



Press Release

For the quarter ended March 31, 2015

IQ DECLARES FIRST QUARTER NET PROFIT OF QR 951 million.

Results boosted by strong sales volumes, impacted by weak oil price

- **Sales volumes up by more than 20%.**
- **Strong cash position, with cash of QR 6.7 billion across the group.**
- **Results in line with budget.**

DOHA, QATAR - Industries Qatar (“IQ” or “the group”; QE: IQCD), one of the region’s industrial giants with interests in the production of a wide range of petrochemical, fertiliser and steel products, announced its financial results for the period ended March 31, 2015 with net profit of QR 951 million.

The group recorded commendable results across all segments during the quarter despite facing significant challenges due to an unprecedented 50% drop in global oil prices over the preceding 12 months. Despite this, the underlying business nevertheless grew, with like-for-like production levels improving by almost 80,000 MT, over the last nine months, and overall utilisation rates in the current quarter remaining within the above industry average historical 95% and 105% range. As a major global producer of internationally traded commodities, the group expected to be impacted by this precipitous decline in oil prices, and budgeted accordingly in the current 5-year budget and business plan. And, year-to-date, financial results and liquidity levels have been broadly in line with the group’s expectations.

Financial Performance

Revenue

Reported revenue under IFRS 11 for the period ended March 31, 2015 was QR 1.3 billion, a minimal decrease of 0.8%, over the first quarter of the previous year. However, on a like-for-like basis, management reporting revenue - assuming proportionate consolidation under IAS 31 - was QR 3.8 billion, a decrease of 9.4%, versus the same period of 2014. This year-on-year reduction in revenue was primarily driven by a significant reduction in selling prices across all segments following the oil price decline that began in early Q4, 2014. Sales volumes nevertheless were up on last year as the group benefited by comparatively lower number of planned maintenance days in the current year as the group had significantly higher number of planned and unplanned facility maintenance in the last year.

Versus the fourth quarter of 2014, reported revenue was marginally up, by 1.3%, while management reporting revenue, assuming proportionate consolidation, was down 20.1%. The quarter-on-quarter revenue reduction was primarily due to a significant reduction in the prices across all segments.

Net Profit

Net profit for the period under review was QR 951 million, a decrease of 40%, against the same period of 2014. The significant decrease in net profit was primarily driven by weak product prices following the significant fall in global oil prices.

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For more information about this press release, email iq@qp.com.qa or visit

www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar QSC directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the group" are sometimes used for convenience in reference to Industries Qatar QSC.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar QSC. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

Industries Qatar QSC, its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Industries Qatar QSC, its subsidiary, joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Industries Qatar QSC does not guarantee the accuracy of the historical statements contained herein.

GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Industries Qatar's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as (Net Profit + Interest Expense + Depreciation + Amortisation) • **EPS:** Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** Hot Briquetted Iron • **LDPE:** Low Density Poly Ethylene • **LLDPE:** Linear Low Density Poly Ethylene • **mmBTU:** Million British Thermal Units • **MT PA:** Metric Tons Per Annum • **MTBE:** Methyl Tertiary Butyl Ether • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalisation / Net Profit) • **Utilisation:** Production Volume / Rated Capacity x 100

ABOUT IQ

Industries Qatar QSC was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company QSC ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertiliser Company SAQ ("QAFCO"), a joint venture owned 75% by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE"). The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

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