

Aamal Company Q.S.C.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

30 June 2014

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2014

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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") and its subsidiaries (together "the Group") as at 30 June 2014, the condensed consolidated statements of profit or loss, 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 this 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 2014 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

24 July 2014
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 2014

	Note	30 June 2014 (Reviewed) QR	31 December 2013 (Audited) QR
ASSETS			
Current assets			
Cash and bank balances		478,368,945	436,136,756
Accounts receivable and prepayments		498,938,575	510,089,839
Amounts due from related parties		280,469,247	214,439,950
Inventories		<u>285,581,520</u>	<u>316,699,545</u>
		<u>1,543,358,287</u>	<u>1,477,366,090</u>
Non-current assets			
Available-for-sale investments		-	24,983
Equity-accounted investees	4	142,619,211	133,106,907
Investment properties	5	6,408,479,020	6,402,486,000
Property, plant and equipment	6	<u>530,719,976</u>	<u>519,970,890</u>
		<u>7,081,818,207</u>	<u>7,055,588,780</u>
TOTAL ASSETS		<u>8,625,176,494</u>	<u>8,532,954,870</u>
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdrafts		1,758,872	6,836,280
Accounts payable and accruals		286,570,346	445,046,573
Amounts due to related parties		38,191,408	48,199,591
Interest bearing loans and borrowings	7	<u>736,422,627</u>	<u>749,520,820</u>
		<u>1,062,943,253</u>	<u>1,249,603,264</u>
Non-current liabilities			
Interest bearing loans and borrowings	7	272,461,722	165,384,481
Employees' end of service benefits		<u>21,853,004</u>	<u>19,957,976</u>
		<u>294,314,726</u>	<u>185,342,457</u>
Total liabilities		<u>1,357,257,979</u>	<u>1,434,945,721</u>
EQUITY			
Share capital		6,000,000,000	6,000,000,000
Legal reserve		378,132,552	378,132,552
Treasury shares		(2,075,865)	(2,075,865)
Cumulative change in fair value		-	4,069
Retained earnings		<u>685,606,041</u>	<u>526,628,214</u>
Equity attributable to owners of the parent		<u>7,061,662,728</u>	<u>6,902,688,970</u>
Non-controlling interests		<u>206,255,787</u>	<u>195,320,179</u>
Total equity		<u>7,267,918,515</u>	<u>7,098,009,149</u>
TOTAL LIABILITIES AND EQUITY		<u>8,625,176,494</u>	<u>8,532,954,870</u>

Sheikh Faisal Bin Qassim Al-Thani
Chairman

Mohammad Ramahi
Chief Financial Officer

The attached notes 1 to 13 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 2014

	<i>Note</i>	<i>For the six months ended 30 June</i>	
		<i>2014</i>	<i>2013</i>
		<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Revenue		1,095,473,063	959,605,204
Direct costs		(849,503,311)	(753,298,768)
GROSS PROFIT		245,969,752	206,306,436
Other income		1,945,825	6,251,425
Marketing and promotion expenses		(6,802,979)	(6,804,555)
General and administrative expenses		(60,591,437)	(56,169,158)
Depreciation		(4,486,947)	(4,749,721)
Finance costs		(16,557,777)	(22,257,580)
Share of profits of equity-accounted investees	4	10,437,091	7,527,615
PROFIT FOR THE PERIOD		169,913,528	130,104,462
Profit attributable to:			
Equity holders of the parent		158,977,827	133,653,059
Non-controlling interests		10,935,701	(3,548,597)
		169,913,528	130,104,462
BASIC AND DILUTED EARNINGS PER SHARE	8	0.27	0.22
(attributable to equity holders of the parent)			

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	<i>For the six months ended 30 June</i>	
	2014 <i>(Reviewed)</i> QR	2013 <i>(Reviewed)</i> QR
Profit for the period	169,913,528	130,104,462
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Unrealised gain on available-for-sale investments	-	2,467
Net fair value related to disposal of available-for-sale investments	(4,162)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>169,909,366</u>	<u>130,106,929</u>
Total comprehensive income attributable to:		
Equity holders of the parent	158,973,758	133,654,898
Non-controlling interests	10,935,608	(3,547,969)
	<u>169,909,366</u>	<u>130,106,929</u>

The attached notes 1 to 13 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 2014

	<i>For the six months ended</i>	
	<i>30 June</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Note</i>	<i>QR</i>	<i>QR</i>
OPERATING ACTIVITIES		
Profit for the period	169,913,528	130,104,462
Adjustments for:		
Depreciation	21,941,565	21,644,172
Provision for employees' end of service benefits	3,449,602	2,339,597
Gain on sale of available-for-sale investments	(5,968)	-
Interest income	(1,179,958)	(1,555,046)
Share of results of associates	(10,437,091)	(7,527,615)
Gain on disposal of property, plant and equipment	(62,000)	(722,486)
Finance costs	16,557,777	22,257,580
Operating profit before working capital changes:	200,177,455	166,540,664
Inventories	31,118,025	(32,577,049)
Accounts receivable and prepayments	11,151,264	(23,423,754)
Accounts payable and accruals	(158,476,227)	8,907,327
Net movement in amounts due from and due to related parties	(76,037,480)	(2,072,579)
Cash from operations	7,933,037	117,374,609
Finance costs paid	(16,557,777)	(22,257,580)
End of service benefits paid	(1,554,574)	(1,706,003)
Net cash (used in) / from operating activities	(10,179,314)	93,411,026
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(32,803,569)	(60,820,859)
Additions to investment properties	(5,993,020)	(17,318,874)
Dividend received from associates	924,787	1,330,002
Proceeds from sale of available-for-sale investments	26,789	-
Proceeds from disposal of property, plant and equipment	174,918	766,015
Interest income received	1,179,958	1,555,046
Net cash used in investing activities	(36,490,137)	(74,488,670)
FINANCING ACTIVITY		
Net movement in interest bearing loans and borrowings	93,979,048	(14,466,427)
Net cash from / (used in) financing activity	93,979,048	(14,466,427)
INCREASE IN CASH AND CASH EQUIVALENTS	47,309,597	4,455,929
Cash and cash equivalents at 1 January	429,300,476	364,996,201
CASH AND CASH EQUIVALENTS AT 30 JUNE	476,610,073	369,452,130

The attached notes 1 to 13 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 2014

	<i>Attributable to equity holders of the parent</i>					<i>Total</i> <i>QR</i>	<i>Non-</i> <i>controlling</i> <i>interests</i> <i>QR</i>	<i>Total</i> <i>equity</i> <i>QR</i>
	<i>Share</i> <i>capital</i> <i>QR</i>	<i>Legal</i> <i>reserve</i> <i>QR</i>	<i>Treasury</i> <i>shares</i> <i>QR</i>	<i>Cumulative</i> <i>change in fair</i> <i>value</i> <i>QR</i>	<i>Retained</i> <i>earnings</i> <i>QR</i>			
At 1 January 2013 (Audited)	5,445,000,000	327,445,101	(2,075,865)	(416)	638,248,275	6,408,617,095	189,838,462	6,598,455,557
Bonus shares issued	555,000,000	-	-	-	(555,000,000)	-	-	-
Movement in fair value reserve of available-for-sale investments	-	-	-	1,839	-	1,839	628	2,467
Profit (loss) for the period	-	-	-	-	133,653,059	133,653,059	(3,548,597)	130,104,462
At 30 June 2013 (Reviewed)	6,000,000,000	327,445,101	(2,075,865)	1,423	216,901,334	6,542,271,993	186,290,493	6,728,562,486
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

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2014

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.
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").

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2014

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 2014

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

The principal subsidiaries of the Group (continued)

<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>
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%

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

<i>Company name</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Proportion of ownership and voting power held by the Group</i>
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)	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 24 July 2014.

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 2014 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 2013. In addition, the results for the six months ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

2 BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

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 2013, except for the adoption of amendments to standards which became effective as of 1 January 2014, 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 2014. These amendments did not have any material impact to the Group.

- Amendment to IAS 32 – Offsetting Financial Instruments
- Amendment to IAS 36 – Recoverable Amount Disclosure for Non-financial assets

The new standards, amendments to standards and interpretations, which have been issued but are not yet effective for the period ended 30 June 2014 and have not been early applied in preparing these condensed consolidated interim financial statements were as follows:

- **IFRS 9**, Financial Instruments is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The mandatory effective date of IFRS 9 is not specified but will be determined when the outstanding phases are finalised.

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>2014</i> <i>(Reviewed)</i> <i>QR</i>	<i>2013</i> <i>(Reviewed)</i> <i>QR</i>
Cash and bank balances	478,368,945	379,939,150
Bank overdrafts	(1,758,872)	(10,487,020)
	<u>476,610,073</u>	<u>369,452,130</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 2014</i> <i>(Reviewed)</i>	<i>31 December 2013</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 2014

4 EQUITY-ACCOUNTED INVESTEEES (continued)

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

	<i>30 June 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
Interest in joint venture	138,651,821	129,462,184
Interest in associates	3,967,390	3,644,723
	<u>142,619,211</u>	<u>133,106,907</u>
	<i>For the six months ended 30 June</i>	
	<i>2014 (Reviewed) QR</i>	<i>2013 (Reviewed) QR</i>
Share of equity-accounted investees' revenues and profits:		
Revenues	<u>196,450,391</u>	<u>178,116,635</u>
Profits	<u>10,437,091</u>	<u>7,527,615</u>

5 INVESTMENT PROPERTIES

	<i>30 June 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
At the beginning of the period / year	6,402,486,000	6,113,347,018
Additions during the period / year	5,993,020	9,568,047
Transferred from property, plant and equipment	-	34,519,828
Net gain from fair value adjustment	-	245,051,107
	<u>6,408,479,020</u>	<u>6,402,486,000</u>

Notes:

- (i) The fair values of the Group's investment properties as at 31 December 2013 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 2014

6 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
Cost:		
Balance at the beginning of the period / year	730,688,448	624,130,436
Additions during the period / year	32,803,569	148,055,774
Transfer to investment properties	-	(34,519,828)
Disposals/write off during the period / year	<u>(553,698)</u>	<u>(6,977,934)</u>
Balance at the end of the period / year	<u>762,938,319</u>	<u>730,688,448</u>
Accumulated depreciation:		
Balance at the beginning of the period / year	210,717,558	174,603,178
Depreciation for the period / year	21,941,565	42,555,504
Relating to disposals/write off during the period / year	<u>(440,780)</u>	<u>(6,441,124)</u>
Balance at the end of the period / year	<u>232,218,343</u>	<u>210,717,558</u>
Net carrying amount at the end of the period / year	<u>530,719,976</u>	<u>519,970,890</u>

Depreciation charge for the period amounting to QR 17,422,079 (30 June 2013: QR 16,861,758) is included in direct costs and an amount of QR 32,539 (30 June 2013: QR 32,693) has been capitalised during the period.

7 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
Term loans	1,009,593,195	915,676,804
Less: Deferred financing costs	<u>(708,846)</u>	<u>(771,503)</u>
	<u>1,008,884,349</u>	<u>914,905,301</u>

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

Current portion	736,422,627	749,520,820
Non-current portion	<u>272,461,722</u>	<u>165,384,481</u>
	<u>1,008,884,349</u>	<u>914,905,301</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 parent by the weighted average number of ordinary shares outstanding during the period.

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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>2014 (Reviewed)</i>	<i>2013 (Reviewed)</i>
Profit for the period attributable to owners of the parent (QR)	<u>158,977,827</u>	<u>133,653,059</u>
Weighted average number of shares outstanding during the period	<u>599,850,412</u>	<u>599,850,412</u>
Basic and diluted earnings per share (QR)	<u>0.27</u>	<u>0.22</u>

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

	<i>30 June 2014 (Reviewed)</i>	<i>30 June 2013 (Reviewed)</i>
Qualifying shares at the beginning of the period	<u>600,000,000</u>	<u>544,500,000</u>
Effect of bonus shares issued and capitalized	<u>-</u>	<u>55,500,000</u>
	<u>600,000,000</u>	<u>600,000,000</u>
Less: Treasury shares	<u>(149,588)</u>	<u>(149,588)</u>
Weighted average number of shares at the end of the period	<u>599,850,412</u>	<u>599,850,412</u>

9 COMMITMENTS

	<i>30 June 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
Estimated capital expenditure budgeted and approved for at the reporting date but not provided for:		
Investment properties	<u>-</u>	<u>2,964,000</u>
Property, plant and equipment	<u>4,401,564</u>	<u>16,386,500</u>
	<u>4,401,564</u>	<u>19,350,500</u>
Operating lease commitments under non cancellable lease agreements:		
Payable within one year	<u>898,000</u>	<u>990,806</u>
	<u>898,000</u>	<u>990,806</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 2014 (Reviewed) QR</i>	<i>31 December 2013 (Audited) QR</i>
Letters of guarantee	<u>326,996,183</u>	<u>474,551,239</u>
Letters of credit	<u>30,767,493</u>	<u>7,678,499</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>2014 (Reviewed) QR</i>	<i>2013 (Reviewed) QR</i>
Sale of goods	<u>429,571,414</u>	<u>199,423,490</u>
Rental income	<u>952,291</u>	<u>2,328,144</u>
Purchase of goods and services	<u>27,078,954</u>	<u>95,362,287</u>
Rental expenses	<u>8,991,294</u>	<u>8,406,173</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>2014 (Reviewed) QR</i>	<i>2013 (Reviewed) QR</i>
Short-term benefits	<u>3,090,679</u>	<u>2,765,683</u>
Employees' end of service benefits	<u>246,400</u>	<u>129,463</u>
	<u>3,337,079</u>	<u>2,895,146</u>

Parent

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

12 FINANCIAL INSTRUMENTS CLASSIFICATION MEASURED AT FAIR VALUE

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
30 June 2014				
Available-for-sale investments	-	-	-	-
	-	-	-	-
31 December 2013				
Available-for-sale investments	24,983	-	-	24,983
	24,983	-	-	24,983

13 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 and Aamal Real Estate Branch, 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, 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
- Good Life Pharmacy Branch
- Al Farazdaq 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2014

13 SEGMENT INFORMATION (continued)**Operating segments:**

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

	<i>Six months ended 30 June 2014 (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>
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	<u>141,519,079</u>	<u>356,763,284</u>	<u>580,511,350</u>	<u>40,414,271</u>	<u>-</u>	<u>(23,734,921)</u>	<u>1,095,473,063</u>
Profit (loss) for the period	<u>108,955,541</u>	<u>51,017,134</u>	<u>25,786,340</u>	<u>5,371,142</u>	<u>(21,216,629)</u>	<u>-</u>	<u>169,913,528</u>
Depreciation	<u>802,578</u>	<u>2,411,465</u>	<u>17,170,226</u>	<u>898,050</u>	<u>659,246</u>	<u>-</u>	<u>21,941,565</u>
	<i>Six months ended 30 June 2013 (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>
Revenues							
- External parties	134,680,608	277,577,206	519,017,207	28,330,183	-	-	959,605,204
- Inter segments	515,543	3,399,498	15,676,751	17,272,784	-	(36,864,576) ⁽ⁱ⁾	-
Total revenue	<u>135,196,151</u>	<u>280,976,704</u>	<u>534,693,958</u>	<u>45,602,967</u>	<u>-</u>	<u>(36,864,576)</u>	<u>959,605,204</u>
Profit (loss) for the period	<u>108,425,435</u>	<u>42,756,230</u>	<u>396,662</u>	<u>2,181,265</u>	<u>(23,655,130)</u>	<u>-</u>	<u>130,104,462</u>
Depreciation	<u>1,236,671</u>	<u>2,169,692</u>	<u>16,706,800</u>	<u>870,958</u>	<u>660,051</u>	<u>-</u>	<u>21,644,172</u>

Aamal Company Q.S.C.

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For the six months ended 30 June 2014

13 SEGMENT INFORMATION (continued)

The following table presents the segment assets and liabilities:

<i>At 30 June 2014 (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	354,698,845	429,415,944	600,831,434	58,217,480	396,330,717	(296,136,133) ⁽ⁱ⁾	1,543,358,287
Non-current assets	6,420,528,233	14,459,555	638,387,063	4,426,087	6,300,659	(2,283,390) ⁽ⁱ⁾	7,081,818,207
Total assets	6,775,227,078	443,875,499	1,239,218,497	62,643,567	402,631,376	(298,419,523)	8,625,176,494
Current liabilities	311,842,683	136,547,733	604,524,127	21,540,719	284,624,144	(296,136,153) ⁽ⁱ⁾	1,062,943,253
Non-current liabilities	178,262,144	8,750,822	102,363,921	3,393,998	1,543,841	-	294,314,726
Total liabilities	490,104,827	145,298,555	706,888,048	24,934,717	286,167,985	(296,136,153)	1,357,257,979
Capital expenditure ⁽ⁱⁱ⁾	9,481,718	4,279,430	24,047,491	975,261	12,689	-	38,796,589

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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13 SEGMENT INFORMATION (continued)

At 31 December 2013
(Audited)

	<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	227,552,338	362,906,431	620,807,979	61,349,415	506,386,922	(301,636,995) ⁽ⁱ⁾	1,477,366,090
Non -current assets	<u>6,411,868,160</u>	<u>12,604,763</u>	<u>622,386,238</u>	<u>4,348,876</u>	<u>6,624,548</u>	<u>(2,243,805) ⁽ⁱ⁾</u>	<u>7,055,588,780</u>
Total assets	<u>6,639,420,498</u>	<u>375,511,194</u>	<u>1,243,194,217</u>	<u>65,698,291</u>	<u>513,011,470</u>	<u>(303,880,800)</u>	<u>8,532,954,870</u>
Current liabilities	280,995,335	113,511,160	634,402,777	26,070,802	496,260,185	(301,636,995) ⁽ⁱ⁾	1,249,603,264
Non current liabilities	<u>72,701,562</u>	<u>8,008,485</u>	<u>100,016,943</u>	<u>3,181,668</u>	<u>1,433,799</u>	<u>-</u>	<u>185,342,457</u>
Total liabilities	<u>353,696,897</u>	<u>121,519,645</u>	<u>734,419,720</u>	<u>29,252,470</u>	<u>497,693,984</u>	<u>(301,636,995)</u>	<u>1,434,945,721</u>
Capital expenditure ⁽ⁱⁱ⁾	<u>47,024,050</u>	<u>8,290,870</u>	<u>100,743,008</u>	<u>1,397,742</u>	<u>168,151</u>	<u>-</u>	<u>157,623,821</u>

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.