FOR IMMEDIATE RELEASE

Industries Qatar records QR 2.0 billion net profit for the first nine months of 2019

- *IQ maintained operational performance with utilization sustained within historical levels*

- *Liquidity position continues to remain robust with cash and bank balances reported at QR 9.0 billion even after 2018 dividend payments of QR 3.6 billion*

- *Earnings per share (EPS) of QR 0.34 for the nine month period ended 30 September 2019, as compared to QR 0.63 for the same period last year*

Doha, Qatar; October 24, 2019: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), one of the region's industrial giants with interests in the production of a wide range of petrochemical, fertilizer and steel products, today announced its financial and operational results for the nine months of 2019.

Business performance and outlook

IQ's business performance in the nine months of 2019 reflects challenging conditions in the region and wider international markets. The Group leveraged competitive advantage of uninterrupted access to feedstock supply, under long term supply arrangements, in addition to its partnership with Muntajat, a global leader in marketing and distribution of chemicals, fertilizers and steel products, acts a catalyst for global market access, to partially offset extreme challenges.

Financial performance – YTD 2019 and Q3 2019

For the nine months period ended 30 September 2019, IQ recorded a net profit of QR 2.0 billion, down 47% year on year, while total revenues declined 17% to reach QR 10.2 billion (assuming proportionate consolidation). The Group recorded an Earnings per share (EPS) of QR 0.34 for the nine months of 2019, as compared to QR 0.63 for the same period last year, and an averaged EBITDA of QR 3.2 billion for the nine month period ended 30 September 2019, which represents a decline of 36% year on year.

The financial performance was impacted by uncontrollable external factors such as the slowdown in global economies, volatility in commodity prices and the ongoing trade conflicts. These factors directly translated to an increased pressure on commodity prices and an imbalance in the supply-demand dynamics for petrochemicals, fertilizers and steel products. The product prices on average declined 11% year to date compared to the same period of last year, which has contributed a decrease of QR 1.1 billion in the Group's financial performance for the nine months period ended 30 September 2019.

The Group's total revenue in the third quarter of 2019, increased by 12% to reach QR 3.6 billion as compared to the second quarter of this year, while reporting a 26% decline in quarterly net profit as the effect of the global commodity prices fed through to the operations.

Unfavorable market conditions have also contributed to lower sales volumes, which for the nine-month period showed a 6% decline compared to the corresponding period in 2018. The reduction in sales volume was further impacted by planned and unplanned maintenance shutdowns during the year, which are in line with the Group's commitment in enhancing health and safety, plant life, quality assurance and reliability, which would ultimately lead to improved operational efficiency in the long-term.

The Group's balance sheet remained healthy with liquidity at the end of the third quarter remaining robust, including QR 9.0 billion in cash and bank balances, after accounting for a dividend payout of QR 3.6 billion for the financial year 2018, a testament to the Group's strong cash flow generation. The Group's total assets and total equity reached QR 35.1 billion and QR 33.7 billion respectively as at 30 September 2019.

Operational highlights by segment

Petrochemicals: Revenue for the first nine months of 2019 saw a decline of 26% when compared to the same period last year. Softening demand for petrochemical products in key markets, combined with declining market prices for petrochemical products, which are closely linked to crude oil prices, contributed to the overall decrease in the revenues.

The reduction was also driven by periodic maintenance shutdowns, aimed at improving health, safety and environment standards whilst also focusing on enhancing the performance and efficiency of assets.

Fertilizers: Fertilizer prices have remained relatively stable during the first nine months of 2019 and during the third quarter of the year. As a result, the sales volume remained relatively stable with a marginal decline of 1% in first nine months of 2019. The price stability of fertilizers was primarily driven by supply-demand dynamics in the global markets, where the stricter regulations imposed on large producing countries, together with stringent export restrictions, has negatively impacted the supply curve, whereas the demand side has remained soft due to its cyclical nature.

Steel: The Group's sales volumes in the steel segment saw a moderate decline of 8% in the nine month period of 2019, compared to the same period last year. This is attributed to softer domestic demand due to a majority of the large infrastructure projects are at near completion stage, however, the near to medium prospects remain encouraging.

Furthermore, demand for steel in international markets remained subdued due to increased competition from relatively lower cost producers from emerging markets that compete on low-cost metrics compared to the high-quality and price metrics that the Group adopts. The aggressive competition on the international front, coupled with weaker local demand, has adversely affected the financial performance within the Group's steel business.

Earnings Call

IQ will host an IR Earnings call for its third quarter earnings with investors to discuss its results, business outlook and other matters on Thursday, October 31, 2019 at 1:30 p.m. Doha Time. The IR presentation that accompany the conference call will be posted on the publications page of IQ's website.

-Ends-

About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. 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 Q.P.S.C. ("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.

For more information about the earnings announcement, email iq@qp.com.qa or visit www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar Q.P.S.C. 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 Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar Q.P.S.C. 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 realization 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.

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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 = QR 3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realization 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 Capitalization x 100 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization calculated as (Net Profit + Interest Expense + Depreciation + Amortization) • **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 capitalization / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100