Annual Report 2013

Our Presence is Felt Everywhere.

صناعات قطر
Industries Qatar

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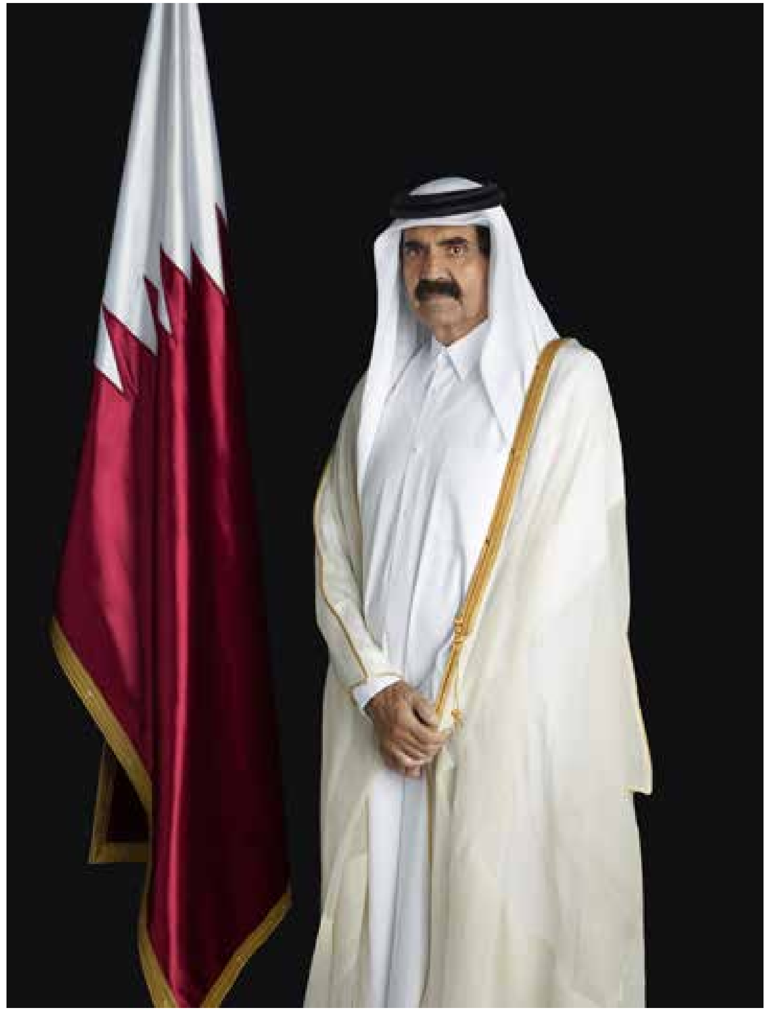
His Highness
Sheikh Tamim Bin Hamad Al-Thani
The Emir of the State of Qatar



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

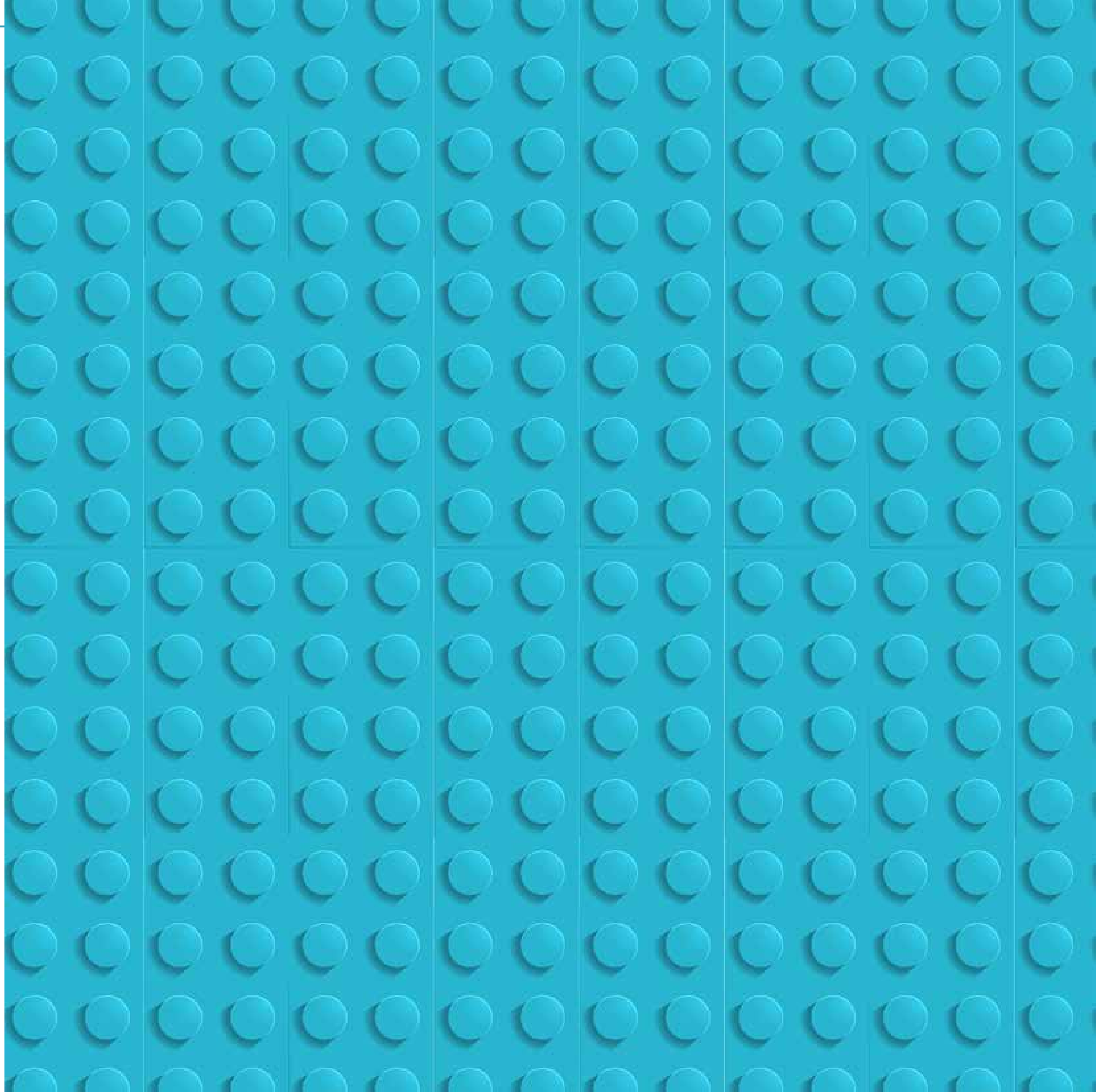
ABOUT INDUSTRIES QATAR Q.S.C.

Industries Qatar Q.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The registered office is located at P.O. Box 3212, Doha, State of Qatar. Through the group companies, IQ operates in 3 distinct segments: petrochemicals, fertilisers and steel.

With effect from November 4, 2012 a wholly owned company of the government of the State of Qatar, Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (trading as "Muntajat"), assumed the exclusive rights to purchase, market, distribute and sell the State of Qatar's production of chemical and petrochemical regulated products to the global market. Accordingly, Industries Qatar's activities related to the marketing, distribution and selling of all of the group's products, with the exception of the group's steel products, were migrated to Muntajat.

Head Office Functions & Management Structure

Qatar Petroleum, the largest shareholder, provides all of the head office functions for IQ through a comprehensive services agreement. The operations of the subsidiary and joint ventures remain independently managed by their respective Boards of Directors and senior management teams.



PETROCHEMICALS

Qatar Petrochemical Company Limited Q.S.C. ("Qapco")
Incorporated in 1974 as a joint venture, the company is currently owned by IQ (80%) and Total Petrochemicals (France) (20%). QAPCO has two joint ventures, Qatofin Company Limited Q.S.C. ("Qatofin") and Qatar Vinyl Company Limited Q.S.C. ("QVC"), an associate, Qatar Plastic Products Company W.L.L.

Qatar Fuel Additives Company Limited Q.S.C.C. ("Qafac")
Incorporated in 1991 as a joint venture, the company is currently owned by IQ (50%), OPIC Middle East Corporation (20%), International Octane LLC (15%) and LCY Middle East Corporation (15%).

Key Products

Ethylene
Ethylene is used as a feedstock for a wide range of chemicals. A significant portion is used by Qapco and Qatofin for the production of low density polyethylene (LDPE) and linear low density polyethylene (LLDPE), with the remainder sold to QVC for the production of a range of chlor-alkali products.

Low Density Polyethylene (LDPE), Linear Low Density Polyethylene (LLDPE)
LDPE and LLDPE are thermoplastics made from the monomer ethylene. Various grades of LDPE and LLDPE are produced which are suitable for a wide range of thermoplastics processing techniques with applications such as films, pipes, cables and wires and other moulded products.

Sulphur
High quality sulphur is generated as a by-product from the ethylene production process.

Pyrolysis Gasoline
The limited quantities of pyrolysis gasoline produced by Qapco are used by associated local companies as a feedstock.

Mixed LPG, C3 / C4
The minimal quantities of mixed LPG generated are used locally to produce propane and butane.

Methanol
A significant portion of methanol produced is used as a feedstock to produce methyl-tertiary-butyl-ether (MTBE), with the remainder sold. Within the petrochemical industry, methanol is used as a raw material for the manufacturing of solvents, formaldehyde, methyl-halide, acetic acid, ethyl-alcohol, acetic anhydride, DME and MTBE.

Methyl-Tertiary-Butyl-Ether (MTBE)
MTBE is used as a gasoline additive that provides clean burning fuel to reduce the tail gas pollution generated by motor vehicles, whilst eliminating the need for tetra-ethyl-lead blending.

FERTILISERS

Qatar Fertiliser Company Q.S.C.C. ("Qafco")

Incorporated in 1969 as a joint venture, the company is currently owned by IQ (75%), and Yara Netherland B.V. (25%). QAFCO has two subsidiaries, namely Gulf Formaldehyde Company S.A.Q. and Qatar Melamine Company Q.S.C.C.

Key Products

Ammonia

A significant portion of the ammonia produced by Qafco is used internally as a feedstock for urea production. The remainder which is sold is commonly used as a feedstock for urea and ammonium phosphate production.

Urea

The majority of the urea produced by Qafco is in either the prilled or granular form. More than 90% of world industrial production of urea is used as a nitrogen-release fertiliser to increase crop yield.

Urea Formaldehyde Condensate (UFC-85)

UFC-85 is an anti-caking agent which is added to urea products to improve their strength. The majority of UFC-85 produced is used in Qafco's urea plants.

STEEL

Qatar Steel Company Q.S.C.

Originally incorporated in 1974, Qatar Steel is fully-owned by IQ and has several investments in the steel industry including, three subsidiaries, Qatar Steel Company FZE, Qatar Steel Industrial Investment Company S.P.C., and Qatar Steel Rebar Fabrication Facility S.P.C., one joint venture, Qatar Steel International Company Q.S.P.C., and two associates, Qatar Metals Coating Company W.L.L and SOLB Steel Company.

Key Products

Hot Bricked Iron (HBI) and Direct Reduced Iron (DRI)

A significant portion of the HBI and DRI produced are used internally for the production of intermediate products and the balance is sold. The main markets for HBI / DRI include the Middle East, India, and the Far East.

Steel Billets

Most of the steel billets produced are processed into steel re-bar by Qatar Steel, with the remainder exported to neighbouring countries in the Gulf region.

Re-bar

Hot rolled deformed steel reinforced bars ("re-bar") are used extensively in the construction industry. The majority of the production is marketed in Qatar, with the remainder exported to neighbouring countries in the Gulf region.

Steel Coils

Steel coils are used extensively in the construction industry, primarily as a binding medium and for making nuts and bolts. The majority of the production is marketed in Qatar, with the remainder exported to neighbouring countries in the Gulf region.

BOARD OF DIRECTORS

Through their detailed working knowledge of the international petrochemical, fertiliser and steel industries and experience gained through cross-directorships and senior operational positions, the Board of Directors contains the expertise necessary to build on the successes of the past and maintain IQ as one of the pre-eminent blue chip companies in the GCC region.

H.E. Dr. Mohamed Bin Saleh Al-Sada
Minister of Energy & Industry
Chairman and Managing Director, Board of Directors

Mr. Hamad Rashid Al-Mohannadi
Chief Executive Officer, RasGas Company
Vice Chairman, Board of Directors

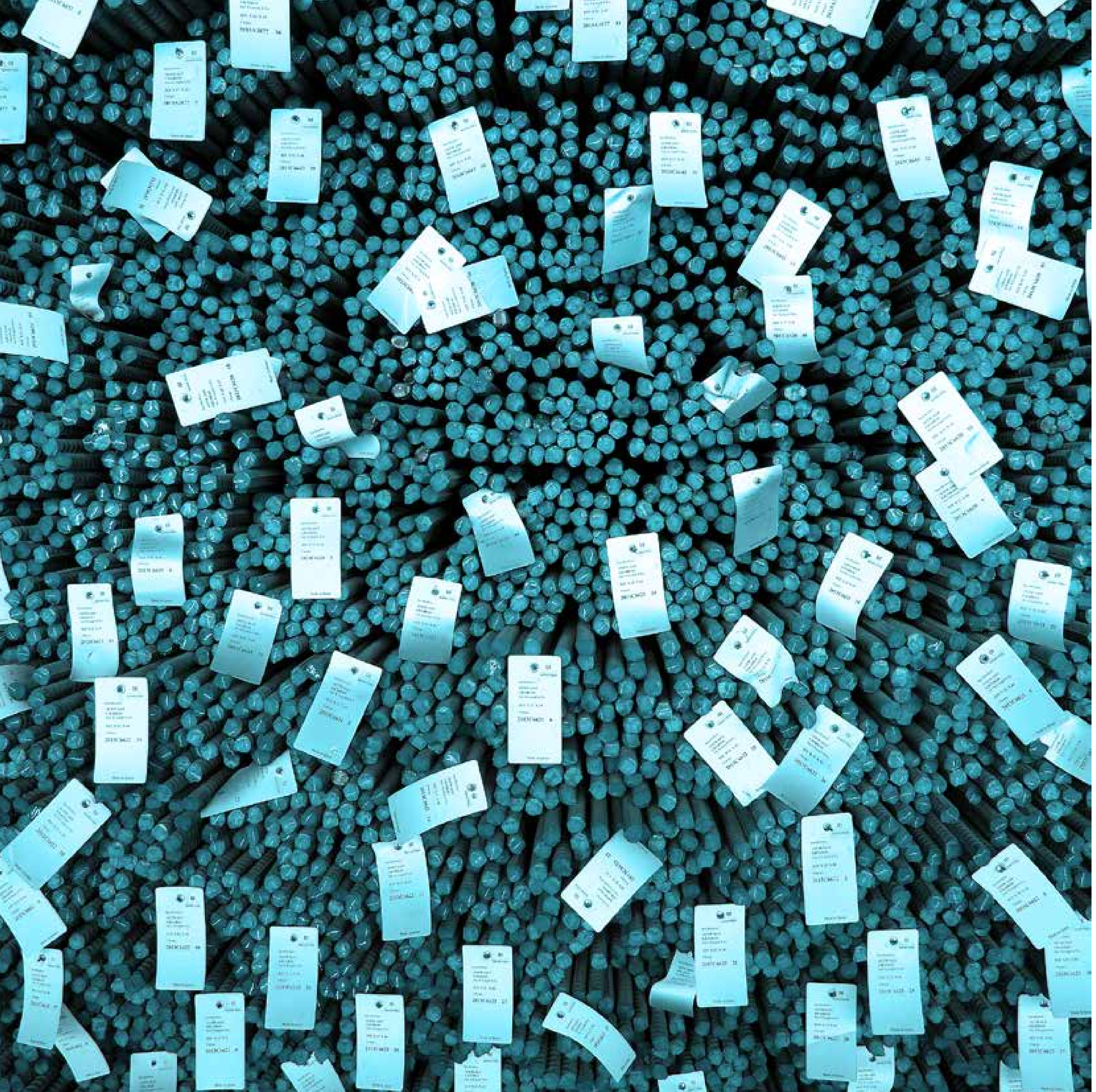
Mr. Nasser Khalil Al-Jaidah
Chief Executive Officer, Qatar Petroleum International
Member, Board of Directors

Mr. Saad Sharida Al-Kaabi
Director, Oil And Gas Ventures, Qatar Petroleum
Member, Board of Directors

Mr. Fahad Hamad Al-Mohannadi
General Manager, Qatar Electricity & Water Company
Member, Board of Directors

Mr. Khalifa Abdullah Al-Suwaidi
Chief Executive Officer, Qatar Fertiliser Company
Member, Board of Directors

Mr. Essa Hilal Al-Kuwari
President, Qatar General Electricity And Water Corporation
Member, Board of Directors



CHAIRMAN'S MESSAGE

Dr. Mohamed Bin Saleh Al-Sada

Dear Shareholders,
Ladies and Gentlemen,

I am pleased to welcome you to the 11th Annual General Assembly Meeting of Industries Qatar, one of the region's biggest industrial Groups, and one of the largest and most successful listed companies in the State of Qatar.
2013 witnessed the commencement of the Group's second decade of operation, with the first ten years marked by a number of noteworthy achievements: net profits grew by an annual average of 16%, net assets increased more than 3 fold and the number of companies in the Group expanded to 18.

By investing over QR 20 billion since incorporation in building and improving facilities, the Group has laid the foundation for a continuation of its impressive growth story in 2013.

Financial Results
The financial year ended December 31, 2013 was noteworthy for the Group. It marked the first full year of operation by facilities launched during 2012 at a cost of over QR 12.8 billion. It also provided clear evidence of the Group's ability to continue to generate strong profits, and cash, during difficult trading conditions. Industries Qatar, like other major international fertiliser producers, was adversely affected by a protracted global downturn in fertiliser prices that has seen the Group's quarterly weighted average urea price drop by almost 40% since the current commodity cycle high in the third quarter of 2011, and almost 20% versus 2012. Despite this downturn, net profit reached QR 8 billion, and total cash and short-term deposits across all of the Group's companies grew by QR 1.6 billion to reach QR 10.7 billion.

Major Projects Update

Industries Qatar intends to build on the foundations of the previous decade and, in this regard, shareholders will be pleased to know that significant progress is being made on all of the Group's confirmed major projects:

- The Al Sejeel Petrochemical Complex is currently the Group's largest ongoing investment, with an estimated total cost to IQ of nearly QR 4 billion. This joint venture between Qatar Petroleum and Qapco is anticipated to significantly boost the Group's LLDPE capacity and diversify the Group's current product portfolio by adding exciting new products, like HDPE and polypropylene. Upon its completion towards the end of 2018, the project is expected to also reinforce the State of Qatar's position as a major regional petrochemical producer.

- Following the incorporation of the QR 7.6 billion Algerian Qatari Steel Company in January 2014, in which IQ has an equity investment of QR 0.6 billion, construction of the 2 million metric tones per annum (MTPA) integrated steel mill in Algeria is expected to be completed in the first quarter of 2018. This joint venture with the Algerian government is one of IQ's largest overseas investment to date, and marks an important and highly positive development in the strong relations between the State of Qatar and the People's Democratic Republic of Algeria.

- The Group recently announced the commencement of commercial operations of a new QR 1.2 billion steel melt shop in Mesaieed Industrial City. The EF5 project will boost the Group's billets capacity by an additional 1.1 million MTPA, ensuring that as the State of Qatar continues its ambitious construction program in the run-up to the World Cup 2022, Qatar Steel will maintain its position as the country's predominant steel supplier.

- In addition, the Group is looking forward in the second half of 2014 to the commercial launch of a second rolling mill in Qatar Steel's Saudi Arabian associate, SOLB Steel Company, and the completion of Qafac's CO_2 recovery project. Respectively, these two projects achieve two distinct important strategic objectives - strengthening IQ's position in the largest steel market in the region, and reducing the Group's greenhouse gas emissions while boosting production levels.

Proposed Dividend Distribution

Since the initial public offering in April 2003, the Board of Directors has supported a progressive and generous dividend payout policy that balances the needs and aspirations of shareholders with the necessity of maintaining adequate liquidity for the Group's capital investments, working capital and financing needs, and the principles of financial prudence. This policy has seen shareholders receive cash dividends of QR 28 billion, with payout ratios averaging 56% for the period until 2012.

Further to this, the Board of Directors is pleased to recommend a total annual dividend distribution for the year ended December 31, 2013 of QR 6.7 billion, an equivalent to a payout of QR 11.00 per share, and representing 110% of the nominal value.

Strategic Direction

With the conclusion in 2012 of a QR 12.8 billion CAPEX and investment program and the nascent stage of our most recently announced projects, the Group's profits will be primarily determined by international product prices and facility utilisation rates. With minimal organic expansions expected within the coming five years, it is expected that the Group's financial position will further strengthen, and free cash flows improve significantly.

During this intervening period before the launch of our next phase of major projects in Algeria and in Qatar, however, the Group will continue to focus on maximising the value of its current operating assets, exploring opportunities to replicate its existing business model beyond Qatar and diversifying into specialised products on a selective basis.

Conclusion

In conclusion, I would like to express my gratitude to His Highness Sheikh Tamim Bin Hamad Al-Thani, the Emir of the Sate of Qatar, and to His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Father Emir, for their vision and wise leadership. Gratitude is also extended to the Board of Directors, senior management, and all the dedicated staff of our Group companies.

Dr. Mohamed Bin Saleh Al-Sada
Minister of Energy & Industry
Chairman and Managing Director

BOARD OF DIRECTORS REPORT

The Board of Directors is pleased to present this 11th annual report on the finances and operations of Industries Qatar, Qatar's premier blue chip group and one of the Middle East's largest and most profitable listed companies.

Financial Results

Industries Qatar closed the year ended December 31, 2013 with strong full year earnings of QR 8.0 billion - following the record-breaking 2012 results with the second highest net profit on record, and clearly showing the group's ability to generate strong profits and cash flow even during the difficult international market conditions experienced during the year.

The group recorded strong year-on-year sales volume growth following the launch last year of new petrochemical and fertiliser facilities, while also maintaining exceptional petrochemical and steel EBITDA margins. Results, however, were adversely impacted by continued significant fertiliser price deflation, in line with international trends, and heightened fertiliser operating costs.

Revenue

Reported revenue for the full year was QR 5.8 billion, a decrease of QR 0.3 billion, or 5.4%, on the restated results of 2012; however, on a like-for-like basis under the previous accounting standard, reported revenue would have been QR 19.3 billion, an increase of QR 0.6 billion or 3.1%.

Revenue in the petrochemical segment for the year was QR 5.4 billion, an increase of QR 0.6 billion, or 12.3%, versus 2012. The segmental performance can be largely attributed to significantly improved sales volumes following the commercial launch of the group's third LDPE plant in the second half of 2012 and subsequent quick ramp-up, fuel additive comparatives adversely impacted by a number of significant planned / unplanned shut-downs in 2012, and improved LDPE prices. Total LDPE sales volume increased by 145,000 MT, or 33.7%, versus 2012, and overall LDPE utilisation closed the year at a strong 103%. Methanol and MTBE sales volumes were up 8.9% and 5.9% respectively following last year's disruption, with utilisation rates averaging a commendable 94% and 107% each.

The fertiliser segment closed the year with revenue of QR 6.1 billion, up QR 0.1 billion, or 2.4%, on 2012. The moderate segmental improvement occurred as incremental urea sales volumes following the commercial launch of Qafco 5 and 6 during the second half of the previous year and subsequent ramp-up were largely negated by urea prices continuing their negative trend, in line with international prices, closing 17.9% down on 2012.

Full year steel revenue was QR 5.8 billion, a decrease of QR 0.3 billion, or 5.4%, in comparison to 2012. The reduction in revenue was primarily due to a 5.4% drop in the weighted average re-bar price, in line with decreasing iron ore costs and following changes to the steel subsidiary's historical end-market mix. Utilisation remained at a high 108%, marginally down on 2012.

Profits and Margins

The group recorded full year earnings of QR 8.0 billion, a decrease of QR 0.4 billion, or 5.1%, versus 2012. EBITDA for the year was QR 8.2 billion, a decrease of QR 0.5 billion, or 5.1%, on the same period last year. Benefits gained from higher sales volumes following the commercial launches of Qafco 5, 6 and LDPE-3, weak prior year comparatives due to extended fuel additives shut-downs in 2012 and improved operating results at several of the group's local and regional investments, were offset by general price weakness and increased fertiliser and, to a lesser extent, petrochemical, operating costs. Significant incremental depreciation and finance charges following the capitalisation of the new fertiliser and petrochemical assets in 2012 accounted for the additional movement in net profit vis-à-vis EBITDA.

Proposed Dividend Distribution

The Board of Directors is pleased to recommend a total annual dividend distribution for the year ended December 31, 2013 of QR 6.7 billion, equivalent to a payout of QR 11.00 per share and representing 110% of the nominal value.

Conclusion

The Board of Directors expresses its gratitude to His Highness, Sheikh Tamim Bin Hamad Al-Thani, the Emir of the State of Qatar, for his wise guidance and strategic vision, and His Highness the Father Emir, Sheikh Hamad Bin Khalifa Al-Thani. Our gratitude is also extended to the Chairman and Managing Director, His Excellency Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry, for his vision and leadership, and to the senior management of the subsidiary and joint ventures for their hard work, commitment and dedication.

CHIEF COORDINATOR'S STATEMENT

Mr. Abdulrahman Ahmad Al-Shaibi
Chief Coordinator, Industries Qatar

I am delighted to present this statement highlighting the major accomplishments and highlights of the head office for 2013. While in 2013 the group registered a noteworthy net profit of QR 8.0 billion, witnessed the first full operational year for QR 12.8 billion of new facilities in the petrochemical and fertiliser segments which added 2.0 million MT / PA of urea and 240,000 MT / PA of LDPE to the group's existing capacity increasing the overall production capacity from 13.7 million MT / PA to 16.0 million MT / PA and reached an 8-year market capitalisation high, the corporate office also noted a number of key achievements.

2013 Major Accomplishments / Highlights

Health, Safety and the Environment

Significant progress was made on a number of important HSE initiatives, including Qafac's CO_2 recovery project to reduce its greenhouse gas emissions and simultaneously boost methanol sales volumes, Qapco's furnace replacement project which is expected to improve energy efficiency, and other initiatives to, for example, minimise NOx emissions and recycle scrap and waste products.

Credit Rating Review

In recognition of the group's ongoing competitive advantages and strong debt protection metrics, both Standard & Poor's and Moody's maintained their credit ratings of Industries Qatar in their annual reviews. In maintaining an AA- rating (Standard & Poor's) and an Aa3 rating (Moody's), both agencies continued to place Industries Qatar one notch beneath the State of Qatar's sovereign rating, and in a very select group of international industrial conglomerates. Both ratings were predicated on the group's continuing excellent cost positioning, largely due to competitively priced gas feedstocks, product and end-market diversification, positive debt metrics and a very important public policy role. Both ratings were assigned a "stable outlook", reflecting the expectation that key assumptions, including the group's importance, debt levels and cost position, would not be materially compromised.

Investor Relations

With effect from January 1, 2013 following the adoption of IFRS 11 Joint Arrangements, the group was required to account for its interest in its joint ventures, Qapco, Qafco and Qafac, using the equity method of accounting. The equity method requires Industries Qatar to present the carrying amount of its investments in joint ventures as a single line item in the statement of financial position, and its share of the joint ventures' net income as a single line item in the statement of comprehensive income. In order to maintain the group's historical levels of transparency and to compensate for the reduced disclosure in the primary financial statements, additional notes to the financial statements and further explanatory details were added to the quarterly investor relations data sheet.

In addition to the expanded IR material, the investor relations team also conducted over 60 1-to-1 meetings with investors, and arranged several tours for local and international investors of the group's production facilities in Mesaieed Industrial City, Qatar. Improvements to the group's IR function were recognised in the annual IR questionnaire which saw an overall highly satisfactory rating of 8.3 out of 10, versus 7.6 in the last survey.

Investments and Control Environment

As part of our ongoing review of a wide portfolio of investments, the corporate level role was enforced in pro-actively evaluating the performance, governance systems and internal controls of the affiliates / associates of the group companies in an aim to improve the overall performance and to measure performance in a realistic manner. Furthermore, 2013 marked the completion of a comprehensive services provider audit of the corporate office by Qatar Petroleum to ensure adequate internal controls are in place and the effectiveness of existing controls. Audits were also conducted of all of the group's directly-held companies, namely Qapco, Qafac, Qafco and Qatar Steel.

Public Relations

During the year, the group participated in several public relations activities, including sponsoring the world's largest flag, known as "The Flag of Gratitude and Loyalty", which was unfurled on Qatar's National Day, and the annual conference of the Institute of Electrical and Electronic Engineers held in Doha. IQ believes assisting such technology-based conferences will encourage the youth of the country to focus more on enhancing their technological skills. The group's joint ventures and subsidiary also engaged in a number of value-adding corporate social responsibility events, ranging from environmental awareness to career planning.

Dividend Policy

At the beginning of the year, the Board of Directors approved a revised dividend policy confirming that IQ is targeting a consistent growth rate in the dividend over the 5-year business plan period, while maintaining adequate liquidity for the group's capital investments, working capital and financing needs, and the principles of financial prudence.

Conclusion

Despite experiencing difficult conditions in the external environment, primarily in the end markets, the group was able to maintain its historical robust financial performance, especially with respect to cash flow generation. With the projects under consideration and other initiatives in place, I expect the performance of the group to remain strong in the future.

In closing, I would like to express my gratitude and thanks to H.E. Dr. Mohammed bin Saleh Al-Sada, the Chairman and Managing Director of IQ, the Board of Directors, and the senior management and dedicated staff of our group companies.

Mr. Abdulrahman Ahmad Al-Shaibi
Chief Coordinator, Industries Qatar

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INDUSTRIES QATAR Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Industries Qatar Q.S.C. (the "Company"), and its subsidiary (together referred as the "Group") which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of profit or loss, 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 applicable Qatar Commercial Companies Law provisions and for such internal control as management determines is necessary to enable the preparation of 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 judgment, 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 Group'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

Group'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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Industries Qatar Q.S.C. at December 31, 2013 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements of Industries Qatar Q.S.C. for the year ended December 31, 2012, were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on February 21, 2013.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the company's activities or its financial position.

Doha – Qatar
February 16, 2014

For Deloitte & Touche
Qatar Branch

Muhammad Bahemia
Partner
License No. 103

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2013

	2013 QR'000	2012 (Restated) QR'000
Continuing operations		
Revenues	**5,823,350**	6,154,187
Direct costs	**(4,023,615)**	(4,296,889)
Gross profit	**1,799,735**	1,857,298
Other income, net	**132,451**	115,268
Income from investments	**111,995**	85,460
General and administrative expenses	**(173,026)**	(226,140)
Selling expenses	**(34,761)**	(34,013)
Finance costs	**(59,338)**	(66,949)
Share of results of associates	**(10,535)**	(2,626)
Share of results of Joint ventures	**6,238,090**	7,001,797
Impairment on available-for-sale investments	**-**	(2,180)
Profit for the year from continuing operations	**8,004,611**	8,727,915
Discontinued operations		
Profit/ (Loss) for the year from discontinued operations	**7,256**	(287,007)
Profit for the year	**8,011,867**	8,440,908
Basic and diluted earnings per share		
(Expressed as QR per share)		
From continuing and discontinued operation		
Basic and diluted earnings per share	**13.24**	13.95
Basic and diluted earnings per share (as previously reported)	**-**	15.35
From continuing operation		
Basic and diluted earnings per share	**13.23**	14.43
Basic and diluted earnings per share (as previously reported)	**-**	15.35

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2013

	2013 QR'000	2012 QR'000
Profit for the year	**8,011,867**	8,440,908
Other comprehensive income		
Items that may be reclassified subsequently to statement of profit or loss		
Net movement in fair value of cash flow hedges	**181,657**	26,076
Share of other comprehensive income of associates	**11,643**	3,750
Net movement in fair value of available-for-sale investments	**111,267**	(34,819)
Other comprehensive income/ (loss) for the year	**304,567**	(4,993)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**8,316,434**	8,435,915

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2013

	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
	QR'000	QR'000	QR'000
Assets			
Non-current assets			
Property, plant and equipment	**3,434,138**	3,054,991	2,749,240
Investment properties	**177,639**	148,032	133,229
Investment in associates	**223,132**	1,465,515	1,742,821
Investment in joint ventures	**19,879,279**	19,355,748	16,346,366
Available-for-sale investments	**752,708**	641,441	674,924
Catalysts	**41,538**	48,982	55,264
Total non-current assets	**24,508,434**	24,714,709	21,701,844
Current assets			
Inventories	**1,848,210**	1,506,822	1,403,479
Accounts receivable and prepayments	**1,454,640**	1,150,412	1,030,960
Due from related parties	**33,882**	102,461	68,167
Financial asset at fair value through profit or loss	**3,585**	7,154	4,141
Bank balances and cash	**7,683,305**	5,405,900	4,204,560
Asset classified as held for sale	**1,245,747**	-	-
Total current assets	**12,269,369**	8,172,749	6,711,307
Total assets	**36,777,803**	32,887,458	28,413,151

	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
	QR'000	QR'000	QR'000
Equity and liabilities			
Equity			
Share capital	**6,050,000**	5,500,000	5,500,000
Legal reserve	**74,999**	74,999	74,999
Cumulative changes in fair value	**391,159**	279,892	314,711
Hedging reserve	**(366,276)**	(559,576)	(589,402)
Retained earnings	**27,627,365**	25,039,096	20,936,415
Total equity	**33,777,247**	30,334,411	26,236,723
Non-current liabilities			
Interest bearing loans and borrowings	**1,662,467**	1,483,589	1,288,807
Employees' end of service benefits	**120,129**	106,099	98,244
Other financial liabilities	**81,824**	123,503	148,769
Total non-current liabilities	**1,864,420**	1,713,191	1,535,820
Current liabilities			
Accounts payable and accruals	**808,857**	653,314	492,492
Due to related parties	**14,555**	24,760	30,151
Interest bearing loans and borrowings	**312,724**	161,782	117,965
Total current liabilities	**1,136,136**	839,856	640,608
Total liabilities	**3,000,556**	2,553,047	2,176,428
Total equity and liabilities	**36,777,803**	32,887,458	28,413,151

Dr. Mohammed Bin Saleh Al-Sada
Minister of Energy & Industry
Chairman and Managing Director

Hamad Rashid Al-Mohannadi
Vice Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

	2013 QR'000	2012 (Restated) QR'000
Operating activities		
Profit for the year	**8,011,867**	8,440,908
Adjustments for:		
Depreciation and amortisation	**158,119**	171,621
Provision for employees' end of service benefits	**32,654**	27,038
Share of results from joint ventures	**(6,238,090)**	(7,001,797)
Share of results from associates	**3,279**	139,633
Loss on disposal of property, plant and equipment	**918**	27,707
Dividend received on available for sale investments	**(22,707)**	(18,498)
Finance costs	**59,338**	66,949
Loss from disposal and change in fair value of financial asset at fair value through profit or loss	**504**	(1,523)
Interest income	**(89,288)**	(66,962)
Fair value gain on investment properties	**(29,607)**	(14,803)
Impairment of investment in an associate	**-**	150,000
Impairment of available-for-sale investments	**-**	2,180
Working capital changes:		
Inventories	**(341,388)**	(103,343)
Accounts receivable and prepayments and due from related parties	**(235,649)**	(182,263)
Accounts payable and accruals and due to related parties	**153,214**	155,431
Cash from operations	**1,463,164**	1,792,278
Finance charges paid	**(59,338)**	(66,949)
Employees' end of service benefits paid	**(18,624)**	(19,183)
Net cash generated by operating activities	**1,385,202**	1,706,146

	2013 QR'000	2012 (Restated) QR'000
Investing activities		
Proceeds from disposals of property, plant and equipment	**4,286**	1,013
Additions to property, plant and equipment and catalysts	**(535,025)**	(499,811)
Investment in associates	**-**	(18,577)
Dividend received from associates	**5,000**	5,000
Net movement of financial asset at fair value through profit or loss	**3,065**	(1,490)
Net movement in available-for-sale investments	**22,707**	14,982
Dividends received from Joint ventures	**5,854,536**	4,010,007
Movement in fixed deposits	**(2,211,850)**	(612,701)
Interest income received	**89,288**	66,962
Net cash generated by investing activities	**3,232,007**	2,965,385
Financing activities		
Repayment of interest bearing loans and borrowings	**(216,405)**	(125,551)
Proceeds from interest bearing loans and borrowings	**546,225**	364,150
Dividends paid	**(4,668,247)**	(4,125,000)
Social Contribution fund	**(213,227)**	(196,490)
Net cash used in financing activities	**(4,551,654)**	(4,082,891)
Net increase in cash and cash equivalents	**65,555**	588,640
Cash and cash equivalents at the beginning of the year	**1,573,750**	985,110
Cash and cash equivalents at the end of the year	**1,639,305**	1,573,750

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2013

	Share capital	Legal reserve	Cumula-tive changes in fair value	Hedging reserve	Retained earnings	Non-control-ling interest	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2012 (As previously reported)	5,500,000	276,791	314,711	(589,402)	20,734,623		26,631,333
Adjustments	-	(201,792)	-	-	201,792	394,610	(394,610)
Balance at January 1, 2012 (Restated)	5,500,000	74,999	314,711	(589,402)	20,936,415	(394,610)	26,236,723
Profit for the year	-	-	--	-	8,440,908	-	8,440,908
Other comprehensive (loss) income for the year	-	-	(34,819)	29,826	-	-	(4,993)
Dividends declared for the year 2011	-	-	-	-	(4,125,000)	-	(4,125,000)
Social fund contribution	-	-	-	-	(213,227)	-	(213,227)
Balance at January 1, 2013 (Restated)	**5,500,000**	**74,999**	**279,892**	**(559,576)**	**25,039,096**	**-**	**30,334,411**

	Share capital	Legal reserve	Cumula-tive changes in fair value	Hedging reserve	Retained earnings	Non-control-ling interest	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2013 (Restated)	5,500,000	74,999	279,892	(559,576)	25,039,096	-	30,334,411
Profit for the year	-	-	-	-	8,011,867	-	8,011,867
Other comprehensive income for the year	-	-	111,267	193,300	-	-	304,567
Bonus shares issued	550,000	-	-	-	(550,000)	-	-
Dividends declared for the year 2012	-	-	-	-	(4,675,000)	-	(4,675,000)
Social fund contribution	-	-	-	-	(198,598)	-	(198,598)
Balance at December 31, 2013	**6,050,000**	**74,999**	**391,159**	**(366,276)**	**27,627,365**	**-**	**33,777,247**