Gulf International Services

Annual Report 2012

GIS

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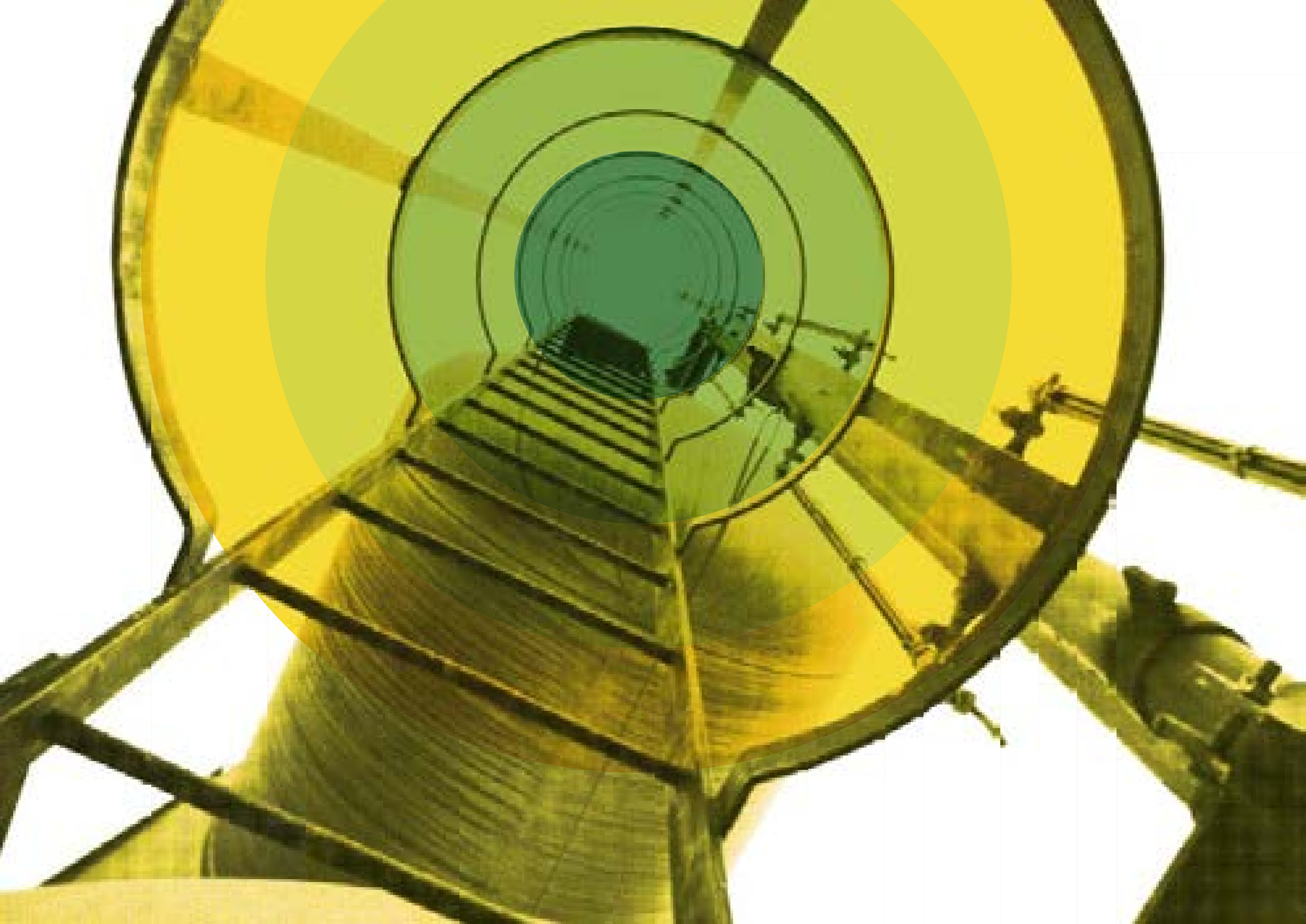
H.H. Sheikh Hamad Bin Khalifa Al-Thani
The Emir of the State of Qatar

H.H. Sheikh Tamim Bin Hamad Al-Thani
The Heir Apparent

Qatar Petroleum provides all of the head office functions for GIS through a comprehensive services agreement. The operations of the subsidiaries and joint venture remain independently managed by their respective Boards of Directors and senior management teams.

Gulf International Services Q.S.C. was incorporated as a Qatari joint stock company on February 12, 2008 by Resolution Number 42 of 2008 of the State of Qatar's Ministry of Economy and Commerce, pursuant to its Memorandum and Articles of Association and Law Number 5 of 2002 concerning Commercial Companies. The authorised share capital is QR 2 billion with the issued share capital consisting of 148.7 million ordinary shares and 1 special share.

The group head office is located at Qatar Petroleum Head Office, West Bay, P.O. Box 3212, Doha, Qatar. Through the group companies, GIS operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation services and catering services.



Insurance

Al Koot Insurance And Reinsurance S.A.Q.

Incorporated in 2003, it is currently a wholly-owned subsidiary of GIS. Al Koot's authorised share capital is QR 500 million with its paid-in capital currently QR 218.6 million.

The registered head office is located at Al Maha Building, Bin Omran, P.O. Box 24563, Doha, State of Qatar. Total headcount is 59, with all staff based at the head office.

Services

Prior to its acquisition by GIS, Al Koot was the captive insurance company of Qatar Petroleum and hence was established with the primary aim of providing insurance and reinsurance services to QP and its business ventures. Although no longer a direct subsidiary of QP, Al Koot still provides a de facto captive insurance service to the QP group.

Gulf International Services
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All of the group's services are principally provided within the construction, operations, marine and medical insurance and reinsurance fields. The group's insurance and reinsurance services are of 4 different types:

- *Insurance*
  Insurance services, which are provided only to the QP group, consist of direct underwriting services and insurance advisory services, with directly underwritten risks being either fully or partially insured.

- *Reinsurance*
  As a reinsurer, Al Koot will not directly insure risks, but will reinsure a portion of risk a third party insurer has itself assumed. By arrangement, the company is entitled to match winning local reinsurance bids offered to QP and thereby assume a defined percentage of the risk.

- *Fund Management*
  Al Koot manages the administration of claims of a QP group life and personal accident fund that provides death and disability insurance benefits to QP employees.

- *AXA Medical Insurance Scheme*
  Together with AXA Gulf, Al Koot provides medical insurance services (Al Koot Global Care Medical Insurance Scheme) to both QP group employees (including their families) and employees of other selected corporates. The risks and returns are shared between AXA Gulf and Al Koot Insurance.

Drilling

Gulf Drilling International Q.S.C.

GDI was incorporated in 2004 as a joint venture between Qatar Petroleum (60%) and Japan Drilling Company (40%). Subsequent to exercising a share option provision within the joint venture agreement, QP increased its stake to 69.99% and then transferred this shareholding to GIS. GDI has no subsidiaries or associates, and is not party to any subordinate joint venture arrangements. The company's authorised and issued share capital is QR 557.6 million.

The registered head office is located at Main Airport Road, Building 4718, P.O. Box 9072, Doha, State of Qatar. Total headcount is 1,080, split between head office, onshore and offshore staff.

Services

GDI has direct ownership of 11 drilling rigs (5 offshore, 6 onshore), which are used to drill wells suitable for oil and natural gas extraction, and 1 jack-up accommodation barge. The drilling process typically consists of drilling boreholes to varying depths, sampling sub-surface formation reservoir fluids to determine economic feasibility of production, and then installing pipes and instruments to produce reservoir fluids. GDI maintains a close relationship with Qatar Petroleum due to QP's indirect ownership; hence, most of GDI's drilling rigs are currently contracted to QP or QP affiliates.

Al-Wajba
Al-Doha
Al-Rayyan
Al-Khor
Al-Zubara

GDI-1
GDI-2
GDI-3
GDI-4
GDI-5
GDI-6

- *Offshore Rigs*

GDI has 5 offshore 'jack-up' rigs of varying ages. Of them, Al-Doha (previously named 'Gulf-1' and 'Hakuryu-8'), was built in 1981 and modified in 1987, and Al-Rayyan (previously named 'Gulf-2' and 'Ensco 55') was built in 1982, purchased by GDI in 2005 and underwent extensive shipyard work in 2010 for upgrades, refurbishment and repairs. Al-Wajba (previously named 'Gulf-3') was built in 1977 and underwent a complete refurbishment in 2006, while Al-Khor and Al-Zubarah are both brand new, state of the art rigs. The older rigs have a maximum drilling depth of 6,000 meters, while the new rigs are rated for 9,000 meters.

- *Onshore Rigs*

The company operates 6 onshore rigs. GDI-3 (work over rig) was purchased new in 2008 to replace a previously leased unit. GDI-4 was built and placed into service in 2006. GDI-1 and GDI-2 were built inthe early 1980's and acquired by GDI from their previous owners. GDI-5 and GDI-6 were acquired in 2012 and placed into operation by the end of the year. All onshore rigs are exclusively operated for Qatar Petroleum. All of these rigs are rated to a maximum drilling depth of between 3,000 meters and 4,500 meters.

Aviation

Share Capital
QR 66 million

Gulf Helicopters Company Q.S.C.

Originally incorporated in 1970 under the name of Gulf Helicopters Limited as a subsidiary of British Overseas Airways Corporation, the company was subsequently acquired by Gulf Air, and then sold to Qatar Petroleum in 1998. QP transferred its 100% shareholding to GIS in 2008. GHC has one subsidiary, Al Maha Aviation Company, in which it has a 92% stake and effective control over the remainder, a deemed 36% investment in an associate, United Helicharters Private Limited (incorporated in India), and one branch office located in West Sussex, United Kingdom.

The company's authorised and issued share capital is QR 66 million. The registered head office is located at Ras Abu Aboud Street, P.O. Box 811, Doha, State of Qatar. Total headcount is 377, split between operations, engineering and administration.

Licenses

GHC holds an Air Operators Certificate issued by the Qatar Civil Aviation Authority. The company is recognised by the United States Federal Aviation Authority as an approved repair station and as a maintenance organization by both the European Aviation Safety Agency and the Qatar Civil Aviation Authority. GHC, through its Libyan subsidiary, Al Maha, is registered with the Libyan Civil Aviation Authority and is currently in the process of applying for an Air Operators Certificate. Within Qatar, GHC operates as the sole provider of helicopter transportation services.

More than 40 years experience in aviation

Services

The company's core operational activities consist of a variety of helicopter transportation services, including offshore / onshore transporting, long- and short-line load lifting, seismic support, VIP executive transport, helicopter emergency medical services and ad-hoc short-term contracts. Remaining revenue consists of residential rental income and income from its UK procurement branch.

Fleet

GHC owns 39 helicopters and has under its registration 2 helicopters for the beneficial ownership of the Supreme Council of Health, State of Qatar. The majority of these helicopters are twin-engine Bell 412 or 212 class helicopters, with a seating capacity of 13 persons. The company also has 14 twin-engine Augusta Westland 139 helicopters, which can carry between 12 and 15 passengers.

Catering

Amwaj Catering Services Limited

Incorporated in 2006 as a wholly-owned subsidiary of Qatar Petroleum with an authorized capital of QR 400 million and paid up capital of QR 100 million, Amwaj was subsequently acquired by Gulf International Services on June 1, 2012.

The registered head office is located at P.O. Box 23904, Doha, State of Qatar. Total headcount is 2,900, with the majority of staff based in various locations throughout Qatar.

Services

The company's main business lines are industrial catering services, corporate hospitality, VIP catering services, and manpower and soft facilities management services, primarily for the oil and gas sector in Qatar.

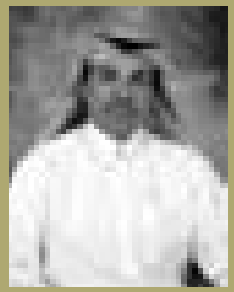
Board of Directors

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

Saeed Mubarak Al-Muhannadi
Vice-Chairman, Board of Directors

Abdulaziz Ahmad Al-Malki
Member, Board of Directors

Ahmad Saif Al-Sulaiti
Member, Board of Directors



Ahmad Rafee Al-Emadi
Member, Board of Directors

Ibrahim Jassim Al-Othman
Member, Board of Directors

Mohamed Ibrahim Al-Mohannadi
Member, Board of Directors

Chairman's Message

"The Group achieved

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

Introduction

I am pleased to welcome you to the 5th Annual General Assembly Meeting of Gulf International Services and its Group companies providing services to the oil and gas industry, ranging from insurance, re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation and catering services.

Revenue of QR 2.2 billion, net profit of QR 0.5 billion

2012 Highlights

2012 was a distinguished year for the Group, since it witnessed a robust growth across all of its associated segments as well as its acquisition of Amwaj Catering Services Limited. As a result, the Group achieved revenue of QR 2.2 billion and net profit of QR 0.5 billion, marking it as a record breaking revenue since the establishment of the company.

2012 was crowned with a number of significant achievements most important of which was the acquisition of Amwaj Catering Services Limited. As a result, the number of the Group's directly owned companies increased to four, and the scope of its services expanded to include catering services and facilities management, providing strategic and operational benefits. It is worth mentioning that Amwaj Catering Services Limited has contributed to the Group's revenue by QR 427.2 million since its acquisition on June 1st, 2012.

The total of this revenue was realized from the company's main activities, comprising the catering services for industrial sectors, the hospitality services for corporations and VIPs, and signing contracts of manpower to employ more than 2,900 workers over 24 projects in the State of Qatar.

As for the core sectors of the Group, reference is made to the aviation segment. 2012 experienced the commercial operational launch of the flight simulator and pilot training facility in Doha, which enhanced its competitive position as one of the helicopter transportation companies in the Middle East, and the only licensed operator of helicopters in Qatar. The company provides many special services by its modern fleet with high rental rates, as well as being an authorized maintenance center. Currently, the company has 41 helicopters of different models in service, and is scheduled to increase them to reach 51 by 2017. Furthermore, the company has diversified its services to include medical, fire-fighting, aerial photography, official transportation, in addition to establishing a regional center to provide services for the main helicopter manufacturers.

As for the drilling segment, the year 2012 experienced the full operational activity of the new accommodation barge, "Zikreet". Two onshore rigs joined the service during the 4th quarter of 2012. In addition, GDI moved forward to expand its investments by QR 3.2 billion over the next five years. As a result, GDI's fleet is expected to comprise of 8 offshore rigs, 6 onshore rigs, 2 offshore accommodation rigs as well as 2 liftboats, by the end of 2015.

The company is keen to maintain its position as one of the leading drilling services providers. Therefore, it continues its quest to seize opportunities to diversify its services, and enhances its position as an offshore service provider as well as being the only company having onshore drilling operations.

The insurance segment witnessed an obvious improvement which occurred during the year 2012 in the insured sums, premiums and the strong growth surge of the medical insurance sector. Utilizing the interrelations of the company with AXA, the internationally recognized insurance company, more than 4,000 members were added during the year bringing the total number of members to more than 100,000 members by the end of 2012. It is worth highlighting that Al Koot was invited by the State of Qatar to participate in the wide discussions pertaining to the review of the insurance sector in the State of Qatar, which could lead to major changes in the equity structure and the nature of the company's activities. Upon reaching a decision, it will be disclosed in due course.

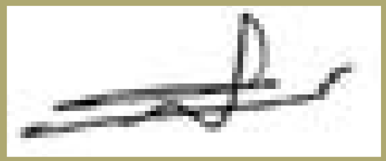
Business Plan (2013 – 2017)

One of the main features of the Group's strategic business plan for the coming five years (2013-2017) is to achieve revenue of QR 2.4 billion by the year 2017, and net profit of QR 0.8 billion. The forgoing is based on the application of the new international accounting standards, and the consequent change in preparing the financial statements for the Group. In addition to what characterizes GIS's associates with regard to the strong financial basis, the unique competitive edge, and its capital investment plans, we are steadily moving, certain of the prosperous future in our strategy.

Conclusion

The Board of Directors expresses its gratitude to His Highness, Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, for his wise guidance and strategic vision, and to His Highness, Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent. Our gratitude is also extended to the management and employees of the group companies for their hard work, commitment and dedication to GIS.

Thank you.



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

Board of Directors Report

Introduction

The Board of Directors is pleased to present its 5th Report on the operational and financial performance of Gulf International Services, the largest service group in Qatar, with interests in a broad cross-section of industries, ranging from insurance, reinsurance, fund management, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services.

Financial Results

Revenue

Group revenue for the twelve months ended December 31, 2012 was QR 2.2 billion, representing a significant increase of QR 719.4 million, or 49.0%, over the same period last year, and a QR 135.5 million, or 6.6%, positive variance versus the 2012 budget.

The group's insurance subsidiary registered record full year gross insurance revenue of QR 624.4 million, a resolute QR 76.5 million, or 14.0%, improvement on 2011. The primary drivers for the year-on-year performance were growth in sums insured and premium inflation in the core Energy business, and the ongoing success of the Medical line's market expansion plan. Net commission income, consisting of management fees and reinsurance commissions, increased by QR 21.3 million, or 56.9%, over 2011. The creditable overall performance resulted in full year results robustly exceeding budgeted expectations, by QR 59.3 million, or 10.5%.

Aviation segmental revenue totalled QR 513.6 million, a noteworthy improvement on 2011 of QR 70.6 million, or 15.9%. A number of factors contributed to this increase on last year, the most important of which was a general increase in flying hours, the commencement of new operations within the GCC, the commercial launch of the flight simulator and pilot training facility in Doha in the second quarter of 2012, and the resumption of normal operations in Libya. In total, the segment reported a significantly positive variance against budget of QR 25.6 million, or 5.3%.

Revenue in the Drilling segment closed the year at QR 623.6 million, a notable year-on-year increase of QR 145.0 million, or 30.3%, due to a higher number of rig operating days, the commencement of operations of the accommodation barge, and the addition of two onshore rigs. During the prior year, four of GDI's offshore rigs lost operational days due to planned maintenance activities and / or time spent transitioning between contracts, whereas in 2012 all of these rigs were on contract with minimal planned maintenance activities. And, by the end of January 2012, the new accommodation barge, Zikreet, commenced operations and year-to-date has contributed QR 50.0 million to group revenue.

The fourth quarter of 2012 represented the second full quarter since the inclusion of Amwaj Catering Services Limited QSC, as the company contributed QR 427.2 million to full year group revenue. The company's main business lines, viz. industrial catering services, corporate hospitality and VIP catering services, made up circa 75% of revenue, with the remainder attributable to manpower and facility services related to the engagement of 2,900 workers distributed over 24 projects within Qatar. Compared to the budget, the segment reported a favourable variance of QR 66.0 million.

Total assets increased by QR 1.7 billion

Net Profit

Net profit for the year was QR 464.3 million, a year-on-year increase of QR 181.4 million, or 64.1%. The year-on-year improvement was driven by improved results in all segments, and the addition of Amwaj since June 1, 2012. Profit in the Insurance segment significantly improved due to a number of factors, including improved margins, growth in net premiums, higher management fees from Qatar Petroleum's group life fund, gains from structured and fixed income instruments, and weak 2011 comparatives. Profits in the Aviation segment, the major contributor to group earnings, increased by QR 34.1 million to reach QR 200.6 million. This year-on-year performance was aided by strong headline growth, improved available for sale investment closing values, and weak prior year comparatives. The year-on-year positive profit variance in the Drilling segment of QR 61.4 million can be largely attributed to stable drilling operations in 2012, in contrast to the early part of 2011 where the business was disrupted by extended contractual start-up delays resulting in the incurring of significant unrecoverable overheads that dampened margins.

Financial Position and Cash Flows

The group's total assets increased year-on-year by a robust QR 1.7 billion, or 36.8%, closing at QR 6.3 billion, due mainly to the acquisition of Amwaj, debt-funded advanced payments made for a number of drilling and aviation asset purchases, and cash flows from operations. Despite significant loan repayments, total loans and borrowings increased on the 2011 close by QR 761.8 million, or 80.3%, to close the year at QR 1.7 billion. The group also reported a closing cash position of QR 823.2 million, a decrease on 2011 of QR 270.4 million, or 24.7%.

Cash dividend QR 1.50 per share

Dividend Distribution

Following the group's significant capital investments during the year, the Board of Directors recommends a 26.9% increase in the annual dividend distribution to a total of QR 223.0 million for the year ended December 31, 2012, equivalent to a payout of QR 1.50 per share and representing 15% of the nominal value.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, for his wise guidance and strategic vision, and to His Highness Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent. Our gratitude is also extended to the senior management of the subsidiaries and joint venture for their hard work, commitment and dedication.

Chief Coordinator's Statement

Ebrahim Ahmad Al-Mannai
Chief Coordinator, Gulf International Services

Total assets closing at QR 6.3 billion

2012 was an outstanding year for the group as revenue surged to its highest historical level and profits reached their second highest level in the group's history. Also, the group's total assets increased year-on-year by 36.8% closing at QR 6.3 billion, mainly due to the acquisition of Amwaj. The cash outflows on the Group's investment activities, as reflected in the statement of cash flows, were circa QR 0.9 billion in 2012, which affirms the Group's diligent aspirations to keep the growth ongoing.

Major Achievements

2012 carried with it the most important achievements of the Group represented in the acquisition of Amwaj Catering Services Limited, the biggest catering company in the State, in a QR 0.5 billion deal.

Over and above, as part of the Group's investment strategy, the Group participated in pumping an additional share of $35 million to the capital of Gulf Drilling International where an equivalent amount will be added during 2013. This increase in capital comes on the back of the ambitious plans of the company to enhance its fleet by adding two lift boats, three offshore rigs and one more barge during the next five years. It is worth noting that the company added one barge, "Zikreet", to its fleet during 2012 which, to date, has almost completed one year of service. Also, two new onshore rigs started operation during the fourth quarter of 2012.

The aviation sector widened its scope of operations in the Gulf region and added one more helicopter to its fleet during 2012. The fleet now is composed of 41 helicopters. It is also worth highlighting that a flight simulator was launched in addition to a pilot training centre in Doha. It is worth noting that Gulf Helicopters Company posted its highest ever profit since its inception during 2012.

Various accomplishments were also recorded in the insurance sector. Profit for the year surged to its highest historical levels, exceeding QR 110 million. Also, Al Koot reported more than 100,000 members in its medical insurance scheme which is done in partnership with AXA Gulf insurance.

With regard to governance, the year 2012 witnessed the enforcement of the pivotal role of the internal audit committee which was activated to strengthen the governance, transparency, internal controls and development of the company's regulations and systems in accordance with the governance system requirements. The company prepared the governance procedures and policies manual observing its privacy and keenness to implement these provisions, particularly with regard to equity in a way that guarantees the application of the best disclosures and transparency measures.

Insurance profit exceeding QR 110 million

Our belief in the importance of complying with the governance system of QFMA is due to our confi-dence of its positive return to the company's shareholders and external dealers, which results in building confidence in our financial markets through setting guidance systems that guarantee protection of minorities' rights, enhance control procedures, dedicate transparency, disclosures and equality which in turn result in the encouragement of investment, and stability and growth of the financial markets.

Significant Financial Reporting Changes

In May 2011, the International Accounting Standard Board issued IFRS11 "Joint Arrangements" which superseded IAS 31 "Interests in Joint Ventures", and is mandatory for annual periods beginning on or after January 1, 2013.

IFRS 11 requires a joint venturer to recognize its interest in a joint venture as an investment and should account for that investment using the equity method. The group has determined that with the adoption of IFRS 11 its interests in Gulf Drilling International will meet the criteria for a joint venture. Accordingly, from January 1, 2013, on adoption of IFRS 11, Gulf International Services will account for its interest in the above company using the equity method.

The equity method of accounting requires Gulf International Services to present the carrying amount of its investment in its joint venture as a single line item in the statement of financial position, and its share of the joint venture's net income as a single line item in the statement of comprehensive income. This change in accounting policy will not affect previously reported net income and shareholders' equity, but will affect most other line items in the statement of financial position, statement of comprehensive in-come and statement of cash flows including revenue, gross profit, total assets and total liabilities.

Conclusion

In conclusion, I would also like to express my gratitude to H.H. Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, for his vision and leadership, the Chairman and Managing Director, H.E. Dr. Mohammed bin Saleh Al-Sada, for his wise counsel, and to the senior management and employees of the group companies for their hard work, commitment and dedication in achieving the group's goals.

Independent Auditors' Report to the Shareholders of Gulf International Services Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Gulf International Services Q.S.C. and its subsidiaries and a jointly controlled entity (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2012 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

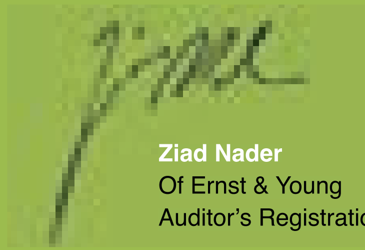
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements

Furthermore, in our opinion, proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its financial position. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group.



Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

25 February 2013
Doha

Consolidated statement of Comprehensive Income

For the year ended 31 December 2012

	2012 QR'000	2011 QR'000
Revenue	2,188,847	1,469,488
Direct costs	(1,626,879)	(1,090,466)
GROSS PROFIT	561,968	379,022
Finance income	27,465	16,628
Net gains on financial assets at fair value through profit or loss	13,151	842
Other income	35,605	34,740
Share of results of an associate	1,985	(1,114)
Finance cost	(26,716)	(12,468)
Impairment loss of available-for-sale investments	-	(14,667)
General and administrative expenses	(149,197)	(111,535)
Loss on liquidation of investment in a joint venture	-	(8,541)
PROFIT FOR THE YEAR	464,261	282,907
Other comprehensive income		
Amount transferred to profit or loss on impairment of available for sale investments	-	14,667
Net movement in fair value of available-for-sale investments	4,264	(3,787)
Recognised gains on available-for-sale investments transferred to profit or loss	357	241
Net foreign exchange difference on translation of investment in an associate	(7)	(154)
Other comprehensive income for the year	4,614	10,967
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	468,875	293,874
Earnings per share		
Basic and diluted earnings per share (Qatari Riyals)	3.12	1.90

Consolidated statement of Financial Position

At 31 December 2012

	2012 QR'000	2011 QR'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,800,524	2,292,562
Intangible assets	303,559	-
Investment properties	1,125	1,125
Investment in an associate	2,098	120
Held-to-maturity investments	85,413	72,598
Available-for-sale investments	52,393	48,967
	3,245,112	2,415,372
Current assets		
Inventories	96,705	74,322
Due from related parties	474,822	194,936
Accounts receivable and prepayments	791,623	306,837
Insurance receivables	460,036	422,049
Financial assets at fair value through profit or loss	409,624	98,154
Cash and bank balances	823,188	1,093,554
	3,055,998	2,189,852
TOTAL ASSETS	6,301,110	4,605,224

Consolidated statement of Financial Position (cont.)

At 31 December 2012

	2012 QR'000	2011 QR'000
EQUITY AND LIABILITIES		
Equity		
Share capital	**1,486,727**	1,351,570
Legal reserve	**161,807**	133,402
General reserve	**74,516**	74,516
Foreign currency translation reserve	**(161)**	(154)
Fair value reserve	**4,763**	142
Retained earnings	**909,105**	795,749
Total equity	**2,636,757**	2,355,225
Non-current liabilities		
Loans and borrowings	**1,455,655**	757,972
Employees' end of service benefits	**35,802**	15,644
	1,491,457	773,616
Current liabilities		
Due to related parties	**98,257**	100,596
Accounts payable, insurance payables and accruals	**1,819,520**	1,184,799
Loans and borrowings	**255,119**	190,988
	2,172,896	1,476,383
Total liabilities	**3,664,353**	2,249,999
TOTAL EQUITY AND LIABILITIES	**6,301,110**	4,605,224

Saeed Mubarak Al-Muhannadi
Vice-Chairman

Ahmed Rafee Al-Emadi
Director

Consolidated statement of Changes in Equity

For the year ended 31 December 2012

	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Foreign currency translation reserve QR'000	Fair value reserve QR'000	Retained earnings QR'000	Total QR'000
Balance at 1 January 2012	1,351,570	133,402	74,516	(154)	142	795,749	2,355,225
Profit for the year	-	-	-	-	-	464,261	464,261
Other comprehensive income for the year	-	-	-	(7)	4,621	-	4,614
Total comprehensive income	-	-	-	(7)	4,621	464,261	468,875
Transfer to legal reserve	-	28,405	-	-	-	(28,405)	-
Issuance of bonus shares	135,157	-	-	-	-	(135,157)	-
Dividends paid	-	-	-	-	-	(175,740)	(175,740)
Provision for social and sports fund	-	-	-	-	-	(11,603)	(11,603)
Balance at 31 December 2012	**1,486,727**	**161,807**	**74,516**	**(161)**	**4,763**	**909,105**	**2,636,757**

Consolidated statement of Changes in Equity (cont.)

For the year ended 31 December 2012

	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Foreign currency translation reserve QR'000	Fair value reserve QR'000	Retained earnings QR'000	Total QR'000
Balance at 1 January 2011	1,351,570	120,090	74,516	-	(10,979)	708,075	2,243,272
Profit for the year	-	-	-	-	-	282,907	282,907
Other comprehensive income for the year	-	-	-	(154)	11,121	-	10,967
Total comprehensive income	-	-	-	(154)	11,121	282,907	293,874
Transfer to legal reserve	-	13,400	-	-	-	(13,400)	-
Dividends paid	-	-	-	-	-	(175,704)	(175,704)
Liquidation of investment in joint venture	-	(88)	-	-	-	944	856
Provision for social and sports fund	-	-	-	-	-	(7,073)	(7,073)
Balance at 31 December 2011	**1,351,570**	**133,402**	**74,516**	**(154)**	**142**	**795,749**	**2,355,225**

Consolidated statement of Cash Flows

For the year ended 31 December 2012

	2012 QR'000	2011 QR'000
OPERATING ACTIVITIES		
Profit for the year	**464,261**	282,907
Adjustments for:		
Depreciation	**204,149**	175,493
Impairment loss on available-for-sale investments	**-**	14,667
Provision for employees' end of service benefits	**16,168**	5,777
Finance expenses	**26,716**	12,468
Loss on disposal of property, plant and equipment	**627**	1,835
Share of results of an associate	**(1,985)**	1,114
Net gains on financial assets at fair value through profit or loss	**(13,151)**	(842)
Impairment loss on trade receivables	**2,291**	8,554
Write-back of allowance for impairment of trade receivables	**-**	(2,168)
Finance income	**(27,465)**	(16,628)
Dividend income	**(126)**	-
Net (gain) loss on disposal of available-for-sale investments	**(2,843)**	241
Loss on liquidation of investment in a joint venture	**-**	8,541
Net operating profit before working capital changes	**668,642**	491,959
Inventories	**(13,038)**	(12,466)
Accounts receivable, insurance receivables and prepayments	**(567,509)**	75,827
Accounts payable, insurance payables and accruals	**263,429**	182,279
Cash from operations	**351,524**	737,599
Employees' end of service benefits paid	**(4,936)**	(3,138)
Net cash from operating activities	**346,588**	**734,461**

Consolidated statement of Cash Flows (cont.)

For the year ended 31 December 2012

	2012 QR'000	2011 QR'000
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	**4,441**	54,713
Finance income received	**62,913**	14,711
Dividend income received	**126**	-
Proceeds from sale of financial assets at fair value through profit or loss	**159,301**	45,400
Proceeds from disposal of property, plant and equipment	**3,233**	4,051
Acquisition of financial assets at fair value through profit or loss	**(457,620)**	-
Acquisition of available-for-sale investments	**(403)**	(23,191)
Acquisition of held-to-maturity investments	**(12,798)**	(72,598)
Time deposits with maturities in excess of three months	**251,003**	(252,619)
Movement in restricted deposits	**(10)**	(58)
Acquisition of property, plant and equipment	**(657,452)**	(529,389)
Acquisition of a subsidiary net of cash received	**(278,053)**	-
Proceeds from liquidation of a joint venture	**-**	135,511
Net cash used in investing activities	**(925,319)**	(623,469)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	**1,037,780**	272,636
Repayment of loans and borrowings	**(275,966)**	(181,373)
Dividends paid	**(175,740)**	(175,704)
Finance costs paid	**(26,716)**	(12,468)
Net cash from (used in) financing activities	**559,358**	(96,909)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(19,373)**	14,083
Cash and cash equivalents at 1 January	**449,807**	435,724
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**430,434**	449,807