

**Aamal Company Q.S.C.**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**30 June 2013**

**Aamal Company Q.S.C.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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30 June 2013

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**KPMG**  
**Audit**  
2nd Floor  
Area 25, C Ring Road  
PO Box 4473, Doha  
State of Qatar

Telephone +974 4457 6444  
Fax +974 4442 5626  
Website www.kpmg.com.qa

## **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 30 June 2013 condensed consolidated interim financial statements of Aamal Company Q.S.C. ("the Company") and its subsidiaries (together "the Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2013;
- the condensed consolidated statement of profit or loss for the six months ended 30 June 2013;
- the condensed consolidated statement of comprehensive income for the six months ended 30 June 2013;
- the condensed consolidated statement of cash flows for the six months ended 30 June 2013;
- the condensed consolidated statement of changes in equity for the six months ended 30 June 2013; and
- notes to 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 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 2013 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.




30 July 2013  
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 2013

	Note	30 June 2013 (Reviewed)  QR	31 December 2012 (Audited) (Restated)  QR
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		379,939,150	367,881,291
Accounts receivable and prepayments		516,368,516	482,281,775
Amounts due from related parties		177,755,291	171,525,363
Inventories		<u>434,479,922</u>	<u>401,902,873</u>
		<u>1,508,542,879</u>	<u>1,423,591,302</u>
<b>Non-current assets</b>			
Available-for-sale investments		21,430	18,963
Equity-accounted investees	4	122,204,620	126,669,991
Investment properties	5	6,130,665,892	6,113,347,018
Property, plant and equipment	6	<u>488,660,413</u>	<u>449,527,258</u>
		<u>6,741,552,355</u>	<u>6,689,563,230</u>
<b>TOTAL ASSETS</b>		<u><b>8,250,095,234</b></u>	<u><b>8,113,154,532</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Bank overdrafts		10,487,020	2,885,090
Accounts payable and accruals		388,026,396	379,119,069
Amounts due to related parties		53,895,106	49,737,757
Interest bearing loans and borrowings	7	<u>853,509,739</u>	<u>825,568,489</u>
		<u>1,305,918,261</u>	<u>1,257,310,405</u>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	7	196,869,130	239,276,807
Employees' end of service benefits		<u>18,745,357</u>	<u>18,111,763</u>
		<u>215,614,487</u>	<u>257,388,570</u>
<b>Total liabilities</b>		<u><b>1,521,532,748</b></u>	<u><b>1,514,698,975</b></u>
<b>EQUITY</b>			
Share capital		6,000,000,000	5,445,000,000
Legal reserve		327,445,101	327,445,101
Treasury shares		(2,075,865)	(2,075,865)
Cumulative change in fair value		1,423	(416)
Retained earnings		<u>216,901,334</u>	<u>638,248,275</u>
<b>Equity attributable to owners of the parent</b>		<u><b>6,542,271,993</b></u>	<u><b>6,408,617,095</b></u>
Non-controlling interests		<u>186,290,493</u>	<u>189,838,462</u>
<b>Total equity</b>		<u><b>6,728,562,486</b></u>	<u><b>6,598,455,557</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>8,250,095,234</b></u>	<u><b>8,113,154,532</b></u>
  			
Sheikh Faisal Bin Qassim Al-Thani Chairman	Tarek Mahmoud El Sayed Managing Director	Mohammad Ramahi Chief Financial Officer	

The attached notes 1 to 14 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 2013

	Note	For the six months ended 30 June	
		2013	2012
		(Reviewed) QR	(Reviewed) (Restated) QR
Revenue		959,605,204	1,083,254,154
Direct costs		(753,298,768)	(871,530,257)
<b>GROSS PROFIT</b>		<b>206,306,436</b>	<b>211,723,897</b>
Other income		6,251,425	11,722,451
Marketing and promotion expenses		(6,804,555)	(12,627,920)
General and administrative expenses		(56,169,158)	(60,964,277)
Depreciation		(4,749,721)	(4,949,681)
Finance costs		(22,257,580)	(34,515,261)
Share of profits of equity-accounted investees	4	7,527,615	9,054,747
<b>PROFIT FOR THE PERIOD</b>		<b>130,104,462</b>	<b>119,443,956</b>
Profit attributable to:			
Owners of the company		133,653,059	102,799,311
Non-controlling interests		(3,548,597)	16,644,645
		<b>130,104,462</b>	<b>119,443,956</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b> (attributable to owners of the parent)	8	<b>0.22</b>	<b>0.17</b>

The attached notes 1 to 14 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 2013

	<i>For the six months ended 30 June</i>	
	<b>2013</b> <i>(Reviewed)</i>  <i>QR</i>	<b>2012</b> <i>(Reviewed)</i> <i>(Restated)</i>  <i>QR</i>
<b>Profit for the year</b>	<b>130,104,462</b>	<b>119,443,956</b>
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Unrealised gain on available-for-sale investments	<u>2,467</u>	<u>140,857</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>130,106,929</u></b>	<b><u>119,584,813</u></b>
Total comprehensive income attributable to:		
Owners of the company	<b>133,654,898</b>	<b>102,797,952</b>
Non-controlling interests	<b><u>(3,547,969)</u></b>	<b><u>16,786,861</u></b>
	<b><u>130,106,929</u></b>	<b><u>119,584,813</u></b>

The attached notes 1 to 14 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 2013

	<i>For the six months ended 30 June</i>	
	<b>2013</b>	<b>2012</b>
	<i>(Reviewed)</i>	<i>(Reviewed)</i> <i>(Restated)</i>
<i>Note</i>	<i>QR</i>	<i>QR</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	130,104,462	119,443,956
Adjustments for:		
Depreciation	21,644,172	21,563,805
Provision for employees' end of service benefits	2,339,597	3,003,327
Interest income	(1,555,046)	(1,088,908)
Share of results of associates	4 (7,527,615)	(9,054,747)
Bargain purchase gain	-	(8,360,793)
Gain on disposal of property, plant and equipment	(722,486)	(49,500)
Finance costs	22,257,580	34,515,261
Operating profit before working capital changes:	166,540,664	159,972,401
Inventories	(32,577,049)	(41,752,551)
Accounts receivable and prepayments	(23,423,754)	(135,754,337)
Accounts payable and accruals	8,907,327	115,987,010
Net movement in amounts due from and due to related parties	(2,072,579)	64,808,058
Cash from operations	117,374,609	163,260,581
Finance costs paid	(22,257,580)	(34,515,261)
End of service benefits paid	(1,706,003)	(2,910,330)
Net cash from operating activities	93,411,026	125,834,990
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(60,820,859)	(23,400,232)
Additions to investment properties	(17,318,874)	(142,374,814)
Acquisition of a subsidiary, net of cash acquired	-	(16,594,505)
Dividend received from associates	1,330,002	-
Proceeds from disposal of property, plant and equipment	766,015	50,443
Interest income received	1,555,046	1,088,908
Net cash used in investing activities	(74,488,670)	(181,230,200)
<b>FINANCING ACTIVITIES</b>		
Net movement in interest bearing loans and borrowings	(14,466,427)	187,698,181
Contribution from non-controlling interests	-	18,800,000
Net cash (used in) /from financing activities	(14,466,427)	206,498,181
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Decrease in cash due to loss of control of a subsidiary	-	(30,901,796)
Increase in cash resulted in obtaining the control of subsidiary	-	5,000,000
Cash and cash equivalents at 1 January	364,996,201	167,646,482
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	3 (369,452,130)	292,847,657

The attached notes 1 to 14 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 2013

	Attributable to owners of the Company							
	Share capital QR	Legal reserve QR	Treasury shares QR	Cumulative change in fair value QR	Retained earnings QR	Total QR	Non-controlling interests QR	Total equity QR
At 1 January 2012 (Audited)	4,950,000,000	267,955,805	-	-	614,024,670	5,831,980,475	141,645,505	5,973,625,980
Bonus shares issued	495,000,000	-	-	-	(495,000,000)	-	-	-
Treasury shares acquired through business combination	-	-	(2,108,404)	-	-	(2,108,404)	-	(2,108,404)
Movement in fair value reserve of available-for-sale investments	-	-	-	(1,359)	-	(1,359)	142,216	140,857
Profit for the period	-	-	-	-	102,799,311	102,799,311	16,644,645	119,443,956
Adjustment due to loss of control of El Sewedy Cables Qatar W.L.L.	-	-	-	-	-	-	(983,643)	(983,643)
Contribution from non-controlling interests	-	-	-	-	-	-	56,232,919	56,232,919
<b>At 30 June 2012 (Reviewed)</b>	<b>5,445,000,000</b>	<b>267,955,805</b>	<b>(2,108,404)</b>	<b>(1,359)</b>	<b>221,823,981</b>	<b>5,932,670,023</b>	<b>213,681,642</b>	<b>6,146,351,665</b>
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
<b>At 30 June 2013 (Reviewed)</b>	<b>6,000,000,000</b>	<b>327,445,101</b>	<b>(2,075,865)</b>	<b>1,423</b>	<b>216,901,334</b>	<b>6,542,271,993</b>	<b>186,290,493</b>	<b>6,728,562,486</b>

The attached notes 1 to 14 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 2013

### 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 structured 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:

<b>Branch</b>	<b>Principal activities</b>
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 and equipment relating to hospitality and cleaning industries.
Aamal Services Branch	Providing facilities management and cleaning services.
Aamal Travels Branch	Operating 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 2013

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

The principal subsidiaries and joint venture of the Group are as follows:

Entity	Country of incorporation	Principal activities	Effective holding percentage	
			June 2013	December 2012
Aamal Cement Industries W.L.L.	Qatar	Development and management of factories and the production of curb stone, interlock slabs and cement bricks.	99%	99%
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%	60%
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 govern the financial and operating policies of 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 has the power, indirectly through Senyar Industries Qatar Holding W.L.L., to govern financial and operating policies of Doha Cables Qatar W.L.L. and accordingly the company is considered as a subsidiary of the Group.	45.9%	45.9%
El Sewedy Cables Qatar W.L.L.	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. This entity was treated as a subsidiary of the Group for the year ended 31 December 2011. However due to a revised shareholders agreement, the entity has been converted to a joint venture.	27.5%	27.5%

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (continued)

The principal subsidiaries and joint venture of the Group (continued)

Entity	Country of incorporation	Principal activities	Effective holding percentage	
			June 2013	December 2012
Ecco Gulf Co. W.L.L.	Qatar	Offers professional and business process outsourcing and call center services.	51%	51%
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 power to govern the financial and operating policies 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%	51%
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 has the power to govern the financial and operating policies of Ci-San by virtue of a shareholders' agreement. (refer note 5 for the details of the change in controlling power during the period)	50%	50%
Gulf Rocks	Qatar	Retail distribution of aggregates	74.5%	74.5%
Innovative Lighting W.L.L.	Qatar	Trading of Light Emitting Diode (LED) Lamps and other lighting products.	70%	70%

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 30 July 2013.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2013 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 and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. In addition, the results for the six months ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

#### 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 2012, except for the adoption of new standards and interpretations which became effective as of 1 January 2013, as noted below:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the six months ended 30 June 2013

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 SIGNIFICANT ACCOUNTING POLICIES (continued)

During the period, the Group has adopted the following new standards and amendments effective for the annual periods beginning on or after 1 January 2013. These standards and amendments did not have any material impact to the Group.

- IAS 1 Presentation of Financial Statements
- IAS 34 Interim Financial Reporting
- IFRS 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 28 Investments in Associates and Joint Ventures
- IAS 19 Employee Benefits

During the period, the Group has adopted the following new standard which became effective for the annual periods beginning on 1 January 2013, which had a material impact to the Group.

**IFRS 11 Joint Arrangements**

As a result of adopting "IFRS 11", the Group has changed its accounting policy for interests in joint arrangements. Under IFRS 11, the Group classifies its interest in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and arrangements. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its only joint arrangement, El Sewedy Cables Qatar W.L.L. and has reclassified the investment from jointly controlled entity to joint venture. Also the Group has discontinued, with retrospective effect, the use of the proportionate consolidation method and adopted the equity method to account for joint venture in accordance with IFRS 11.

**Summary of quantitative impact**

The following tables summarises the material impacts resulting from the above change in accounting policies on the Group's financial position, profit or loss and cash flows.

<b>31 December 2012</b>	<b>Effect of change in accounting policy</b>
Current assets	(278,880,441)
Non-current assets	12,951,346
<b>Total assets</b>	<b><u>(265,929,095)</u></b>
Current liabilities	(265,072,694)
Non-current liabilities	(856,401)
<b>Total liabilities</b>	<b><u>(265,929,095)</u></b>
 <b>For the six months ended 30 June 2012</b>	
Profit for the period	<u>-</u>
Net change in cash and cash equivalents during the period	<b><u>(996,963)</u></b>

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.2 SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group is currently evaluating the impact of the following new IFRS which have been issued but is not yet effective for the interim period

-**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 Group is currently assessing the impact of this standard for future periods. The standard is effective for annual periods beginning on or after 1 January 2015.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

### 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>2013</i> <i>(Reviewed)</i> <i>QR</i>	<i>2012</i> <i>(Reviewed)</i> <i>Restated</i> <i>QR</i>
Cash and bank balances	<b>379,939,150</b>	297,138,958
Bank overdrafts	<b>(10,487,020)</b>	(4,291,301)
	<b><u>369,452,130</u></b>	<u>292,847,657</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>Effective ownership interest</i>	
			<i>30 June 2013</i> <i>(Reviewed)</i>	<i>31 December 2012</i> <i>(Audited)</i>
Frijns Steel Constructions Middle East W.L.L.	Associate	Qatar	<b>20%</b>	20%
Al Farazdaq W.L.L.	Associate	Qatar	<b>35%</b>	35%
El Sewedy Cables Qatar W.L.L.	Joint Venture	Qatar	<b>27.5%</b>	27.5%

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

#### 4 EQUITY-ACCOUNTED INVESTEEES (continued)

The following table summarises the financial information of the Group's investment in equity accounted investees:

	<b>30 June 2013 (Reviewed)</b>	<b>31 December 2012 (Audited) Restated</b>
	<b>QR</b>	<b>QR</b>
Share of equity-accounted investees' statement of financial position:		
Current assets	230,188,048	234,648,724
Non-current assets	7,495,233	6,998,965
Current liabilities	(215,693,774)	(215,321,634)
Non-current liabilities	(8,917,387)	(8,788,564)
Share of net assets	<u>13,072,120</u>	<u>17,537,491</u>
Goodwill	<u>109,132,500</u>	<u>109,132,500</u>
Carrying value of the investment	<u>122,204,620</u>	<u>126,669,991</u>
	<b>For the six months ended 30 June</b>	
	<b>2013 (Reviewed)</b>	<b>2012 (Reviewed) Restated</b>
	<b>QR</b>	<b>QR</b>
Share of equity-accounted investees' revenues and profits:		
Revenues	<u>178,116,635</u>	<u>180,800,463</u>
Profits	<u>7,527,615</u>	<u>9,054,747</u>

#### 5 INVESTMENT PROPERTIES

	<b>30 June 2013 (Reviewed)</b>	<b>31 December 2012 (Audited)</b>
	<b>QR</b>	<b>QR</b>
At the beginning of the period / year	6,113,347,018	5,551,835,348
Additions during the period / year	17,318,874	172,719,187
Net gain from fair value adjustment	<u>-</u>	<u>388,792,483</u>
At the end of the period / year	<u>6,130,665,892</u>	<u>6,113,347,018</u>

#### Notes:

- (i) Investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent valuer as at 31 December 2012. The valuations were performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. In arriving at the estimates of market values, the valuer has used his market knowledge and professional judgement and not only relied on historical transactional comparables.
- (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 2013

#### 6 PROPERTY, PLANT AND EQUIPMENT

	<b>30 June 2013 (Reviewed) QR</b>	<b>31 December 2012 (Audited) Restated QR</b>
<b>Cost:</b>		
Balance at the beginning of the period / year	624,130,444	566,065,511
Acquired through business combinations	-	5,689,723
Additions during the period / year	60,820,859	68,765,259
Transfers	-	(800,180)
Impact due to deconsolidation of El Sewedy Cables Qatar W.L.L.	-	(6,960,906)
Disposals during the period / year	<u>(2,427,321)</u>	<u>(8,628,963)</u>
Balance at the end of the period / year	<u>682,523,982</u>	<u>624,130,444</u>
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period / year	174,603,186	137,729,328
Acquired through business combinations	-	5,012,806
Depreciation for the period / year	21,644,172	42,540,862
Impact due to deconsolidation of El Sewedy Cables Qatar W.L.L.	-	(2,526,490)
Transfers	-	(312,635)
Relating to disposals during the period / year	<u>(2,383,789)</u>	<u>(7,840,685)</u>
Balance at the end of the period / year	<u>193,863,569</u>	<u>174,603,186</u>
Net carrying amount at the end of the period / year	<u>488,660,413</u>	<u>449,527,258</u>

Depreciation charge for the period amounting to QR 16,861,758 (30 June 2012: QR 16,614,124) is included in direct costs and an amount of QR 32,693 has been capitalised during the period.

#### 7 INTEREST BEARING LOANS AND BORROWINGS

	<b>30 June 2013 (Reviewed) QR</b>	<b>31 December 2012 (Audited) QR</b>
Term loans	1,051,211,392	1,065,742,444
Less: Deferred financing costs	<u>(832,523)</u>	<u>(897,148)</u>
	<u>1,050,378,869</u>	<u>1,064,845,296</u>

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

Current portion	853,509,739	825,568,489
Non-current portion	<u>196,869,130</u>	<u>239,276,807</u>
	<u>1,050,378,869</u>	<u>1,064,845,296</u>

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

### 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. During the period ended 30 June 2013, the Group issued and capitalized bonus shares and accordingly, the previously reported earnings per share have been restated.

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>2013 (Reviewed)</i>	<i>2012 (Reviewed) (Restated)</i>
Profit for the period attributable to owners of the parent (QR)	<u>133,653,059</u>	<u>102,799,311</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>0.22</u>	<u>0.17</u>

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

	<i>30 June 2013 (Reviewed)</i>	<i>30 June 2012 (Reviewed)</i>
Qualifying shares at the beginning of the period	544,500,000	544,500,000
Effect of bonus shares issued and capitalized	<u>55,500,000</u>	<u>55,500,000</u>
	600,000,000	600,000,000
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 2013 (Reviewed) QR</i>	<i>31 December 2012 (Audited) QR</i>
Estimated capital expenditure budgeted and approved for at the reporting date but not provided for:		
Investment properties	2,700,000	8,139,063
Property, plant and equipment	<u>705,959</u>	<u>63,759,762</u>
	<u>3,405,959</u>	<u>71,898,825</u>
Operating lease commitments under non cancellable lease agreements:		
Payable within one year	<u>702,000</u>	<u>702,000</u>
	<u>702,000</u>	<u>702,000</u>



## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

#### 10 CONTINGENT LIABILITIES

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

	<i>30 June 2013 (Reviewed) QR</i>	<i>31 December 2012 (Audited) Restated QR</i>
Letters of guarantee	<u>396,121,278</u>	<u>394,255,203</u>
Letters of credit	<u>239,362,978</u>	<u>194,299,384</u>

#### 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>2013 (Reviewed) QR</i>	<i>2012 (Reviewed) Restated QR</i>
Sale of goods	<u>199,423,490</u>	<u>193,437,726</u>
Rental income	<u>2,328,144</u>	<u>652,578</u>
Purchase of goods and services	<u>95,362,287</u>	<u>119,095,455</u>
Rental expenses	<u>8,406,173</u>	<u>10,318,215</u>
Bargain purchase gain	<u>-</u>	<u>8,360,793</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>2013 (Reviewed) QR</i>	<i>2012 (Reviewed) Restated QR</i>
Short-term benefits	<u>2,765,683</u>	<u>4,210,928</u>
Employees' end of service benefits	<u>129,463</u>	<u>253,855</u>
	<u>2,895,146</u>	<u>4,464,783</u>

#### Parent

The Group's ultimate parent is Al Faisal Holding Company W.L.L. incorporated in the State of Qatar under commercial registration number 17110 dated 28 November 1994.

#### 12 COMPARATIVE INFORMATION

Comparative information has been restated due to the adoption of IFRS 11 "joint arrangements" which became effective from 1 January 2013. The quantitative impact of the restatement has been disclosed in note 2.2.

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2013

#### 13 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
<b>30 June 2013</b>				
Available-for-sale investments	21,430	-	-	21,430
	<b>21,430</b>	<b>-</b>	<b>-</b>	<b>21,430</b>
<b>31 December 2012</b>				
Available-for-sale investments	18,963	-	-	18,963
	<b>18,963</b>	<b>-</b>	<b>-</b>	<b>18,963</b>

#### 14 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, perfumes and cosmetic items. 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

*Industrial manufacturing:*

The segment represents manufacturing, wholesale and / or retail distribution of electric cables and tools, readymix concrete and cement blocks and provision of services in relation to industrial investment, repair and construction of power plants, trading of LED lighting products, production of wide cement and glass reinforced pipes systems for infrastructure and pipeline projects, and management of industrial enterprises. The segment includes the following entities:

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the six months ended 30 June 2013

**14 SEGMENT INFORMATION (continued)**

*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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2013

### 14 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 2013 (Reviewed)						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
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)	-
<b>Total revenue</b>	<b>135,196,151</b>	<b>280,976,704</b>	<b>534,693,958</b>	<b>45,602,967</b>	<b>-</b>	<b>(36,864,576)</b>	<b>959,605,204</b>
Profit (loss) for the period	108,425,435	42,756,230	396,662	2,181,265	(23,655,130)	-	130,104,462
<b>Depreciation</b>	<b>1,236,671</b>	<b>2,169,692</b>	<b>16,706,800</b>	<b>870,958</b>	<b>660,051</b>	<b>-</b>	<b>21,644,172</b>
	Six months ended 30 June 2012 (Reviewed) – Restated						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Revenues							
- External parties	120,843,901	277,672,990	645,087,480	39,649,783	-	-	1,083,254,154
- Inter segments	460,110	5,025,982	16,805,001	4,614,530	-	(26,905,623)	-
<b>Total revenue</b>	<b>121,304,011</b>	<b>282,698,972</b>	<b>661,892,481</b>	<b>44,264,313</b>	<b>-</b>	<b>(26,905,623)</b>	<b>1,083,254,154</b>
Profit (loss) for the period	95,848,775	31,769,974	27,569,313	6,736,584	(42,480,690)	-	119,443,956
<b>Depreciation</b>	<b>961,405</b>	<b>2,400,996</b>	<b>16,583,179</b>	<b>961,424</b>	<b>656,801</b>	<b>-</b>	<b>21,563,805</b>

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2013

#### 14 SEGMENT INFORMATION (continued)

The following table presents the segment assets and liabilities:

<i>At 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>
Current assets	197,341,885	331,970,303	703,003,119	65,260,653	478,063,677	(267,096,758)	1,508,542,879
Non-current assets	6,140,125,005	7,501,349	585,366,003	4,085,298	6,430,872	(1,956,172)	6,741,552,355
Total assets	6,337,466,890	339,471,652	1,288,369,122	69,345,951	484,494,549	(269,052,930)	8,250,095,234
Current liabilities	270,795,196	102,062,390	694,072,615	33,169,245	472,915,572	(267,096,757)	1,305,918,261
Non-current liabilities	95,851,826	7,818,524	107,833,181	2,926,666	1,184,290	-	215,614,487
Total liabilities	366,647,022	109,880,914	801,905,796	36,095,911	474,099,862	(267,096,757)	1,521,532,748
Capital expenditure <sup>(ii)</sup>	19,497,191	634,037	61,387,497	244,564	148,366	-	81,911,655

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2013

#### 14 SEGMENT INFORMATION (continued)

At 31 December 2012 (Audited) - Restated	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Current assets	146,491,186	296,442,512	734,681,259	51,387,098	468,325,023	(273,735,776)	1,423,591,302
Non -current assets	6,121,864,484	9,037,264	549,267,234	4,711,439	6,713,644	(2,030,835)	6,689,563,230
<b>Total assets</b>	<b>6,268,355,670</b>	<b>305,479,776</b>	<b>1,283,948,493</b>	<b>56,098,537</b>	<b>475,038,667</b>	<b>(275,766,611)</b>	<b>8,113,154,532</b>
Current liabilities	273,444,748	86,054,583	669,214,261	21,938,953	480,393,637	(273,735,777)	1,257,310,405
Non current liabilities	117,015,024	7,434,286	128,814,977	2,871,199	1,253,084	-	257,388,570
<b>Total liabilities</b>	<b>390,459,772</b>	<b>93,488,869</b>	<b>798,029,238</b>	<b>24,810,152</b>	<b>481,646,721</b>	<b>(273,735,777)</b>	<b>1,514,698,975</b>
<b>Capital expenditure <sup>(ii)</sup></b>	<b>172,865,878</b>	<b>1,281,254</b>	<b>66,471,356</b>	<b>716,913</b>	<b>149,045</b>	<b>-</b>	<b>241,484,446</b>

Notes:

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