains in the highest partnership status in the region with its diverse range of specialised vendors and world-class technology partners. Integrated IT Solutions division has received several awards and special accolades, including awards from Barracuda, CITRIX, Fluke Networks, Microsoft, NetApp, Palo Alto, Riverbed, Symantec, VEEAM, Vision Solutions and VMWare.

Mannai's ICT Group performed outstandingly in 2015, growing its revenue beyond 1.6 billion QR

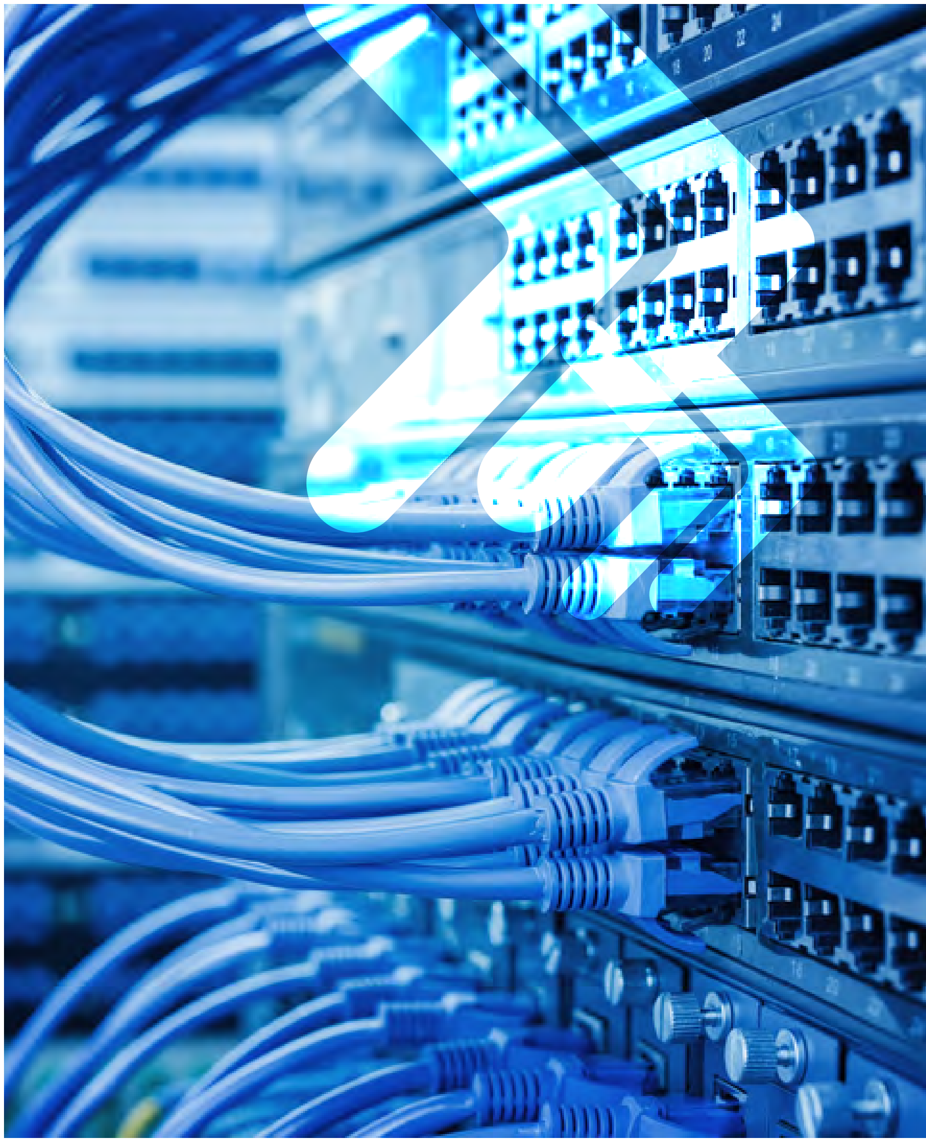
HP Solutions division continues to be the No. 1 HP Partner in Qatar and Middle East in 2015 for the third year in a row. This impressive winning streak is a testimony to the outstanding performance displayed in ensuring that HP Enterprise and HP Inc.'s solution portfolio is ideally represented. These accolades have been achieved on the back of many major turnkey solution projects which were delivered to Qatar's public and private sector in 2015. In the wake of this success Mannai ICT's HP Solutions division posted very strong financial results and created a lot of value in the process.

Travelport (formerly Galileo) division had another successful year as Qatar's premier provider of Global Distribution System (GDS) services to Qatar's growing travel industry. The division increased segment numbers, improved operating efficiency and key customer satisfaction metrics.

ICT's **Office Equipment** division contributed solid results in terms of revenue and steady net profits.

The **Medical and Scientific Equipment** division continued to make important contributions to Qatar's growing and ambitious healthcare and scientific research sector.

The division has streamlined its portfolio which enabled it to deliver its solutions more efficiently and to increase value creation in the process. It is ideally positioned to serve Qatar's buoyant healthcare sector in the years to come.



Damas International Limited

Damas International Limited (Damas) entered Mannai group of companies in 2012 and became a wholly owned subsidiary in 2014.

Headquartered in Dubai, Damas is the leading jewellery network in the Middle East. As well as its own collection of new and established in-house brands such as Manthourah, Avani, Farfasha, OneSixEight and Vera, Damas also represents more than 35 international brands including Forevermark, Graff, Roberto Coin, Fope, Mikimoto, Marco Micego, Tanishq, Perrelet, Parmigiani, Arnold and Son and Louis Moinet.

Following the launch of the new concept stores in 2014 modernisation of the Damas shop offering was accelerated through further roll-out of the new brand identity in the 'boutique and collections' two store format. During 2015 Damas opened an additional 24 stores in the GCC, with particular emphasis on growing market share in Saudi Arabia, including the first Graff Boutique. As well as the new stores, 16 existing stores were renovated to reflect the new brand concept, resulting in a year-end total of 259 stores across the region.

Marketing investment in 2015 was specifically focused on key consumer segments and three of Damas most prolific in-house brands.

The iconic Farfasha brand was revamped with a new, innovative and playful jewellery collection in 18k gold. Targeting a young Arabic audience the campaign was led by Nancy Ajram, the brand ambassador.

Reaching out to a more local and traditionally oriented consumer segment, Al Manthourah was re-launched in June, with culturally charming product designs relating to Arab GCC consumers.

Following extensive market research into the preferences of the modern Indian woman living in the region, Avani was launched in October, introducing an exclusive line of 22k gold jewellery in a variety of collections. The brand image of Avani was further established through the chosen ambassador, Bollywood celebrity Kangana Ranaut.

The annual "Our Damas" programme concentrating on the company's values and future plans was again conducted by senior management with the staff in each of the company's networks throughout GCC to ensure everyone remains involved in the standards we set and the developments that are planned.

It was year where Damas invested a record amount in people development with particular emphasis on front line staff on ensuring a consistent, professional and delightful experience for customers through deployment of the "Damas Signature Customer Experience"; this was further extended to include a grooming module and new staff uniforms which firmly endorses the visibility of Damas as a luxury retailer.

Also, as a result of the investment in training there are now more than 500 sales staff qualified by the Gemological Institute of America (GIA). Consequently, Damas now boasts at least one gemology expert in each store across the GCC network, and in the boutiques all sales staff are now GIA graduates, creating a further leading edge for Damas in the GCC.

However, the business environment in 2015 proved to be extremely challenging for the luxury retail sector globally, as well as in the Middle East. The weakening oil price, strong US Dollar, regional conflicts, plus the substantial drop in luxury spending by Russian and Chinese tourists significantly impacted retail spending.

Despite the economic headwinds affecting the sector in 2015, Damas achieved a sales revenue of AED 2.1 Billion, and a Net Profit of AED 250 Million, and is very well placed for growth as market conditions improve.

damas FABERGÉ

ROBERTO COIN

GRAFF LOUIS MOINET 1806

PARMIGIANI FLEURIER MIKIMOTO

Gfi Group

11,000 EMPLOYEES

8 COUNTRIES

France | Spain | Portugal | Belgium | Morocco | Switzerland | Luxembourg | Côte d'Ivoire

PARTNERSHIP

Gfi Informatique is a major partner of Paris Saint-Germain Handball

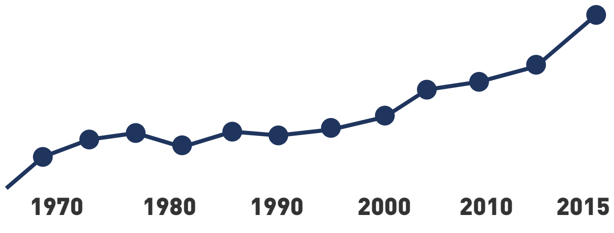
7 SHARED SERVICE CENTRES

Lille | Nantes | Toulouse | Velizy
Lisbon (Portugal) | Alicante (Spain) |
Casablanca (Morocco)

5 VALUES

Ambition
Innovation
Commitment
Team Spirit
Social Responsibility

45 YEARS OF EXISTENCE



€804m REVENUE

Gfi France

6 GROUP PRACTICES

Business Intelligence | Cloud | Digital | Mobility | Outsourcing | Testing

5 BUSINESS LINES

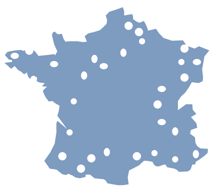
Application Services | Infrastructure Services | Enterprise Solutions | Software | Consulting

6 BUSINESS SECTORS

Banking-Finance-Insurance
Industry-Aerospace-Retail
Public Sector
Telecom-Media
Energy-Utilities-Chemicals
Transportation-Services

40 OFFICES IN FRANCE

+ INNOVATION
INTIMACY
INDUSTRIALISATION



STOCK EXCHANGE

Gfi Informatique is listed on the Euronext Paris Market

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 8,000 points of sale across the region. The Company has a presence in the United Arab Emirates (UAE), Saudi Arabia (KSA), Kuwait and Qatar. Axiom generates revenue from the sale and service of mobile handsets and accessories (referred to as "mobile devices") and telecommunications services via its partnerships with mobile telecommunications operators (referred to as "telecom services").

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

Key strengths:

- Middle East handset and telecom services market leader
- Unique partnerships with world's top mobility businesses
- 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 2016 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. In addition, the value added services to be launched in other channels, such as our Van Distribution
- Revamping key retail outlets with a brand new design concept, providing a clean and modern look with a much more customer friendly layout
- Launching Axiom customs – a brand new service that allows consumers to personalize their device with options such as gold plating, laser engraving and changing the color of the device.
- Continue to leverage existing distribution channels to bring must have products to market ahead of the curve. Some examples are shown below

Four mobile:
Four was born out of a deep desire to offer mobility to everyone with no restriction on expressing their personalities across all aspects of their lives. Four offers fulfillment and relates to engaging with life (across all four corners of the globe) with energy and self-expression.

Four will provide high quality, affordable phones with excellent features and specifications, like the slimmest smartphone in the world, and the coolest looking devices in their price points.

Phone 2:
Phone2 is a new initiative that allows customers to get the best value for their old handsets (through our Trade In service), which are then graded as per the device condition, and then resold to new customers as a second hand phone (under Phone 2 brand) according to the device's cosmetic quality, with devices ranked as either platinum, gold, silver or bronze.
All devices are scanned, with data being wiped for security and are 100 percent checked for functionality.
Every Phone2 device is sold with a warranty from Axiom and all handsets come with high-quality accessories

Salik:
Axiom has been a distributor for 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

2015 was another challenging year for the travel industry on the whole due to rationalisation of travel spends by major customers on account of the drop in the oil prices. Nevertheless, we have managed to stay ahead of the market and with our years of experience we hope to retain our market position and be recognised as the bench mark leaders. We have always strived to retain our leadership position as an IATA 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 11 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.

Philippine Airlines will start direct service 5 days a week from Doha to Manila from March, 2016. This will give Space Travel a new opportunity for growth and to serve a new stream of customers.

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 has recently started developing and promoting the inbound leisure and MICE travel into Qatar and this will add a new business stream to support its growth.

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, we have added 4 new countries to our portfolio as VFS service provider and now we serve a total of 6 missions in Qatar.

During 2016, 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 used by a number of travel agents to access and book travel related services and this application is also implemented as a travel management system for Corporates as it helps Corporates to manage their travel budget most effectively.

We also plan to provide an online booking and payment platform enabling customers comfort of buying travel services online.

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

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

HAED Projects is continuously growing and has won many prestigious projects in Qatar and was able to meet its commitment of providing total Home Appliances solution for commercial and residential projects. In 2015, Project Section was able to secure many landmark projects assisted by its global suppliers White Westinghouse, Ignis, Bompani, Toshiba, TCL, Moulinex, Scotsman and Coleman.

During 2015, a range of new brands have been augmented into HAED's portfolio. AEG - high quality appliances that combine top performance with excellent German design, Edimax - complete product range consisting of wireless solutions, Divoom - an innovative audio products which excels in aesthetic design and audio performance for music lovers and Lafeeda - providing accessories for electronic devices with intuitive functionality, exquisite craftsmanship and aesthetic appeal.

HAED has received achievement awards from its partners for the best performance during the year 2015, 'Best Sellout in Power Retailers Category' award from Westinghouse, 'Excellence Award 2015 for Exceptional Growth' from Moulinex and award for 'Corporate partner of the year award 2015' from TCL.

Under the motto "We Service, Whatever we sell", our HAED Service Section has also been instrumental in the overall success of HAED. The turnaround time for servicing of appliances and electronics has been improved with its professional service team, thereby enhancing customer satisfaction.

SEIKO
AEG
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), division has an excellent track record of providing comprehensive services to international manufacturers, suppliers and contractors by providing local expertise and "know-how" to the Oil and Gas, construction and infrastructure segments of the Qatari Economy.

2015 was again a very successful year whereby E&IM was able to win and deliver along with its Principals, orders for DI Pipes, Fittings and Valves, Wrapping Tapes, Heat Shrinkable Sleeves for the additional packages of the Strategic Water Mega Reservoirs, New Orbital and Truck Route Highway Packages. Also other Construction/ Electrical/HVAC products were supplied to various Contractors and Utilities in Qatar, including Access Hatches and Access Doors for the prestigious Msherieb Properties "Heart of Doha".

During the year E&IM's Oil and Gas segment have signed Long Term Call Off agreement with RasGas for servicing their plate heat exchangers for 3 years as well as the refurbishment of 2 pump cartridges at QP Dukhan.

Mannai and Saint Gobain PAM, have agreed to further strengthen their activities in Qatar and have established the "first of its kind" distribution platform in Qatar under the name of **"Saint Gobain PAM and Mannai LLC"**. This platform will ensure the availability of DI pipes, fittings and valves in Qatar to service our clients' needs of such products.

E&IM product portfolio includes Ductile Iron pipes, fittings and valves, heavy duty DI covers, pipe wrapping materials "Serviwrap and Maflowrap", municipality covers, pumps, cable cleats, cable joints, moulded case circuit breakers, terminations and accessories, heat tracing materials, gas flow meters and gas chromatographs, water chlorination systems, hatches, access panels and ladders, HVAC equipment and various construction materials.

E&IM strives to continuously upgrade its capabilities and provide value added 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, a segment of E&IM division, is one of the leading suppliers of HVAC equipment and services in Qatar. Its range of products represents major manufacturers within the HVAC world notably SKM, Toshiba, Novenco, Lawton and UVDI. The collaboration of Mannai and its partners ensures the availability of the largest range of HVAC equipment in Qatar: Chillers, Air Handling Units, Heat/Energy Recovery Units, Fan Coil units, VRF, Packaged Units, Central Ducted Split Systems, Swimming pool units, Mini and Ducted Split units, Window AC, Central/Domestic/Car Park Ventilation Fans, Copper Tubes, Fittings and accessories (ACR, Plumbing and Medical tubes), Field devices, valves and controls, Air and water Ultra Violet (UV) Disinfection.

In 2015, HVAC have won and delivered many prestigious projects in Qatar from Public Works Authority (ASHGHAL), Qatar Petroleum, Hamad Medical Corporation (HMC), Qatar Foundation (QF), Ministry of Interior (MOI), Qatar Armed Forces (QAF), New Port Projects and many more.

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

During the year E&IM won several awards from its Principals including "Excellence Award" from Saint Gobain PAM for outstanding performance on the Water Security Mega Reservoirs Project(s) and from TOSHIBA for "Best sales growth in Middle East - Super Digital Inverter as well as Residential and Light Commercial Products".

Industrial Supplies and Building Materials (ISBM)

Industrial Supplies and Building Materials ("ISBM"), a division of Mannai Trading Co. ("MTC") is a well-recognised supplier of Building and Construction Materials, Industrial Tools, Machinery as well as Welding Products. ISBM has an excellent track record of providing comprehensive services to the local Oil and Gas industry by supplying genuine spares for the Gas Turbines and Compressors. ISBM's various activities are handled by qualified, well-trained engineers and professionals.

Turbine Parts and Services

Being an authorised distributor of Siemens, this segment caters to after-sales, spares and services of gas and steam turbines and compressors to Oil and Gas Industry for power generation and process requirements through long term service agreements in Qatari market

During the year 2015, this segment won major turbine maintenance contracts on call-off basis with major Oil and Gas companies.

Building and Construction Materials

This segment caters to the requirement of local infrastructure projects by supplying high quality waterproofing membranes and construction chemicals from renowned supplier "Bitumat" of KSA, Twin Walls of UAE, which greatly enhances the durability of buildings. Additionally, it also offers many other products such as Expansion Joint Fillers, Non-woven Geotextiles, Polypropylene Corrugated Sheet, Plywood Boards and Protection Boards, etc.

In 2015, ISBM received the Best Distributor award of Bitumat products in Export/Middle East region. It also received many Appreciation Certificates of Excellence in Sales and Marketing from Twin Walls UAE, LAMA-Jordan Bituminous Products, Alyaf Industrial Co., Terraco UAE, Eastern Coast Polystyrene, Jolly Board Ltd, QUDS Paints, etc.

Industrial Tools, Machinery and Welding Equipment

For almost every industry in Qatar (civil and mechanical construction projects, shipyards, manufacturing and fabrication facilities) we supply industrial tools, machinery, workshop equipment, welding equipment and consumables, power generators, tower lights, engine driven mobile compressors, pneumatic breakers, air operated diaphragm pumps, submersible pumps, electrical and pneumatic lifting and pulling equipment, wide range of abrasive material (cutting and grinding disc, pipe tools and pipe cutters, threading and grooving machines, measuring equipment, bar bending and cropping machines) and various types of industrial bearings from well-known supplier, NSK-Europe.

This segment also offers high-tech welding equipment ranging from shielding gas welding machines through TIG, MIG/MAG to portable MMA inverter welding machines, consumables, Gas and Plasma Cutting Equipment from reputed manufacturers.

Our well-equipped workshop facility along with factory trained service personnel provide excellent after sales service support to the above products group.

During the year we added new supplier for welding Equipment - M/s. Fimer, Italy.

Gulf Laboratories Co. WLL

Gulf Laboratories Co. WLL, a wholly owned subsidiary of Mannai Corporation, provides ground investigation, borehole drilling and laboratory testing services to international and local clients within the State of Qatar. The business has provided its specialist services to a large proportion of civil engineering, water resource and development projects within Qatar for over 35 years.

Activities include onshore and offshore ground investigations, water-well drilling and testing, earthing and cathodic protection borehole drilling, geophysical surveys, hydrogeological investigations and mineral resource studies. Ground investigations have been performed to support engineering design activities as part of the Doha Metro Project, New Port Project, Lusail Development, Hamad International Airport Expansion, New Doha International Airport, Mega-Reservoirs Project, the IDRIS project, Education City 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, steel 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 Project, New Port Project, New Orbital Highway, West Corridor Project, Lusail Development Project, Doha Expressway, Dukhan Highway, RasGas, Qatargas, New Doha International Airport, Education City and various Sewage Treatment Plants.

The company also carries out a wide range of environmental testing activities including 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 well networks.

Petroleum testing services are also offered at a dedicated testing facility located in Ras Laffan. Services include the physical and chemical analyses of transformer and lubricant oils.

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 400 tests accredited to BS EN ISO 17025:2005 and continue to add further test parameters to the accreditation.

GULF LABS

Manweir LLC

With nearly 40 years of operations in Qatar and the GCC, Manweir LLC has served from its beginnings the Oil and Gas industry both offshore and onshore. Manweir services have extended further to Petrochemical, Marine and Energy in 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** provides skilled technical personnel to meet customer manpower resource demands specifically related to Oil and Gas industry and Field related Shop Services.

- **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 all Precision Measuring instruments used in Electrical/Electronic/Mechanical devices for Linear, Pressure, Thermal and Torque measurements of both Analog and Digital types

Today Manweir, with over 350 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** manufacture and repair high pressure piping, risers, skids, containers, baskets, stabilizers and other structures for oil field and industrial installations and equipment. Welding processes GTAW (TIG), SMAW, GMAW (MIG/MAG) and Spot welding with welding procedures covering materials like Aluminium, Inconel, Monel, Alloy steel, Stainless steel, Carbon steel and corrosion resistant and hardfacing weld overlays according to ASME, API, BSEN standards. Also equipped with Post weld heat treatment and Non-Destructive Testing.

  During 2015, we have successfully executed Design/Fabrication of Generator Field Platform for QALCO. We have established new welding procedure qualifications in Carbon steel to Inconel 625 weld overlay for Maersk Oil Company. AISI4145 to ASTM A 516 Gr.70 to weld Junk Mill, Fishing tools, Flow couplings, Drilling Stabilizers, Sleeves, Cement plugs etc. BSEN 10028-2 16Mo3 for Qatar Shell for downcomer cooler welding. Successfully executed welding orders this year for Metro / Tunneling customers Herrenknecht Tunneling Doha L.L.C and ISG Impregilo-SK E&C-Galfar Al Misnad JV.

- **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 and Services Division (OPSD)** is engaged in supplying the oil industry with equipment, tools and services required for exploration, drilling and 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 and reclamation of motors generators and transformers. Manweir is the 1st entity in the region certified by Baseefa UK as facility to repair and overhaul explosion proof rotating machines and enclosures. The large Vacuum Pressure Impregnation (VPI) Tank, along with the two Dynamic Balancing Machines of 20 Tonnes and 300 Kg capacities and resistive load bank capabilities offer enhanced services. This facility is also geared for Transformer oil testing and analysis, complete with purification and regeneration system.

  The electrical repair solution centre successfully overhauled 27MW, 11KV, 58 tons GE generator from PDO, Oman and 3.2MW, 11KV, 34 tons vertical ABB motor from QEWC.

  It was also awarded 2 major contracts : 3 years call–off contract and another one for 4 years call–off contract for Overhaul/Rewind/Repair of HT and LV Motors from QAFAC and QAPCO respectively.

- **Instrumentation and Valve Service Centre** provides a total service in repairs, overhauling and testing of all types of Valves and Instruments. We provide onsite maintenance services during planned shutdowns with well-equipped portable workshops and OEM trained competent technicians. During 2015, Manweir successfully completed Mobile Oxygen Valve Services for Chiyoda Almana Engineering LLC (CAEL) / Qatar Shell GTL Project.

- **Mechanical Service Centre** specialises in maintenance, inspection, repair, overhauling and refurbishment of all types of static and rotating equipment such as pumps, turbines, engines, compressors, exchangers and various other oilfield equipment such as Well Head and 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.

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

In 2015, Qatar Logistics successfully executed the clearance of critical and time-bound deliveries of shipments for major contractors pertaining to the ongoing infrastructure developments at various locations in the state of Qatar. The company was also re-appointed as the exclusive Logistics partner for a leading water treatment company for their new project phase commencing in early 2016.

The company commenced the construction of the new state-of-the-art warehouse on approximately 20,000 sqm plot in Salwa Industrial Area. The warehouse is expected to be operational in the last quarter of 2016.

The logistics market is expected to be rather stagnant in 2016, nevertheless Qatar Logistics will be targeting existing infrastructure and development projects and building stronger relations with its existing and new customers to ensure that the growth plans for the company in 2016 are met and exceeded.

hellmann
Worldwide Logistics

qualityaustria
SYSTEM CERTIFIED
ISO 9001:2008 No.13294/0

قطر لوجستكس ذ.م.م
QATAR LOGISTICS WLL

IQNet

Cofely Besix Mannai Facility Management LLC

Cofely Besix Mannai Facility Management LLC (CBMFM) an established business and one of the forefront facilities management companies in Qatar, continues to provide wide range of services including; technical services, MEP, HVAC, Electrical, reception, cleaning and management to a diverse range of customers, from the Oil and Gas sector, to commercial, residential and other industrial locations throughout Qatar.

2015 was a challenging year for facility management opportunities.

The business continues to evolve to prepare for new opportunities in Qatar. The facilities management and direct services market continues to see growth and huge potential, with new clients completing projects during 2015.

The business operates under ISO 9001, 14001 and 18001 systems and procedures and continues to demonstrate its compliance with international standards and also exceptional safety standards, receiving several accolades for Health and Safety achievements whilst operating in sensitive environments. 2015 was another injury free year. This consistent performance also demonstrates our continued commitment to our Corporate Social Responsibilities (CSR) ensuring our people and clients are treated fairly, equitably and responsibly

With such sound operating practices, the business is well positioned for new opportunities in 2016.


GMC


JCB


300
250
200
150
100
250
200
150
100
250
200
150
100

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

INDEX

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, 2015 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 the 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 Mannai Corporation Q.S.C and its subsidiaries as at December 31, 2015 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 applicable provisions of Qatar Commercial Companies Law and the Company's Bylaws were committed during the year which would materially affect the Group's activities or its financial position. As explained in note 3 to the consolidated financial statements, a new Qatar Commercial Law was issued on July 7, 2015. The Company is in the process of assessing its compliance with the new Qatar Commercial Companies' Law.

Doha – Qatar
February 24, 2016

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, 2015

	Notes	2015	2014
		QR '000	QR '000
ASSETS			
Current assets			
Bank balances and cash	5	150,302	114,263
Accounts receivable and prepayments	6	1,008,425	1,014,847
Amounts due from related parties	25(b)	36,448	34,574
Inventories	7	2,631,197	2,585,410
Total current assets		3,826,372	3,749,094
Non-current assets			
Accounts receivable and prepayments	6	35,740	36,021
Amounts due from related parties	25(b)	16,646	20,599
Available for sale investments	8	43,688	42,947
Investment in joint venture companies	9	24,128	18,306
Investment in associate companies	10	1,187,660	1,177,040
Goodwill and other intangible assets	11	1,210,727	1,201,157
Property, plant and equipment	12	411,132	399,581
Investment properties	13	103,567	115,836
Total non-current assets		3,033,288	3,011,487
Total assets		6,859,660	6,760,581

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	Notes	2015	2014
		QR '000	QR '000
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdrafts	5	**288,519**	348,362
Interest bearing loans and borrowings	15	**998,334**	1,877,653
Amounts due to related parties	25(b)	**1,041**	6,481
Accounts payable and accruals	16	**1,535,239**	1,489,833
Total current liabilities		**2,823,133**	3,722,329
Non-current liabilities			
Interest bearing loans and borrowings	15	**1,498,400**	741,599
Accounts payable and accruals	16	**17,393**	31,217
Employees' end of service benefits	17	**112,312**	99,258
Total non-current liabilities		**1,628,105**	872,074
Total liabilities		**4,451,238**	4,594,403
Equity			
Share capital	18	**456,192**	456,192
Legal reserve	19(a)	**1,083,456**	1,083,456
Revaluation reserve		**4,630**	4,630
Foreign currency translation reserve		**(13,994)**	(9,539)
Proposed dividends	20	**228,096**	273,715
Retained earnings		**1,238,093**	940,987
Acquisition reserve	19(b)	**(588,058)**	(588,058)
Equity attributable to shareholders of the Company		**2,408,415**	2,161,383
Non-controlling interests		**7**	4,795
Total equity		**2,408,422**	2,166,178
Total liabilities and equity		**6,859,660**	6,760,581

These consolidated financial statements were approved by the Board of Directors and authorised for issue on February 24, 2016.

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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, 2015

	Notes	**2015**	2014
		QR '000	QR '000
Revenue		**5,934,633**	5,939,941
Direct costs		**(4,592,758)**	(4,734,201)
Gross profit		**1,341,875**	1,205,740
Other income	22	**150,530**	362,216
Share of results of joint ventures and associates - net	9&10	**55,429**	13,884
General and administrative expenses	23	**(432,740)**	(470,456)
Selling and distribution expenses		**(391,489)**	(400,650)
Profit before interest, depreciation and amortisation		**723,605**	710,734
Finance costs		**(94,747)**	(90,141)
Depreciation and amortisation	11,12&13	**(97,182)**	(88,594)
Profit from continuing operations before tax		**531,676**	531,999
Income tax		**(3,461)**	(3,794)
Profit from continuing operations after tax		**528,215**	528,205
Loss from discontinued operation	14	**--**	(1,401)
Net profit for the year		**528,215**	526,804
Attributable to :			
Shareholders of the Company		**532,781**	526,427
Non-controlling interests		**(4,566)**	377
		528,215	526,804
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	24	**11.68**	11.54
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	24	**11.68**	11.57

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2015

	2015	2014
	QR '000	QR '000
Net profit for the year	528,215	526,804
Other comprehensive loss		
Items that may be reclassified subsequently to statement of profit or loss:		
Foreign currency translation reserve		
Foreign currency translation adjustment	(4,455)	(4,156)
Total other comprehensive loss for the year	(4,455)	(4,156)
Total comprehensive income for the year	523,760	522,648
Attributable to:		
Shareholders of the Company	528,326	522,271
Non-controlling interests	(4,566)	377
	523,760	522,648

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2015

	Share capital	Legal reserve	Revaluation reserve	Foreign currency translation reserve
	QR '000	**QR '000**	**QR '000**	**QR '000**
Balance – January 1, 2014	456,192	1,083,456	4,630	(5,383)
Total comprehensive income for the year	--	--	--	(4,156)
Dividends paid (Note 20)	--	--	--	--
Acquisition of additional non-controlling interests (Note 19 (b))	--	--	--	--
Proposed dividend (Note 20)	--	--	--	--
Withdrawal of non-controlling interests	--	--	--	--
Social and sports contribution for 2014	--	--	--	--
Balance – December 31, 2014	**456,192**	**1,083,456**	**4,630**	**(9,539)**
Total comprehensive income for the year	--	--	--	(4,455)
Dividends paid (Note 20)	--	--	--	--
Proposed dividend (Note 20)	--	--	--	--
Withdrawal of non-controlling interests	--	--	--	--
Social and sports contribution for 2015	--	--	--	--
Balance – December 31, 2015	**456,192**	**1,083,456**	**4,630**	**(13,994)**

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2015

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**
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**
--	--	532,781	528,326	(4,566)	523,760
(273,715)	--	--	(273,715)	--	(273,715)
228,096	--	(228,096)	--	--	--
--	--	--	--	(222)	(222)
--	--	(7,579)	(7,579)	--	(7,579)
228,096	**(588,058)**	**1,238,093**	**2,408,415**	**7**	**2,408,422**

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

	2015	2014
	QR '000	QR '000
OPERATING ACTIVITIES		
Profit from continuing operations before tax	**531,676**	531,999
Loss from discontinued operation	**--**	(1,401)
Profit for the year before tax	**531,676**	530,598
Adjustments for:		
Depreciation and amortization	**97,182**	88,594
Write-off/ impairment of property, plant and equipment	**10,888**	16,342
Impairment loss on accounts receivables, net	**1,188**	535
Impairment on available for sale investment, associates and joint ventures	**1,334**	29,352
Reversal of impairment on other receivable	**--**	(301,236)
Reversal of impairment allowances on Joint-venture	**(4,944)**	--
Impairment loss on other receivable	**--**	603
Provision for obsolete and slow moving items, net	**3,239**	60,306
Gain on disposals of property, plant and equipment	**(2,118)**	(3,257)
Gain on disposals of Investment property	**(39,749)**	(9,010)
Gain on disposal of non-current assets classified as held for sale	**--**	(12,459)
Finance costs	**94,747**	90,141
Unrealised treasury gain	**(17,954)**	--
Share of results from joint ventures and associates	**(55,429)**	(13,884)
Provision for employees' end of service benefits	**24,848**	21,886
Operating profit before working capital changes	**644,908**	498,511
Working capital changes:		
Accounts receivables and prepayments	**24,582**	69,906
Inventories	**(49,026)**	(143,817)
Amounts due from/ to related parties	**(3,361)**	50,635
Accounts payable and accruals	**21,149**	(441,385)
Movement in assets and liabilities held for sale	**--**	1,401
Cash from operations	**638,252**	35,251
Finance costs paid	**(95,380)**	(91,111)
Employees' end of service benefits paid	**(11,853)**	(8,870)
Social and sports contribution paid	**(3,439)**	(4,359)
Net cash generated/ (used in) from operating activities	**527,580**	(69,089)

MANNAI CORPORATION Q.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

	2015	2014
	QR '000	QR '000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(132,867)	(137,310)
Purchases of investment property	(891)	--
Addition to intangible assets	(5,372)	(803)
Proceeds from disposal of property, plant and equipment	16,577	26,507
Proceeds from disposal of investment property	46,346	12,313
Acquisition of available for sale of investment	(2,075)	(8,279)
Proceeds from disposal of non-current assets classified as held for sale	--	28,164
Acquisition of investment in joint venture company	(2,550)	(102)
Dividend received from joint ventures and associates	46,480	79,220
Acquisition of further shares in a subsidiary	--	(546,375)
Net cash used in investing activities	(34,352)	(546,665)
FINANCING ACTIVITIES		
Net movements in interest bearing loans and borrowings	(122,518)	783,117
Dividend paid	(273,715)	(250,906)
Net cash (used in)/ generated from financing activities	(396,233)	532,211
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIV-ALENTS	96,995	(83,543)
Cash and cash equivalents at the beginning of the year	(242,903)	(159,360)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 5)	(145,908)	(242,903)

01. 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 Stock 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, 2015	December 31, 2014
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
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
Global Trading Center FZCO	UAE	**100**	100
Damas International Limited	UAE	**100**	100
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**	100
Damas Jewellery L.L.C.	UAE	**100**	100
Damas Jewellery DMCC	UAE	**100**	100
Damas Folli Follie L.L.C. (formerly Al Mana Damas International L.L.C.)	UAE	**51**	51
Ayodhya Jewellers L.L.C.	UAE	**100**	100
The Watch Studio L.L.C. (formerly Time Art Watches and Optics L.L.C.)	UAE	**100**	100
Arshi Jewellery L.L.C.	UAE	**75**	75
Damas Jewellery Manufacturing Company L.L.C. (formerly Emirates Jewellery Manufacturing L.L.C.)	UAE	**75**	75
Damas SPV Jewellery L.L.C.	UAE	**100**	100

Farhan Jewellery L.L.C.	UAE	**--**	75
Premium Investments International L.L.C.	UAE	**100**	100
Gem Universe L.L.C.	Oman	**100**	70
Damas Company W.L.L.	Bahrain	**100**	100
Damas Jewellery Kuwait Company W.L.L.	Kuwait	**100**	90
Damas Saudi Arabia Company Limited	KSA	**98**	98
Damas Accessories L.L.C.	KSA	**100**	100
Ayodhya Jewellery L.L.C.	KSA	**100**	100
Islanders Demas Pvt. Ltd.	Maldives	**--**	75
Damas (Thailand) Co. Ltd.	Thailand	**--**	100
Golden Investments Limited	UAE	**100**	100
Golden Investments Holdings Limited	UAE	**100**	100
Golden Investments Services Limited	UAE	**100**	100
Global Motor Sports W.L.L.	Qatar	**100**	100

Mannai Trading Company W.L.L., Damas International Limited, Manweir W.L.L., Gulf Laboratories Company W.L.L. and GTC Otomotiv Anonim Sirketi are the material subsidiaries of the Group.

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

2.1 New and revised IFRSs affecting amounts reported in the 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 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.*

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, 2015, 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, 2018

› IFRS 15	*Revenue from Contracts with Customers.*
› IFRS 9	*Financial Instruments.*

Effective for annual periods beginning on or after January 1, 2019

› IFRS 16	*Leases*

(ii) Revised Standards:

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

› 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.*
› IFRS 12 (Revised)	*Amendments regarding the application of the consolidation exception.*

› IAS 1 (Revised)	*Amendments resulting from the disclosure initiative.*
› 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 27 (Revised)	*Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and asso-ciates in an entity's separate financial statements.*
› 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.*
› Annual Improvements 2012-2014 Cycle	*Amendments to issue clarifications and add additional/ specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

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

› IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments requiring dis-closures 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 finan-cial 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 anticipates 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 Group in the period of initial application.

Management anticipates that IFRS 15, IFRS 9 and IFRS 16 will be adopted in the Group's consolidated financial statements for the annual period beginning from January 1, 2018 and January 1, 2019, as applicable. The application of these standards may have significant impact on amounts reported in the consolidated financial statements and will result in more extensive disclosures in the consolidated financial statements. However, management has 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 Company Law. The new Commercial Law issued on July 7, 2015 is extended to be adopted by August 7, 2016. The Group is in the process of assessing its compliance with the new Qatar Commercial Companies' Law.

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 the 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 the 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 the 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 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 the 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 statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in statement of profit or loss. A revaluation deficit is recognised in 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	10-30 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 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 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 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 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 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 statement of profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At each reporting period, 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 period 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 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 statement of profit or loss.

Dividends on AFS equity instruments are recognised in 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 impairment at each reporting period. 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.

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 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 the statement of profit or loss.

In respect of available for sale equity securities, impairment losses previously recognised in the statement of profit or loss are not reversed through 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 the 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 the 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 the 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

Group as lessee
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. 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.

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.

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 the 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).

04. 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 revision and 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 the 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 statement of profit or loss as impairment loss when there is a significant or prolonged decline in the fair value of the security below its cost.

Impairment of tangible and intangible assets
The Group's management evaluates whether there are internal and external indicators of impairment of its tangible and intangible assets. Management has not noted any indicators of impairment during the year.

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. Management is satisfied that no indication exist on its investments in joint ventures and associates.

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 has 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:

Impairment of goodwill
The Group carries out impairment testing annually in respect of 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
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.

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.

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. 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, 2015, the valuers have use their market knowledge and professional judgement and have not only relied solely on historic transactional comparable. In these circumstances, there is greater degree of uncertainty than which exists in a more active market in estimating market values of investment property.

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.

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 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. Management is confident that the impairment recorded on receivables is adequate.

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. Management is confident that the impairment recorded on inventories is adequate.

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.

05. CASH AND CASH EQUIVALENTS

	2015	2014
	QR '000	QR '000
Bank balances and cash	**150,302**	114,263
Less: Fixed and margin deposits under lien	**(7,691)**	(8,804)
	142,611	105,459
Less: Bank overdrafts	**(288,519)**	(348,362)
Cash and cash equivalents	**(145,908)**	(242,903)

06. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2015	2014
	QR '000	QR '000
Trade accounts receivable	**725,748**	835,703
Less : Allowance for impairment	**(22,796)**	(145,677)
	702,952	690,026
Advances to suppliers	**67,159**	90,970
Notes receivable	**91,483**	105,970
Prepayments	**60,463**	54,286
Deposits	**21,678**	17,795
Accrued income	**33,128**	22,545
Others	**67,302**	69,276
	1,044,165	1,050,868

Presented in the consolidated statement of financial position as follows:

	2015	2014
	QR '000	QR '000
Current	**1,008,425**	1,014,847
Non-current	**35,740**	36,021
	1,044,165	1,050,868

The movement in allowance for impairment is as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**145,677**	145,967
Provision during the year	**4,695**	8,169
Written off during the year	**(124,069)**	(825)
Write back during the year	**(3,507)**	(7,634)
At December 31,	**22,796**	145,677

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

	2015	2014
	QR '000	QR '000
Aging of neither past due nor impaired		
Up to 180 days	**484,425**	616,594
Aging of past due but not impaired		
0 – 90 days	**149,693**	113,859
90 – 180 days	**53,465**	33,696
180 + days	**106,852**	31,847
Total	**310,010**	179,402

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.

07. INVENTORIES

	2015	2014
	QR '000	QR '000
Gold and other jewelleries (net of consignment inventory)	**1,418,466**	1,411,681
Work-in-progress	**619,939**	679,524
Merchandises, spares and tools	**470,584**	475,112
Vehicles and heavy equipment	**298,948**	182,272
Industrial supplies	**23,042**	36,144
Others	**4,812**	4,029
	2,835,791	2,788,762
Less: Provision for obsolete and slow moving items	**(204,594)**	(203,352)
	2,631,197	2,585,410

The Group in the normal course of business borrows gold on an unfixed basis which it converts into gold jewellery or trades as bullion. This jewellery and bullion is further used as stock in trade and is sold to various customers on a fixed or unfixed basis. The Group reduces the exposure to gold price by borrowing gold on an unfixed basis. These are then sold as manufactured jewellery or bullion, at which point, the price will be fixed at the spot rate on the sale date.

The Group provides gold on an unfixed basis to various consignment venturers, debtors, associates and joint ventures without any margin and to certain parties against cash margin.

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

	2015	2014
	QR '000	QR '000
At January 1,	203,352	142,261
Provision during the year	31,564	174,291
Write back during the year	(28,325)	(113,214)
Amount written off	(2,057)	--
Exchange loss on foreign currency translation	60	14
At December 31,	204,594	203,352

08. AVAILABLE FOR SALE INVESTMENTS

	2015	2014
	QR '000	QR '000
Unquoted investments :		
At January 1,	42,947	42,957
Additions	2,075	8,279
Impairment loss	(1,334)	(8,289)
At December 31,	43,688	42,947

Note

(a) At December 31, 2015, available for sale investments include certain investments in unquoted equity shares and unquoted equity funds amounting to QR 14.90 million (2014: QR. 16.32 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, 2015, certain unquoted equity investments amounting to QR. 28.70 million (2014: QR 26.62 million) were carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.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.

(c) At December 31, 2015, an impairment loss of QR. 1.3 million (2014: QR. 8.3 million) was recognised against available for sale investments based on the fair valuation and assessment of performance of those investments.

09. INVESTMENT IN JOINT VENTURE COMPANIES

The Group has investments in the following joint venture companies:

Name	Country of incorporation	Ownership interest	
		2015	2014
Cofely Besix Mannai Facility Management L.L.C. (i)	Qatar	**51%**	51%
Gulf Land Survey W.L.L. (ii)	Qatar	**51%**	51%
Saint-Gobain Pam and Mannai L.L.C. (iii)	Qatar	**51%**	--
Paspaley Pearl Jewellery L.L.C. (iv)	UAE	**51%**	51%
Roberto Coin Middle East L.L.C. (iv)	UAE	**51%**	51%

Principal activities of the Group's joint ventures are as follows:

(i) Cofely Besix Mannai Facility Management L.L.C. is engaged in facilities and asset management business.

(ii) Gulf Land Survey W.L.L is primarily engaged in carrying on aerial, ground and underground survey business.

(iii) Pam and Mannai L.L.C. is engaged in distribution of ductile iron pipes, fittings and valves. Operations will start in 2016.

(iv) 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 as such the investments are classified as joint ventures. Movements during the year are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**18,306**	17,111
Acquired during the year	**2,550**	14,361
Reversal of impairment on joint venture	**4,944**	--
Share of (loss)/ profit from joint ventures	**(1,672)**	1,061
Impairment of investment in joint venture	**--**	(14,227)
At December 31,	**24,128**	18,306

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

	Assets	Liabilities	Revenue	Net profit / (loss)
December 31, 2015	**QR '000**	**QR '000**	**QR '000**	**QR '000**
Cofely Besix Mannai Facility Management L.L.C.	**38,994**	**22,415**	**71,690**	**(3,613)**
Gulf Land Survey W.L.L.	**731**	**338**	**1,454**	**(191)**
Paspaley Pearl Jewellery L.L.C.	**17,952**	**2,173**	**9,792**	**(111)**
Roberto Coin Middle East L.L.C.	**9,769**	**8,494**	**8,738**	**454**
	67,446	**33,420**	**91,674**	**(3,461)**
Group's share of results				**(1,672)**

	Assets	Liabilities	Revenue	Net profit / (loss)
December 31, 2014	QR '000	QR '000	QR '000	QR '000
Cofely Besix Mannai Facility Management L.L.C.	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

10. INVESTMENT IN ASSOCIATE COMPANIES

The Group holds investments in the following associate companies:

Name	Country of incorporation	Ownership interest	
		2015	2014
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. Certain amounts within the Axiom Limited's financial statements are based on management accounts.

The movements during the year are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**1,177,040**	1,250,270
Dividends received	**(46,480)**	(79,220)
Share of profit from associates	**57,101**	41,546
Impairment in the value of investment	**--**	(35,559)
Exchange gain on translation of foreign currency	**(1)**	3
At December 31,	**1,187,660**	**1,177,040**

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

	Assets	Liabilities	Revenue	Net profit
December 31, 2015	**QR '000**	**QR '000**	**QR '000**	**QR '000**
Axiom Limited	**1,746,487**	**1,372,112**	**7,856,722**	**10,513**
Daiso Japan Value Stores L.L.C.	**34,685**	**18,971**	**154,740**	**43,693**
LTC International General Trading Co.	**4,595**	**1,373**	**19,665**	**4,524**
LTC International Qatar L.L.C.	**33,167**	**22,835**	**99,160**	**25,272**
Daiso Trading W.L.L.	**5,514**	**162**	**7,699**	**2,570**
Al Mana Jewellery Co. - Damas W.L.L.	**37,321**	**32,087**	**151,890**	**22,954**
Tanya Collections Ltd.	**48,166**	**20,398**	**55,530**	**2,068**
TCO Damas Associates L.L.C.	**240,771**	**77,687**	**163,918**	**25,615**
	2,150,706	**1,545,625**	**8,509,324**	**137,209**
Group's share of results				**57,101**

	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 W.L.L.	4,550	290	6,494	1,662
Al Mana Jewellery Co. - Damas W.L.L.	34,809	24,561	179,758	28,328
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

11. 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, 2014	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
Additions	--	--	--	5,372	5,372
Transferred from property, plant and equipment (Note 12)	--	--	--	6,028	6,028
Effect of foreign ex-change translation	--	--	--	2	2
At December 31, 2015	**530,342**	**670,000**	**24,339**	**12,412**	**1,237,093**
Impairment/ amortisation:					
At January 1, 2014	4,344	--	16,902	34	21,280
Charge for the year	--	--	7,437	178	7,615
Relating to disposal	(4,344)	--	--	--	(4,344)
Effect of foreign ex-change translation	--	--	--	(17)	(17)
At December 31, 2014	--	--	24,339	195	24,534
Charge for the year	--	--	--	1,832	1,832
At December 31, 2015	**--**	**--**	**24,339**	**2,027**	**26,366**
Net carrying amounts:	--				
At December 31, 2015	**530,342**	**670,000**	**--**	**10,385**	**1,210,727**
At December 31, 2014	530,342	670,000	--	815	1,201,157

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 9% (2014: 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 3% (2014: 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.

(ii) 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. Any change in key assumptions on which the recoverable amount is based may 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% (2014: 2.75%).

(b) Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 3% (2014: 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 3% (2014: 4%) which is based on UAE's long term CPI and GDP growth rates.

(d) Discount rate of 11% (2014:14%) per annum based on CAPM, inclusive of 2% (2014: 2%) premium to cover the inherent risk.

12. PROPERTY, PLANT AND EQUIPMENT

	Land and building	Plant and machinery	Furniture and equipment
	QR '000	QR '000	QR '000
Cost/revaluation:			
At January 1, 2015	**292,014**	**132,464**	**237,588**
Additions	16,300	12,960	44,807
Disposals/other adjustments	(15)	(809)	(27,262)
Reclassifications	--	--	16,903
At December 31, 2015	**308,299**	**144,615**	**272,036**
Accumulated depreciation:			
At January 1, 2015	**99,533**	**88,851**	**192,719**
Charge for the year	12,818	12,271	28,067
Relating to disposals/other adjustments	(15)	(597)	(17,229)
Effect of foreign exchange translation	(1)	245	428
At December 31, 2015	**112,335**	**100,770**	**203,985**
Net carrying amount:			
At December 31, 2015	**195,964**	**43,845**	**68,051**

Note: Capital work-in-progress mainly includes a new application software amounting to QR. Nil (2014: QR. 6.01 million) and costs incurred towards fit outs in new stores and existing store renovations amounting to QR. 7.98 million (2014: 14.09 million).

	Land and building	Plant and machinery	Office furniture and equipment
	QR '000	QR '000	QR '000
Cost/revaluation:			
At January 1, 2014	302,875	126,409	214,526
Additions	20,669	12,023	17,770
Disposals/other adjustments	(31,530)	(6,281)	(12,969)
Reclassifications	--	313	18,261
At December 31, 2014	292,014	132,464	237,588
Accumulated depreciation:			
At January 1, 2014	109,169	81,758	185,341
Charge for the year	12,754	13,046	17,535
Relating to disposals/other adjustments	(22,390)	(5,959)	(10,539)
Effect of foreign exchange translation	--	6	382
At December 31, 2014	99,533	88,851	192,719
Net carrying amount:			
At December 31, 2014	192,481	43,613	44,869

Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000
58,896	**99,242**	**23,872**	**844,076**
15,104	34,296	9,400	132,867
(8,891)	(24,270)	(807)	(62,054)
--	--	(22,931)	(6,028)
65,109	**109,268**	**9,534**	**908,861**
34,619	**28,795**	**(22)**	**444,495**
10,229	25,402	--	88,787
(5,743)	(13,123)	--	(36,707)
465	--	17	1,154
39,570	**41,074**	**(5)**	**497,729**
25,539	**68,194**	**9,539**	**411,132**

Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000
54,104	80,253	16,387	794,554
15,385	45,364	26,099	137,310
(10,593)	(26,375)	(40)	(87,788)
--	--	(18,574)	--
58,896	99,242	23,872	844,076
31,566	26,389	(41)	434,182
9,406	21,657	--	74,398
(6,399)	(19,251)	--	(64,538)
46	--	19	453
34,619	28,795	(22)	444,495
24,277	70,447	23,894	399,581

13. INVESTMENT PROPERTIES

	2015	2014
	QR. '000	QR. '000
Cost:		
Opening balance as at January 1,	255,703	260,566
Addition	891	--
Disposal/impairment	(31,914)	(4,867)
Exchange gain on translation of foreign currency	--	4
Closing balance as at December 31,	224,680	255,703
Accumulated Depreciation/impairment:		
Opening balance as at January 1,	139,867	134,850
Charge for the year	6,563	6,581
Disposal/impairment	(25,317)	(1,564)
Closing balance as at December 31,	121,113	139,867
Carrying amount as at December 31,	103,567	115,836

At December 31, 2015, the fair value of these investment properties amounted to QR. 141.01 million (December 31, 2014: QR. 149.73 million) based on the valuation performed internally by management. The valuation of these 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.

14. DISCONTINUED OPERATION

Subsidiary held for sale

Results of the subsidiary's operations classified as discontinued operation are as follows:

	2015	2014
	QR '000	QR '000
Total revenue	--	28,693
Total expenditure	--	(30,094)
Loss for the year from discontinued operation	--	(1,401)

15. INTEREST BEARING LOANS AND BORROWINGS

	2015	2014
	QR '000	QR '000
Working capital facilities and others (a)	776,350	1,564,628
Term loans (b)	1,720,384	1,054,624
	2,496,734	2,619,252

Presented in the consolidated statement of financial position as follows:

	2015	2014
	QR '000	QR '000
Current	998,334	1,877,653
Non-current	1,498,400	741,599
	2,496,734	2,619,252

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 24 months.

(b) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates and are to be repaid at quarterly rests. Some of the above interest bearing loans and borrowings are secured by:
- Fixed deposits amounting to QR 7.70 million (2014: 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, 2015 received from bullion banks on an unfixed basis aggregating to 5,448 Kgs (2014: 5,023 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 26(a).

16. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	QR '000	QR '000
Trade accounts payable	430,793	464,243
Advances from customers	581,346	561,985
Accrued expenses and others	532,914	491,383
Social and sports contribution	7,579	3,439
	1,552,632	1,521,050

Presented in the consolidated statement of financial position as follows:

	2015	2014
	QR '000	QR '000
Current portion	1,535,239	1,489,833
Non-current portion	17,393	31,217
	1,552,632	1,521,050

17. EMPLOYEES' END OF SERVICE BENEFITS

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

	2015	2014
	QR '000	QR '000
At January 1,	99,258	86,354
Provided during the year	24,848	21,886
End of service benefits paid	(11,853)	(8,870)
Transfer from related party	150	--
Exchange gain on translation of foreign currency	(91)	(112)
At December 31,	112,312	99,258

18. SHARE CAPITAL

	2015	2014
	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

19. RESERVES

(a) Legal reserve

As required by Qatar Commercial Companies' Law, 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.

20. DIVIDENDS PAID AND PROPOSED

The Board of Directors has proposed a cash dividend of QR. 5 per share aggregating to QR. 228.09 million for the year 2015, which is subject to the approval of the shareholders at the Annual General Assembly (2014: QR. 6 per share totalling to QR. 273.72 million).

During the year, the dividend paid amounted to QR. 273.72 million (2014: QR. 250.91 million).

21. 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	Industrial supplies	Information technology
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**
December 31, 2015					
Revenue	**844,434**	**506,780**	**270,222**	**230,568**	**1,652,019**
Gross profit	**161,542**	**73,366**	**64,153**	**41,136**	**270,418**
Net profit	**51,078**	**37,058**	**46,660**	**27,718**	**170,030**
Segment assets	**444,368**	**273,838**	**74,234**	**86,214**	**1,296,264**
Segment liabilities	**213,514**	**142,586**	**35,151**	**21,250**	**933,425**
Other information					
Share of results from joint venture and associate companies	--	--	--	--	--
Investments in joint venture and associates companies	--	--	--	--	--
December 31, 2014					
Revenue	732,486	415,370	184,905	240,825	1,579,610
Gross profit	149,815	60,925	51,560	36,788	194,145
Net profit	51,197	33,095	37,816	24,547	101,160
Segment assets	457,722	215,990	103,701	103,353	1,354,443
Segment liabilities	158,156	58,738	33,403	30,730	900,534
Other information					
Share of results from joint venture and associate companies	--	--	--	--	--
Investments in joint venture and associates companies	--	--	--	--	--

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
43,116	**90,573**	**96,609**	**49,331**	**2,096,863**	**--**	**54,118**	**5,934,633**
37,959	**9,590**	**40,898**	**12,008**	**607,568**	**--**	**23,237**	**1,341,875**
14,685	**(108)**	**18,226**	**6,393**	**191,197**	**(15,201)**	**(19,521)**	**528,215**
64,584	**84,180**	**55,216**	**13,765**	**2,355,723**	**1,101,076**	**1,010,198**	**6,859,660**
23,444	**79,586**	**28,671**	**4,548**	**970,758**	**--**	**1,998,305**	**4,451,238**
--	**--**	**--**	**--**	**60,133**	**(2,861)**	**(1,843)**	**55,429**
--	**--**	**--**	**--**	**94,636**	**1,101,076**	**16,076**	**1,211,788**
42,211	120,215	77,035	37,271	2,353,000	--	157,013	5,939,941
39,582	25,251	25,051	9,420	613,847	--	(644)	1,205,740
15,721	(3,571)	3,862	3,965	394,298	(53,523)	(83,144)	526,804
82,435	114,594	63,167	10,914	2,282,895	1,103,938	867,429	6,760,581
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

(a) By geography

	Qatar	Other GCC countries	Others	Total
December 31, 2015	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Revenue	**3,706,708**	**2,114,205**	**113,720**	**5,934,633**
Gross profit	**722,318**	**609,676**	**9,881**	**1,341,875**
Net profit	**303,137**	**229,786**	**(4,708)**	**528,215**
Segment assets	**3,319,346**	**3,475,403**	**64,911**	**6,859,660**
Segment liabilities	**3,445,386**	**989,653**	**16,199**	**4,451,238**
Other information				
Share of results from joint venture and associate companies	**(1,843)**	**57,272**	**--**	**55,429**
Investment in joint venture and associate companies	**16,076**	**1,195,712**	**--**	**1,211,788**

	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

22. OTHER INCOME

	2015	2014
	QR '000	QR '000
Reversal of impairment/ recoveries of receivables	**59,363**	309,836
Gain on disposal of investment property	**39,749**	9,010
Treasury gain	**17,954**	--
Gain on disposal of property, plant and equipment	**2,118**	3,257
Gain on disposal of investment classified as held for sale	**--**	12,459
Miscellaneous income	**31,346**	27,654
	150,530	362,216

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	QR '000	QR '000
Staff costs	**213,797**	203,506
Legal and professional fees	**35,446**	45,452
Rent	**26,087**	22,613
Director's remuneration	**25,246**	25,470
Repairs and maintenance	**25,136**	21,277
Travelling	**18,829**	20,376
Communication	**16,054**	14,368
Utility charges	**7,820**	6,971
Insurance	**6,430**	6,788
Bank charges	**5,700**	5,730
Printing and stationery	**5,057**	5,201
Allowance for inventories, net	**4,156**	23,917
Impairment of property, plant and equipment	**--**	16,342
Other administrative expenses and allowances	**42,982**	52,445
	432,740	470,456

24. 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.

	2015	2014
Profit for the year attributable to the shareholders of the Company from continuing operations (in QR '000)	**532,781**	527,828
Loss for the year attributable to the shareholders of the Company from discontinued operations (in QR '000)	--	(1,401)
Profit for the year attributable to the shareholders of the Company (QR '000)	**532,781**	526,427
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)	**11.68**	11.54
Basic and diluted earnings per share (QR) from continuing operations (attributable to the shareholders of the Company)	**11.68**	11.57

25. 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:

	2015	2014
	QR '000	QR '000
Sales	**124,584**	154,908
Purchases	**16,941**	32,331

(b) Related party balances

	2015	2014
	QR '000	QR '000
Due from related parties		
Long term loans to joint venture companies and associates, net	16,646	20,599
Receivable from joint venture companies and associates	36,448	34,574
	53,094	55,173
Presented in the financials as follows:		
Current	36,448	34,574
Non-current	16,646	20,599
	53,094	55,173
Due to related parties		
Payable to joint venture companies and associates	1,041	6,481
	1,041	6,481

Long term loans to related parties (associates and joint ventures) represent loans which are interest free, unsecured and have no fixed terms of repayment. These loans are in the nature of working capital advances and are not expected to be recalled within a period of twelve months from the reporting date.

Outstanding balances at December 31, 2015 arose in the normal course of business. During the year ended December 31, 2015, the Group has recorded an impairment loss of QR. 0.72 million (2014: QR. 4.04 million) on long term loans given to related parties.

Majority of the related party transactions are carried out in United Arab Emirates Dirhams (AED) and reported in Qatari Riyal.

(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:

	2015	2014
	QR '000	QR '000
Short term benefits	12,556	19,687
Post-employment benefits	783	717
	13,339	20,404
Directors' remuneration	25,246	25,470

26. 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:

	2015	2014
	QR '000	QR '000
Letters of guarantees	**499,724**	525,361
Letters of credit	**71,604**	34,271
Stand-by letter of credit	**800,781**	635,340
	1,372,109	1,194,972

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 15(d)).

(b) Commitments

Capital commitments

	2015	2014
	QR '000	QR '000
Capital work in progress – contracted but not provided for	**61,215**	13,493

Operating lease commitments under non-cancellable lease arrangements:

	2015	2014
	QR '000	QR '000
Less than one year	**142,721**	136,484
1 to 5 years	**130,223**	153,161
	272,944	289,645

Other commitment

	2015	2014
	QR '000	QR '000
Forward contract in Euro	**1,129,632**	--
Fair value of the Euro forward contract	**17,954**	--

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

	2015	2014
	QR '000	QR '000
Contingent liabilities		
- Guarantees	**73,154**	74,046
- Letters of credit	**79,930**	88,735
	153,084	162,781
Operating lease commitments		
- Less than one year	**14,539**	12,227
- 1 to 5 years	**8,703**	21,249
	23,242	33,476

27. 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
	2015	2014	
	QR '000	QR '000	
Available-for-sale investments	**14,988**	16,321	Level 3
	14,988	16,321	

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.

AFS investments amounting to QR. 28.70 million (2014: QR. 26.62 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:

	2015	2014
Basis points	**+/-1,000**	+/-1,000
Effect on equity (QR '000)	**+/-1,499**	+/-1,632

28. 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:

	2015	2014
	QR '000	QR '000
Bank deposits and call accounts	**41,616**	31,153
Bank overdraft	**(288,519)**	(348,362)
Interest bearing loans and borrowings	**(2,496,734)**	(2,619,252)
	(2,743,637)	(2,936,461)

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,:

	2015	2014
Basis points	**+/-25**	+/-25
Effect on profit for the year (QR '000)	**-/+6,859**	-/+7,341

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:

	2015	2014
	QR '000	QR '000
Bank balances (excluding cash on hand)	**144,582**	109,427
Accounts receivable and others	**883,415**	883,067
Amounts due from related parties	**53,094**	55,173
	1,081,091	1,047,667

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 Qatari Riyal 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 Qatari 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:

Net Exposure (Liability)

	2015	2014
	QR '000	QR '000
EURO	**12,133**	33,400
GBP	**5,467**	9,967
Other currencies	**5,667**	13,800
	23,267	57,167

	Increase/decrease in Euro, GBP and other rates to the QR	Effect on profit before tax QR '000
2015	**+/- 3%**	**+/- 698**
2014	+/- 3%	+/- 1,715

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, 2015	**QR '000**	**QR '000**	**QR '000**
Accounts payable and accruals	**953,893**	**17,393**	**971,286**
Amounts due to related parties	**1,041**	**--**	**1,041**
Interest bearing loans and borrowings at gross	**1,056,114**	**1,527,471**	**2,583,585**
Bank overdrafts	**288,519**	**--**	**288,519**
Total	**2,299,567**	**1,544,864**	**3,844,431**

	Less than 1 year	1 to 5 years	Total
At December 31, 2014	QR '000	QR '000	QR '000
Account 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

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 2014. 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 15) and bank overdraft less bank balances and cash.

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

	2015	2014
	QR '000	QR '000
Debt	**2,785,253**	2,967,614
Bank balances and cash	**(150,302)**	(114,263)
Net debt	**2,634,951**	2,853,351
Total equity	**2,408,422**	2,166,178
Add: acquisition reserve	**588,058**	588,058
	2,996,480	2,754,236
Gearing ratio	**0.88:1**	1.04:1

29. SUBSEQUENT EVENTS

(a) Mannai Corporation has entered into an agreement to acquire 51% interest in GFI Informatique, a French public listed company, this agreement is pending regulatory clearance as at the reporting date.

(b) Axiom has a 40% stake in Allied International Investment Limited ("AIIL"). On 27 December 2015, the 60% shareholder ("Other shareholder") and Axiom signed an agreement ("SPA") with a buyer who will purchase 52% of each shareholders share in AIIL for USD 300 million. The completion of the SPA is subject to certain condition precedents which the buyer needs to fulfill.

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