

Aamal Company Q.S.C.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

30 June 2015

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Independent auditors' report on review of condensed consolidated interim financial statements

To
The Board of Directors
Aamal Company Q.S.C.
Doha
State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aamal Company Q.S.C. (the "Company") as at 30 June 2015, the condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, cash flows and changes in equity for the six month period then ended, and notes to the interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.


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 statements 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 and consequently 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 condensed consolidated interim financial statements as at 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

15 July 2015
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	30 June 2015 (Reviewed) QR	31 December 2014 (Audited) QR
ASSETS			
Current assets			
Cash and bank balances		610,397,642	554,659,257
Accounts receivable and prepayments		798,677,094	518,412,487
Amounts due from related parties		157,154,275	318,597,869
Inventories		<u>251,883,010</u>	<u>300,570,431</u>
		<u>1,818,112,021</u>	<u>1,692,240,044</u>
Non-current assets			
Equity-accounted investees	4	167,592,539	150,304,676
Investment properties	5	6,685,913,826	6,669,136,000
Property, plant and equipment	6	<u>558,666,859</u>	<u>553,338,058</u>
		<u>7,412,173,224</u>	<u>7,372,778,734</u>
TOTAL ASSETS		<u>9,230,285,245</u>	<u>9,065,018,778</u>
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdrafts		5,361,087	2,346,320
Accounts payable and accruals		337,289,574	413,573,770
Amounts due to related parties		461,442,058	38,405,073
Interest bearing loans and borrowings	7	<u>859,936,926</u>	<u>671,682,995</u>
		<u>1,664,029,645</u>	<u>1,126,008,158</u>
Non-current liabilities			
Interest bearing loans and borrowings	7	210,680,090	232,698,286
Employees' end of service benefits		<u>23,839,737</u>	<u>22,011,182</u>
		<u>234,519,827</u>	<u>254,709,468</u>
Total liabilities		<u>1,898,549,472</u>	<u>1,380,717,626</u>
EQUITY			
Share capital		6,300,000,000	6,000,000,000
Legal reserve		435,842,111	435,842,111
Treasury shares		(2,075,865)	(2,075,865)
Retained earnings		<u>351,924,917</u>	<u>1,031,009,690</u>
Equity attributable to owners of the Company		<u>7,085,691,163</u>	<u>7,464,775,936</u>
Non-controlling interests		<u>246,044,610</u>	<u>219,525,216</u>
Total equity		<u>7,331,735,773</u>	<u>7,684,301,152</u>
TOTAL LIABILITIES AND EQUITY		<u>9,230,285,245</u>	<u>9,065,018,778</u>


Sheikh Faisal Bin Qassim Al-Thani
Chairman


Mohammad Ramahi
Chief Financial Officer

The attached notes 1 to 12 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	<i>Note</i>	<i>For the six months ended 30 June</i>	
		<i>2015</i>	<i>2014</i>
		<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Revenue		1,348,952,950	1,095,473,063
Direct costs		(1,038,548,428)	(849,503,311)
GROSS PROFIT		310,404,522	245,969,752
Other income		6,968,097	1,945,825
Marketing and promotion expenses		(8,369,647)	(6,802,979)
General and administrative expenses		(62,931,179)	(60,591,437)
Depreciation		(3,795,893)	(4,486,947)
Finance costs		(12,129,142)	(16,557,777)
Share of profits of equity-accounted investees	4	17,287,863	10,437,091
PROFIT FOR THE PERIOD		247,434,621	169,913,528
Profit attributable to:			
Equity holders of the Company		220,915,227	158,977,827
Non-controlling interests		26,519,394	10,935,701
		247,434,621	169,913,528
BASIC AND DILUTED EARNINGS PER SHARE	8	0.35	0.25
(attributable to equity holders of the Company)			

The attached notes 1 to 12 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed) QR</i>	<i>2014 (Reviewed) QR</i>
Profit for the period	247,434,621	169,913,528
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net fair value related to disposal of available-for-sale investments	-	(4,162)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	247,434,621	169,909,366
Total comprehensive income attributable to:		
Equity holders of the Company	220,915,227	158,973,758
Non-controlling interests	26,519,394	10,935,608
	247,434,621	169,909,366

The attached notes 1 to 12 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	<i>For the six months ended</i>	
	<i>30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Note</i>	<i>QR</i>	<i>QR</i>
OPERATING ACTIVITIES		
Profit for the period	247,434,621	169,913,528
Adjustments for:		
Depreciation	23,858,259	21,941,565
Provision for employees' end of service benefits	3,120,471	3,449,602
Gain on sale of available-for-sale investments	-	(5,968)
Interest income	(2,437,299)	(1,179,958)
Share of results of associates	4 (17,287,863)	(10,437,091)
Gain on disposal of property, plant and equipment	(2,508)	(62,000)
Finance costs	<u>12,129,142</u>	<u>16,557,777</u>
Operating profit before working capital changes:	266,814,823	200,177,455
Inventories	48,687,421	31,118,025
Accounts receivable and prepayments	(280,264,607)	11,151,264
Accounts payable and accruals	(76,284,196)	(158,476,227)
Net movement in amounts due from and due to related parties	<u>584,480,579</u>	<u>(76,037,480)</u>
Cash from operations	543,434,020	7,933,037
Finance costs paid	(12,129,142)	(16,557,777)
End of service benefits paid	<u>(1,291,916)</u>	<u>(1,554,574)</u>
Net cash from / (used in) operating activities	<u>530,012,962</u>	<u>(10,179,314)</u>
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(29,193,845)	(32,803,569)
Additions to investment properties	(16,777,826)	(5,993,020)
Dividend received from associates	-	924,787
Proceeds from sale of available-for-sale investments	-	26,789
Proceeds from disposal of property, plant and equipment	9,293	174,918
Interest income received	<u>2,437,299</u>	<u>1,179,958</u>
Net cash used in investing activities	<u>(43,525,079)</u>	<u>(36,490,137)</u>
FINANCING ACTIVITY		
Net movement in interest bearing loans and borrowings	166,235,735	93,979,048
Dividends paid	<u>(600,000,000)</u>	<u>-</u>
Net cash (used in) / from financing activity	<u>(433,764,265)</u>	<u>93,979,048</u>
INCREASE IN CASH AND CASH EQUIVALENTS	52,723,618	47,309,597
Cash and cash equivalents at 1 January	<u>552,312,937</u>	<u>429,300,476</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	3 <u>605,036,555</u>	<u>476,610,073</u>

The attached notes 1 to 12 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	<i>Attributable to equity holders of the parent</i>						<i>Non-controlling interests</i> QR	<i>Total equity</i> QR
	<i>Share capital</i> QR	<i>Legal reserve</i> QR	<i>Treasury shares</i> QR	<i>Cumulative change in fair value</i> QR	<i>Retained earnings</i> QR	<i>Total</i> QR		
At 1 January 2014 (Audited)	6,000,000,000	378,132,552	(2,075,865)	4,069	526,628,214	6,902,688,970	195,320,179	7,098,009,149
Movement in fair value reserve of available-for-sale investments	-	-	-	(4,069)	-	(4,069)	(93)	(4,162)
Profit for the period	-	-	-	-	158,977,827	158,977,827	10,935,701	169,913,528
At 30 June 2014 (Reviewed)	6,000,000,000	378,132,552	(2,075,865)	-	685,606,041	7,061,662,728	206,255,787	7,267,918,515
At 1 January 2015 (Audited)	6,000,000,000	435,842,111	(2,075,865)	-	1,031,009,690	7,464,775,936	219,525,216	7,684,301,152
Bonus shares issued	300,000,000	-	-	-	(300,000,000)	-	-	-
Dividends paid	-	-	-	-	(600,000,000)	(600,000,000)	-	(600,000,000)
Profit for the period	-	-	-	-	220,915,227	220,915,227	26,519,394	247,434,621
At 30 June 2015 (Reviewed)	6,300,000,000	435,842,111	(2,075,865)	-	351,924,917	7,085,691,163	246,044,610	7,331,735,773

The attached notes 1 to 12 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2015

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Aamal was formed on 13 January 2001 as a private shareholding company with limited liability (W.L.L.) under the Commercial Registration Number 23245 in the State of Qatar. On 12 July 2007, the private shareholders resolved to transform Aamal into a Qatari Shareholding Company (Q.S.C.) (the “Company”). Accordingly, the Company was listed on Qatar Exchange on 5 December 2007. The Company’s registered office is at P.O. Box 22477, Doha, State of Qatar.

The Company is organised into a head office (Aamal) and branches and operates in the State of Qatar. The following table sets out the principal activities of the branches:

Branch	Principal activities
City Center Qatar Branch	Leasing the facilities of a retail outlet complex in City Center Doha.
Aamal Real Estate Branch	Residential and commercial real estate investment and property rental.
Aamal Readymix Branch	Production and sale of readymix concrete.
Ebn Sina Medical Branch	Wholesale and retail distribution of pharmaceuticals and general consumable products.
Aamal Medical Branch	Wholesale distribution of medical equipment.
Aamal Trading and Distribution Branch	Sale of tyres, lubricants, batteries and home appliances.
Aamal Services Branch	Providing facilities management and cleaning services.
Aamal Travels Branch	Operating a travel agency.
Aamal for Industrial Projects Branch	Industrial investments.
Ebn Sina Health Care Solutions City Center Pharmacy (Good Life Pharmacy Branch)	Sale of pharmaceuticals, baby care products, medicine and general consumable products.
Foot Care Center Branch	Sale of footwear, clinical activities and general commercial trading products.

The condensed consolidated interim financial statements comprise the condensed interim financial statements of the Company and its subsidiaries (together referred to as the “Group”).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2015

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The principal subsidiaries of the Group are as follows:

<i>Entity</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Proportion of effective ownership held by the</i>	
			<i>Group</i>	<i>Non-controlling interest</i>
Aamal Cement Industries W.L.L.	Qatar	Development and management of factories and the production of curb stone, interlock slabs and cement bricks.	99%	1%
IMO Qatar Company W.L.L.	Qatar	Construction and repair of power plant, establishment and management of industrial enterprises and acting as a representative for the international companies.	60%	40%
Senyar Industries Qatar Holding W.L.L.	Qatar	Management of subsidiaries and associates, owning of patents, businesses and subletting them and provision of investment portfolio management to its subsidiaries and associates. Under the shareholders agreement signed between the Group and the other shareholders, the Group is able to appoint the chairman and two other members to the Board of Directors (out of six members) and is able to control Senyar Industries Qatar Holding W.L.L. Accordingly, the company is considered as a subsidiary of the Group.	50%	50%
Doha Cables Qatar W.L.L.	Qatar	Maintenance and merchandise manufacture of electric cables, equipment and tools. Doha Cables Qatar W.L.L. is 91.875% (effectively) owned by Senyar Industries Qatar Holding W.L.L., a subsidiary of the Group. The Group, indirectly through Senyar Industries Qatar Holding W.L.L., controls Doha Cables Qatar W.L.L. and accordingly the company is considered as a subsidiary of the Group.	45.9%	54.1%
Ecco Gulf Co. W.L.L.	Qatar	Offers professional and business process outsourcing and call center services.	51%	49%
Advanced Pipes and Casts Industries W.L.L.	Qatar	Manufacturing of wide cement and glass reinforced pipes systems for infrastructure and pipeline projects. The Group has the control of Advanced Pipes and Casts Industries W.L.L. by virtue of a shareholders' agreement. Thus the Company has been considered as a subsidiary of the Group.	50%	50%
Johnsons Controls Qatar W.L.L.	Qatar	Provision of facilities management services, energy services and building maintenance and cleaning services to corporate clients.	51%	49%

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2015

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The principal subsidiaries of the Group (continued)

Entity	Country of incorporation	Principal activities	Proportion of effective ownership held by the	
			Group	Non-controlling interest
Ci-San Trading W.L.L.	Qatar	Selling, buying, renting and developing real estate, investment in shares, management of real estate properties, owning the patent and trademark and trading in equipment and vehicles. The Group controls Ci-San Trading W.L.L. by virtue of a shareholders' agreement.	50%	50%
Gulf Rocks Company W.L.L.	Qatar	Retail distribution of aggregates	74.5%	25.5%
Innovative Lighting W.L.L.	Qatar	Trading of Light Emitting Diode (LED) Lamps and other lighting products.	70%	30%
Al Farazdaq Company W.L.L.	Qatar	Trading of office supplies and providing printing and laminating services.	65%	35%
Aamal Optical Supplies W.L.L.	Qatar	Trading of optical supplies	51%	49%
Aamal ECE Company W.L.L.	Qatar	Property management	51%	49%

Details of the equity-accounted investees of the Group are as follows;

Company name	Country of incorporation	Principal activity	Proportion of ownership and voting power held by the Group
El Sewedy Cables Qatar W.L.L. (Joint venture)	Qatar	Trading in electro-mechanical equipment and providing related services. El Sewedy Cables Qatar W.L.L. is 49% owned (with 55% share of profits / (losses) by Senyar Industries Qatar Holding W.L.L., a subsidiary of the Group. However due to a revised shareholders agreement, the entity has become a joint venture effective from 1 January 2012 which is measured under the equity method.	55%
Frijns Structural Steel Middle East W.L.L. (Associate)s	Qatar	Entity is engaged in steel fabrications. Group measure the associate under equity method.	20%

The condensed consolidated interim financial statements were authorised for issue by the representatives of the Board of Directors of Aamal Company Q.S.C. on 15 July 2015.

2 BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and have been presented in Qatari Riyals ("QR"), which is the Company's functional and presentation currency.

The condensed consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014. In addition, the results for the six months ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2015

2 BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of amendments to standards which became effective as of 1 January 2015, as noted below:

During the period, the Group has adopted the following new amendments effective for the annual periods beginning on or after 1 January 2015. These amendments did not have any material impact to the Group.

- Defined Benefit Plans – Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010 – 2012 Cycle
- Annual Improvements to IFRSs 2011 – 2013 Cycle

The new standards, amendments to standards and interpretations, which have been issued but are not yet effective for the period ended 30 June 2015 and have not been early applied in preparing these condensed consolidated interim financial statements were as follows:

- IFRS 9 Financial Instruments (Effective 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (Effective 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2017)
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interest in Joint Operations (Effective 1 January 2016)
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization (Effective 1 January 2016)
- Amendments to IAS 27 – Equity Method in Separate Financial Statements (Effective 1 January 2016)

3 CASH AND CASH EQUIVALENTS

For the purpose of condensed consolidated statement of cash flows, cash and cash equivalents comprise the following balances:

	<i>As at 30 June</i>	
	<i>2015</i> <i>(Reviewed)</i> <i>QR</i>	<i>2014</i> <i>(Reviewed)</i> <i>QR</i>
Cash and bank balances	610,397,642	478,368,945
Bank overdrafts	<u>(5,361,087)</u>	<u>(1,758,872)</u>
	<u>605,036,555</u>	<u>476,610,073</u>

Cash and bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

4 EQUITY-ACCOUNTED INVESTEEES

The Group has the following equity-accounted investees:

	<i>Relationship</i>	<i>Country of incorporation</i>	<i>Proportion of ownership and voting power held by the Group</i>	
			<i>30 June 2015</i> <i>(Reviewed)</i>	<i>31 December 2014</i> <i>(Audited)</i>
Frijns Structural Steel Middle East W.L.L.	Associate	Qatar	20%	20%
El Sewedy Cables Qatar W.L.L.	Joint Venture	Qatar	55%	55%

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2015

4 EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

The Group has the following investments in equity-accounted investees;

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
Interest in joint venture	160,823,258	144,371,432
Interest in associates	<u>6,769,281</u>	<u>5,933,244</u>
	<u>167,592,539</u>	<u>150,304,676</u>
	<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed) QR</i>	<i>2014 (Reviewed) QR</i>
Share of equity-accounted investees' revenues and profits:		
Revenues	<u>301,998,091</u>	<u>196,450,391</u>
Profits	<u>17,287,863</u>	<u>10,437,091</u>

5 INVESTMENT PROPERTIES

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
At the beginning of the period / year	6,669,136,000	6,402,486,000
Additions during the period / year	16,777,826	14,957,126
Net gain from fair value adjustment	<u>-</u>	<u>251,692,874</u>
At the end of the period / year	<u>6,685,913,826</u>	<u>6,669,136,000</u>

Notes:

- (i) The fair values of the Group's investment properties as at 31 December 2014 have been arrived at on the basis of valuations carried out on the respective dates by professionally qualified, independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties, and discounted cash flow and income approach techniques.
- (ii) Management having experience and knowledge of real estate market, believes that the carrying amounts of investment properties approximate their fair values at the reporting date.
- (iii) Investment properties are located in the State of Qatar.

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2015

6 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
Cost:		
Balance at the beginning of the period / year	806,203,601	730,688,448
Additions during the period / year	29,193,845	78,412,511
Disposals/write off during the period / year	<u>(56,042)</u>	<u>(2,897,358)</u>
Balance at the end of the period / year	<u>835,341,404</u>	<u>806,203,601</u>
Accumulated depreciation:		
Balance at the beginning of the period / year	252,865,543	210,717,558
Depreciation for the period / year	23,858,259	44,295,485
Relating to disposals/write off during the period / year	<u>(49,257)</u>	<u>(2,147,500)</u>
Balance at the end of the period / year	<u>276,674,545</u>	<u>252,865,543</u>
Net carrying amount at the end of the period / year	<u>558,666,859</u>	<u>553,338,058</u>

Depreciation charge for the period amounting to QR 20,062,366 (30 June 2014: QR 17,422,079) is included in direct costs and none capitalised during the period. (30 June 2014: QR 32,539)

7 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
Term loans	1,071,203,941	905,023,855
Less: Deferred financing costs	<u>(586,925)</u>	<u>(642,574)</u>
	<u>1,070,617,016</u>	<u>904,381,281</u>

Presented in the condensed consolidated statement of financial position as follows:

Current portion	859,936,926	671,682,995
Non-current portion	<u>210,680,090</u>	<u>232,698,286</u>
	<u>1,070,617,016</u>	<u>904,381,281</u>

8 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period. During the period, the Company issued and capitalized bonus shares and accordingly, the previously reported earnings per share have been restated.

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2015

8 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

There were no potentially diluted shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

	<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed)</i>	<i>2014 (Reviewed)</i>
Profit for the period attributable to owners of the Company (QR)	<u>220,915,227</u>	<u>158,977,827</u>
Weighted average number of shares outstanding during the period	<u>629,842,933</u>	<u>629,842,933</u>
Basic and diluted earnings per share (QR)	<u>0.35</u>	<u>0.25</u>

The weighted average number of shares for the purpose of calculating earnings per share has been calculated as follows:

	<i>30 June 2015 (Reviewed)</i>	<i>30 June 2014 (Reviewed)</i>
Qualifying shares at the beginning of the period	600,000,000	600,000,000
Effect of bonus shares issued and capitalized	<u>30,000,000</u>	<u>30,000,000</u>
	<u>630,000,000</u>	<u>630,000,000</u>
Less: Treasury shares	<u>(157,067)</u>	<u>(157,067)</u>
Weighted average number of shares at the end of the period	<u>629,842,933</u>	<u>629,842,933</u>

9 COMMITMENTS

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
Estimated capital expenditure budgeted and approved for at the reporting date but not provided for:		
Investment properties	260,000,000	14,000,000
Property, plant and equipment	<u>1,180,000</u>	<u>23,632,758</u>
	<u>261,180,000</u>	<u>37,632,758</u>
Operating lease commitments under non cancellable lease agreements:		
Payable within one year	-	4,079,410
	<u>-</u>	<u>4,079,410</u>

10 CONTINGENT LIABILITIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	<i>30 June 2015 (Reviewed) QR</i>	<i>31 December 2014 (Audited) QR</i>
Letters of guarantee	<u>444,798,217</u>	<u>337,600,323</u>
Letters of credit	<u>33,438,534</u>	<u>24,148,721</u>

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11 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions with related parties included in the condensed consolidated interim financial statements are as follows:

	<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed) QR</i>	<i>2014 (Reviewed) QR</i>
Sale of goods	<u>311,361,357</u>	<u>429,571,414</u>
Rental income	<u>1,336,885</u>	<u>952,291</u>
Purchase of goods and services	<u>83,069,662</u>	<u>27,078,954</u>
Rental expenses	<u>1,336,885</u>	<u>8,991,294</u>

Compensation of key management personnel

The remuneration of key management during the period was as follows:

	<i>For the six months ended 30 June</i>	
	<i>2015 (Reviewed) QR</i>	<i>2014 (Reviewed) QR</i>
Short-term benefits	<u>3,813,982</u>	<u>3,090,679</u>
Employees' end of service benefits	<u>325,898</u>	<u>246,400</u>
	<u>4,139,880</u>	<u>3,337,079</u>

Parent

The Group's ultimate parent is Al Faisal Holding Company W.L.L.

12 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their nature of activities and has four reportable segments and the Head Office as follows:

Property:

The segment consists of City Center Qatar Branch, Aamal Real Estate Branch and Aamal ECE Company W.L.L. which are involved in leasing the facilities of retail outlet complex, real estate investments and property rental businesses.

Trading and distribution:

The segment represents wholesale and / or retail distribution of pharmaceutical and consumable items, home appliances, medical equipment, tyres and lubricants and industrial printing. The segment includes the following entities:

- Ebn Sina Medical Branch
- Aamal Medical Branch
- Aamal Trading and Distribution Branch
- Foot Care Center Branch
- Ebn Sina Health Care Solutions City Center Pharmacy (Good Life Pharmacy Branch)
- Al Farazdaq Company W.L.L.
- Aamal Optical Supplies Company W.L.L.

Industrial manufacturing:

The segment involves manufacturing, wholesale and/or retail distribution of electric cables and tools, aggregates, ready-mix concrete and cement blocks and provision of services in relation to industrial investment, repair and construction of power plants, trading of LED lighting products and management of industrial enterprises. The segment includes the following entities:

- Aamal Cement Industries W.L.L.
- Aamal Readymix Branch
- Doha Cables Qatar W.L.L.
- Senyar Industries Qatar Holding W.L.L.
- Advanced Pipes and Casts Industries W.L.L.
- Gulf Rocks Company W.L.L.
- Ci-San Trading Company W.L.L.
- Innovative Lighting W.L.L.

Managed services:

The segment involves provision of housekeeping and cleaning services, call center services and acting as travel agents. The segment includes the following entities:

- Aamal Services Branch
- Aamal Travels Branch
- Ecco Gulf W.L.L.
- Johnson Controls Qatar W.L.L.

Head Office:

It provides corporate services to the branches and subsidiaries of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these segments. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Aamal Company Q.S.C.

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For the six months ended 30 June 2015

12 SEGMENT INFORMATION (CONTINUED)

Operating segments:

The operating segment is presented as follows, after elimination of inter branch and inter-company transactions.

	Six months ended 30 June 2015 (Reviewed)						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Revenues							
- External parties	158,730,083	372,856,467	784,984,828	32,381,572	-	-	1,348,952,950
- Inter segments	1,209,328	3,032,388	22,047,869	348,768	-	(26,638,353) ⁽ⁱ⁾	-
Total revenue	159,939,411	375,888,855	807,032,697	32,730,340	-	(26,638,353)	1,348,952,950
Profit / (loss) for the period	133,769,385	71,013,950	60,144,305	2,447,214	(19,940,233)	-	247,434,621
Depreciation	645,261	1,900,528	19,902,957	891,426	518,087	-	23,858,259
	Six months ended 30 June 2014 (Reviewed)						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Revenues							
- External parties	140,561,561	352,483,576	564,686,139	37,741,787	-	-	1,095,473,063
- Inter segments	957,518	4,279,708	15,825,211	2,672,484	-	(23,734,921) ⁽ⁱ⁾	-
Total revenue	141,519,079	356,763,284	580,511,350	40,414,271	-	(23,734,921)	1,095,473,063
Profit / (loss) for the period	108,955,541	51,017,134	25,786,340	5,371,142	(21,216,629)	-	169,913,528
Depreciation	802,578	2,411,465	17,170,226	898,050	659,246	-	21,941,565

Aamal Company Q.S.C.

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For the six months ended 30 June 2015

12 SEGMENT INFORMATION (CONTINUED)

The following table presents the segment assets and liabilities:

<i>At 30 June 2015 (Reviewed)</i>	<i>Property QR</i>	<i>Trading and distribution QR</i>	<i>Industrial manufacturing QR</i>	<i>Managed services QR</i>	<i>Head Office QR</i>	<i>Eliminations QR</i>	<i>Total QR</i>
Current assets	429,656,184	540,894,613	808,171,958	62,805,048	218,164,768	(241,580,550) ⁽ⁱ⁾	1,818,112,021
Non-current assets	6,705,313,612	16,726,042	680,327,736	4,141,676	7,916,937	(2,252,779) ⁽ⁱ⁾	7,412,173,224
Total assets	7,134,969,796	557,620,655	1,488,499,694	66,946,724	226,081,705	(243,833,329)	9,230,285,245
Current liabilities	307,106,255	141,794,773	730,490,960	20,399,393	702,604,215	(238,365,951) ⁽ⁱ⁾	1,664,029,645
Non-current liabilities	83,440,063	9,080,029	139,666,246	3,507,539	2,038,548	(3,212,598) ⁽ⁱ⁾	234,519,827
Total liabilities	390,546,318	150,874,802	870,157,206	23,906,932	704,642,763	(241,578,549)	1,898,549,472
Capital expenditure ⁽ⁱⁱ⁾	16,838,628	3,921,859	24,846,685	358,866	5,633	-	45,971,671

Aamal Company Q.S.C.

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For the six months ended 30 June 2015

12 SEGMENT INFORMATION (CONTINUED)

<i>At 31 December 2014 (Audited)</i>	<i>Property QR</i>	<i>Trading and distribution QR</i>	<i>Industrial manufacturing QR</i>	<i>Managed services QR</i>	<i>Head Office QR</i>	<i>Eliminations QR</i>	<i>Total QR</i>
Current assets	390,918,922	497,691,381	630,982,728	56,053,682	381,327,953	(264,734,622) ⁽ⁱ⁾	1,692,240,044
Non-current assets	6,689,120,245	14,711,495	658,951,631	4,674,236	7,593,353	(2,272,226) ⁽ⁱ⁾	7,372,778,734
Total assets	7,080,039,167	512,402,876	1,289,934,359	60,727,918	388,921,306	(267,006,848)	9,065,018,778
Current liabilities	318,607,747	153,055,092	621,534,737	16,444,125	281,099,087	(264,732,630) ⁽ⁱ⁾	1,126,008,158
Non-current liabilities	130,826,815	8,215,884	110,401,603	3,471,610	1,793,556	-	254,709,468
Total liabilities	449,434,562	161,270,976	731,936,340	19,915,735	282,892,643	(264,732,630)	1,380,717,626
Capital expenditure ⁽ⁱⁱ⁾	27,066,263	6,880,155	57,158,174	2,246,493	18,552	-	93,369,637

Notes:

- (i) Inter-segment balances are eliminated on consolidation.
- (ii) Capital expenditure consists of additions to property, plant and equipment, investment properties and properties under development.