

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2009

### REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INDUSTRIES QATAR Q.S.C.

#### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Industries Qatar Q.S.C. (the "Company") and its subsidiaries and jointly controlled entities (together referred as the "Group") as at 30 June 2009, comprising of the interim consolidated statement of financial position as at 30 June 2009 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We did not review the financial statements of Qatar Steel Company Q.S.C, a wholly-owned subsidiary and Qatar Petrochemical Company Limited Q.S.C, of which the Company is a co-venturer whose financial statements reflect total assets of QR 14.55 billion and total revenues of QR 3.12 billion. Those financial statements were reviewed by other auditors whose reports have been furnished to us, and our conclusion, in so far as it relates to data included in those companies, is based solely on the report of the other auditors.

#### Scope of review

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

#### Conclusion

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

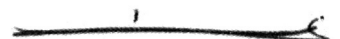
Firas Qoussous  
of Ernst & Young  
Auditor's Registration No. 236


Date: 13 August 2009, Doha

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2009

	30 June 2009 QR'000 (Reviewed)	31 December 2008 QR'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,346,285	6,137,619
Projects under development	6,851,325	5,186,479
Investment property	192,341	124,347
Intangible assets	95,799	71,707
Investment in associates	1,417,981	1,487,160
Available-for-sale investments	268,561	247,773
Catalysts	131,781	118,981
Long term portion of advance and deposits	1,518	-
	<b>15,305,591</b>	<b>13,374,066</b>
<b>Current assets</b>		
Inventories	1,544,419	2,520,907
Accounts receivable and prepayments	1,492,665	1,297,557
Due from related parties	453,477	566,119
Held for trading investments	117,231	125,051
Other financial assets	25,478	120,755
Cash and short term deposits	4,745,865	9,445,207
	<b>8,379,135</b>	<b>14,075,596</b>
<b>TOTAL ASSETS</b>	<b>23,684,726</b>	<b>27,449,662</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5,500,000	5,500,000
Legal reserve	141,832	141,832
Cumulative changes in fair value	122,411	141,213
Hedging reserve	(329,344)	(634,665)
Retained earnings	11,325,587	8,694,589
Proposed dividends	-	4,400,000
<b>Equity attributable to the parent</b>	<b>16,760,486</b>	<b>18,242,969</b>
Minority interest	11,516	11,493
<b>Total equity</b>	<b>16,772,002</b>	<b>18,254,462</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	5,033,202	3,369,025
Employees' end of service benefits	175,752	177,080
Other financial liabilities	300,568	589,668
	<b>5,509,522</b>	<b>4,135,773</b>
<b>Current liabilities</b>		
Accounts payable and accruals	828,883	1,367,321
Due to related parties	282,526	858,279
Other financial liabilities	33,551	165,751
Interest bearing loans and borrowings	258,242	2,668,076
	<b>1,403,202</b>	<b>5,059,427</b>
<b>Total liabilities</b>	<b>6,912,724</b>	<b>9,195,200</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,684,726</b>	<b>27,449,662</b>

  
Abdullah Bin Hamad Al-Attiyah  
Deputy Premier  
and Minister of Energy and Industry  
Chairman and Managing Director

  
Yousif Hussain Kamal  
Minister of Economy and Finance  
Vice - Chairman

### INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED) For the six months ended 30 June 2009

	Six months ended 30 June 2009 QR'000 (Reviewed)	2008 QR'000 (Reviewed)
Revenue	4,506,974	7,675,988
Cost of sales	(3,018,105)	(3,164,805)
<b>GROSS PROFIT</b>	<b>1,488,869</b>	<b>4,511,183</b>
Share of results from associates	(2,029)	127,513
Income from government grant	1,165,711	-
Other income	303,719	285,662
Selling expenses	(63,344)	(95,248)
General and administrative expenses	(206,053)	(184,384)
Finance costs	(54,727)	(49,440)
<b>PROFIT FOR THE PERIOD</b>	<b>2,632,146</b>	<b>4,595,286</b>
<b>Profit for the period attributable to:</b>		
Equity holders of the parent	2,630,998	4,594,457
Minority interest	1,148	829
	<b>2,632,146</b>	<b>4,595,286</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b> (Expressed as QR per share)	<b>4.78</b>	<b>8.35</b>
<b>Profit for the period</b>	<b>2,632,146</b>	<b>4,595,286</b>
<b>Other comprehensive income:</b>		
Net (loss) gain on available-for-sale financial investments	(18,802)	69,153
Net unrealised gain on cash flow hedges	305,321	873
<b>Other comprehensive income for the period</b>	<b>286,519</b>	<b>70,026</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,918,665</b>	<b>4,665,312</b>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holder of the parent	2,917,517	4,664,483
Minority interest	1,148	829
	<b>2,918,665</b>	<b>4,665,312</b>

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) For the six months ended 30 June 2009

	Attributable to the equity holders of the parent							Minority interest QR'000	Total QR'000
	Share capital QR'000	Legal reserve QR'000	Cumulative changes in fair value QR'000	Hedging reserve QR'000	Retained earnings QR'000	Proposed dividend/ Bonus issue QR'000	Total QR'000		
Balance at 1 January 2008 (Audited)	5,000,000	141,309	309,585	(103,412)	5,819,558	2,500,000	13,667,040	11,046	13,678,086
Total comprehensive income for the period	-	-	69,153	873	4,594,457	-	4,664,483	829	4,665,312
Issue of bonus shares	500,000	-	-	-	-	(500,000)	-	-	-
Dividends paid	-	-	-	-	-	(2,000,000)	(2,000,000)	(1,125)	(2,001,125)
Balance at 30 June 2008 (Reviewed)	5,500,000	141,309	378,738	(102,539)	10,414,015	-	16,331,523	10,750	16,342,273
Balance at 1 January 2009 (Audited)	5,500,000	141,832	141,213	(634,665)	8,694,589	4,400,000	18,242,969	11,493	18,254,462
Total comprehensive income for the period	-	-	(18,802)	305,321	2,630,998	-	2,917,517	1,148	2,918,665
Dividends paid	-	-	-	-	-	(4,400,000)	(4,400,000)	(1,125)	(4,401,125)
<b>Balance at 30 June 2009 (Reviewed)</b>	<b>5,500,000</b>	<b>141,832</b>	<b>122,411</b>	<b>(329,344)</b>	<b>11,325,587</b>	<b>-</b>	<b>16,760,486</b>	<b>11,516</b>	<b>16,772,002</b>