

GULF INTERNATIONAL SERVICES

ANNUAL REPORT 2013



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His Highness
Sheikh Tamim Bin Hamad Al-Thani
The Emir of the State of Qatar



His Highness
Sheikh Hamad Bin Khalifa Al-Thani
The Father Emir

About Gulf International Services



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.

Head Office Functions and Management Structure

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.

The registered office is located at P.O. Box 3212, Doha, State of Qatar. Through the group companies, GIS operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation services and catering services.



INSURANCE AND REINSURANCE

Al Koot Insurance And Reinsurance Company 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 64 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. Al Koot, as an indirect subsidiary of QP, still provides a de facto captive insurance service to the QP group.

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, Al Koot 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 QP and its affiliates' group life and personal accident fund that provide death and disability insurance benefits to QP and its affiliates' employees. In addition, Al Koot also manages the administration of QP dental claims.

AXA Medical Insurance Scheme

Together, AXA Gulf and Al Koot provide medical insurance services, the Al Koot Global Care Medical Insurance Scheme, to both QP group employees and their families, and employees of other selected companies. The risks and returns are shared between AXA Gulf and Al Koot.

Currently, there are no plans to enter new insurance or reinsurance markets or segments, to increase or decrease Al Koot's percentage interest in reinsurance risks or to reduce the company's historical captive insurer role.



DRILLING



Gulf Drilling International Q.S.C. ("GDI")

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. GDI's authorised and issued share capital is QR 739.7 million.

The registered new head office is located at Palm Tower B, West Bay, 9th Floor, P.O. Box 9072, Doha, State of Qatar. Total headcount is 1,395, split between head office, onshore and offshore staff.

Services

GDI has direct ownership of 13 drilling rigs (7 offshore, 6 onshore), which are used to drill wells suitable for oil and natural gas extraction,

and 1 jack-up accommodation barge. GDI also manages the operations of 1 lift boat. The drilling process typically consists of drilling boreholes to varying depths, sampling sub-surface formation reservoir fluids to determine the economic feasibility of production, and then installing casing and instruments to produce reservoir fluids. GDI maintains a close relationship with Qatar Petroleum, due to QP's indirect ownership, and has 8 of its drilling rigs plus its jack-up accommodation barge currently contracted to QP or QP affiliates.

Offshore Rigs

GDI has 7 offshore jack-up rigs of varying ages. Of them, Al-Doha (previously named 'Gulf-1' and 'Hakuryu-8'), was built in 1981, modified in 1987 and refurbished / upgraded in 2011 through extensive shipyard work. 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 and had further shipyard work undertaken in 2013. The remaining rigs, Al-Khor (built in 2006), Al-Zubarah (built in 2008), Al-Jassra and Leshat (each built in 2013), are hi-spec premium rigs of a newer vintage. The older rigs have a maximum drilling depth of 6,000 meters, while the new rigs are rated for 9,000 meters.

Onshore Rigs

GDI operates 6 onshore rigs. GDI-1 was built in 1980 and acquired by GDI from its previous owner. GDI-2 was built in 2004 and purchased in 2005. GDI-3, a work over rig, was purchased new in 2008 to replace a previously leased unit, while GDI-4 was built and placed into service in 2006. GDI-5 and GDI-6 were built in 2012 and placed into operation at the end of that year. All onshore rigs are exclusively operated for Qatar Petroleum, and are rated to a maximum drilling depth of between 3,000 meters and 4,500 meters.



AVIATION



Gulf Helicopters Company Q.S.C. ("GHC")

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 2 subsidiaries, Al Maha Aviation Company, in which it owns 92% of the shares and effective control over the remainder, and Gulf Helicopters Company LLC, Oman, in which it owns 70% of the shares and effective control over the remainder. GHC also has a 36% investment in a joint venture, United Helicharters Private Limited, and 1 branch office located in West Sussex, United Kingdom. GHC'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 443, split between operations, engineering and administration.

Licenses

GHC holds an Air Operators Certificate issued by the Qatar Civil Aviation Authority. GHC is recognised by the United States Federal Aviation Authority as an approved repair station and as a maintenance organisation 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. Within Qatar, GHC operates as the sole provider of helicopter transportation services. GHC is also EASA Part 147 approved Maintenance Training Organisation.

Services

GHC'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, income from its UK procurement branch, simulator training, sale of spare parts and third party aircraft maintenance.

Fleet

GHC owns 43 helicopters with 2 additional helicopters owned by the National Health Authority but legally registered in the name of GHC. GHC has 17 twin-engine AgustaWestland 139 helicopters, which can carry between 12 and 15 passengers. GHC also owns 21 twin-engine Bell 412 and 212 class helicopters, with a seating capacity of 13 persons.



CATERING




Amwaj Catering Services Company Limited Q.S.C.

Incorporated in 2006 as a wholly-owned subsidiary of Qatar Petroleum with an authorised capital of QR 400 million and paid-up capital of QR 100 million, Amwaj was subsequently acquired by GIS on June 1, 2012. The registered head office is located at P.O. Box 23904, Doha, State of Qatar. Total headcount is 6,170, with the majority of staff based in various locations throughout Qatar.

Services

From the original objective to provide catering, Amwaj has diversified its services to encompass cleaning, pest control, manpower supply, facilities management, waste management, camp management, retail and VIP catering. Amwaj is perceived to provide “a one-stop solution” to its clients.



Board of Directors



H.E. Dr. Mohamed Bin Saleh Al-Sada
Minister of Energy and Industry,
Chairman and Managing Director, Gulf International Services



Saeed Mubarak Al-Muhanadi
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

“Strong Achievements,
Bright Future”

Dear Shareholders,

I am pleased to welcome you to the 6th Annual General Assembly Meeting of Gulf International Services, the largest service group in the State of Qatar, with interests in a broad cross-section of industries ranging from insurance, re-insurance, fund management, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services.



Dr. Mohamed Bin Saleh Al-Sada

Minister of Energy and Industry

Chairman and Managing Director, Gulf International Services





Segmental Review

2013 was a distinguished year for the group with record results and strong growth across all of the group's businesses. In this year, consolidated revenue surpassed the QR 2 billion level for the first time, closing at QR 2.3 billion, while net profit grew by 46% to an all-time high of QR 0.7 billion. This transformational growth resulted from a number of remarkable achievements throughout the group as all businesses made significant progress in executing their long-term business plans.

Drilling Segment

Gulf Drilling International has embarked in recent years on the most prolific capital-intensive expansion program in its history. Since the start of the programme in 2012, over QR 2.4 billion have been invested for the acquisition of new assets. By the end of 2014, GDI

expects to have at least 9 offshore rigs in operation, compared to only 5 at the beginning of 2011; 6 onshore rigs versus 4 in 2011; plus a total of 1 accommodation barge and 2 lift boats. By 2015, profits in the company are expected to be more than double the present levels. The trend for significantly improved performance commenced in 2013 with a 68% year-on-year increase in net profit as the company benefitted from the deployment of 2 new offshore rigs, the successful introduction of a new line of business (lift boat services), the first full year of operation for 2 onshore rigs added in late 2012, and improved day rates.

Aviation Segment

In 2013, we added 4 helicopters to our aviation fleet, and Gulf Helicopters Company has placed firm orders for 15 AW-189 helicopters - AgustaWestland's latest generation

aircraft. Subject to prevailing market conditions, it is expected that 11 aircraft will be deployed in the next 5 years to bring the total count to 54. This would represent a doubling of the fleet versus 2008, and indicate management's belief in the strength of domestic oil and gas opportunities, the significant number of viable and attractive international opportunities, and the extent of the strategic decision to diversify into complimentary services, like, medical evacuations, airborne fire-fighting, aerial photography, official transportation, and operating a repair facility and a training facility that includes a AW-139 flight simulator.

Insurance Segment

The Insurance segment has grown more than 50% since 2009, largely due to its ambitious plans in the medical line of business. Utilising

the partnership with AXA, the internationally recognised private medical insurance company, more than 15000 members were added during the year bringing the total number to 115,000 members by the end of 2013. In addition, Al Koot has ambitious plans to continue growing its medical insurance business, with an aim of almost doubling its size, and contributing up to QR 400 million to group revenue.

Catering Segment

The Board's responsible and prudent decision in 2012 to diversify into different services by acquiring Amwaj Catering Services Limited has undoubtedly added value to the group. 2013 was Amwaj's first full year as part of the GIS group, and has quickly become the group's largest revenue contributor, accounting for over 40% of consolidated revenue. The future of Amwaj is also promising as

it continues to explore numerous business development opportunities to expand its catering and manpower services client base.

10-Year Anniversary Target

Further to the group's strong achievements for 2013 and the bright future expected in the coming years, I am pleased to share our exciting 10-year anniversary target: by the group's 10th year of operation in 2017, and subject to favourable operational conditions, the group is aiming to achieve consolidated net profit of QR 1 billion, total assets of QR 10 billion, and a 100% increase in distributable cash levels. It is my hope that this will be viewed as a tremendous reward for our loyal shareholders, and an indicator of the group's status as the premier oil and gas services group in the State of Qatar and the Middle East.

Proposed Dividend Distribution

The Board of Directors is pleased to recommend a dividend distribution for the year ended December 31, 2013 equivalent to a payout of QR 2 per share and representing 20% of the nominal value, in addition to 25% bonus shares.

Conclusion

In conclusion, I would like to express my gratitude to His Highness Sheikh Tamim Bin Hamad Al-Thani, the Emir of the State of Qatar, and His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Father Emir, for their vision and wise leadership. Gratitude is also extended to the Board of Directors, senior management, and the dedicated staff of our group companies.

Board of Directors Report

The Board of Directors is pleased to present its 6th report on the operational and financial performance of Gulf International Services, the largest services group in Qatar, with interests in a broad cross-section of industries, ranging from insurance, re-insurance, 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, 2013 was QR 2.3 billion, representing a significant increase of QR 0.7 billion, or 46.2%, over the same period last year.

Revenue in the Drilling segment closed the year ending December 31, 2013 at QR 912.2 million, a remarkable year-on-year increase of QR 288.7 million, or 46.3%. This

performance was driven largely by the offshore sector, which contributed QR 181.0 million of additional revenue compared to last year, and can be further attributed to the deployment of Al-Jassra and Leshat (previously referred to as 'B-341') offshore rigs in the second and fourth quarters of 2013 respectively, and the roll-over of three other rigs, Al-Doha, Al-Zubarah and Al-Rayyan, on new, higher rate contracts. Additional contributions to the overall revenue improvement came from the two land rigs, GDI-5 and GDI-6, that completed their first full year of operation, and the lift boat, Dixie Patriot, that commenced operations in the early part of 2013.

Aviation segmental revenue totalled QR 624.8 million, which is a significant improvement on last year of QR 98.7 million, or 18.8%. A number of factors contributed to this increase on last year: revised

contract rates, an increase in the number of helicopters in the fleet and the success of GHC's proactive business development strategy which resulted in operations in a number of new territories.

The group's insurance subsidiary registered gross insurance revenue of QR 706.9 million, a resolute QR 82.5 million, or 13.2%, improvement on 2012. The main contributor to this growth was the medical line of business, as an additional 15,000 members joined the hugely successful Al Koot Global Care Medical Insurance Scheme during the year. The medical line of business has now grown by an annual average of circa 20% since 2009, and now contributes 33.9% of Al Koot's annual revenue. Results in the core Energy line showed a noteworthy growth of 5.1%, in line with Qatar Petroleum's reduced capital expenditure activity.

The Catering segment was the largest contributor to group revenue, accounting for QR 976.4 million, or 42.4%. The segment's 123.9% increase in year-on-year revenue was only partially due to weak comparatives following its acquisition on June 1, 2012; the growth was also due to the expansion of the core industrial catering and manpower contracting services to almost 100 projects throughout Qatar.

Net Profit

Net profit for the year was QR 0.7 billion, a significant year-on-year increase of QR 0.2 billion, or 45.8%. The year-on-year improvement was driven by strong growth across all segments.

The favorable year-on-year positive net profit variance in the Drilling segment of QR 99.6 million, or 68.0%, was driven primarily by the commencement of Al-Jassra and

Leshat operations, and the higher daily rates in three new offshore rig contracts, which all helped offset the 105 days of planned maintenance undertaken for Al-Wajba during the year. Aviation segment earnings increased compared to last year's results by QR 37.3 million to reach QR 238.0 million. This year-on-year performance was also aided by strong revenue growth as the segment maintained margins year-on-year on broadly consistent operating costs. Profit in the Insurance segment increased by QR 41.0 million, or 36.2%, due primarily to growth in the medical line, reduced energy claims and, following an external actuarial valuation review, adjustments to the claims incurred but not reported ("IBNR") provision. Net profit in the Catering segment was QR 62.0 million, up by QR 36.2 million versus 2012 due to the weak prior year comparatives and the expansion of operations.

Proposed Dividend Distribution

The Board of Directors is pleased to recommend a total annual dividend distribution for the year ended December 31, 2013 of QR 297.3 million, equivalent to a payout of QR 2.00 per share and representing 20% of the nominal value, and 25% bonus shares.

Conclusion

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

Chief Coordinator's Statement



Ebrahim Bin Ahmad Al-Mannai
Chief Coordinator, Gulf International Services

It is with pleasure I present to our esteemed shareholders the major achievements of Gulf International Services Q.S.C of 2013. During the year, GIS witnessed dramatic growth and the group's ambitious business plans starting to translate into improved profits and profitability. In 2013, we deployed 2 new offshore rigs, purchased 4 AW-139 helicopters, and continued to increase our market share in the medical insurance segment. This all resulted in consolidated revenue of QR 2.3 billion and net profit of QR 0.7 billion, both of which were all-time highs for GIS. The year was also noteworthy as the group's market capitalisation passed the QR 10 billion level for the first time.



2013 Major Accomplishments / Highlights

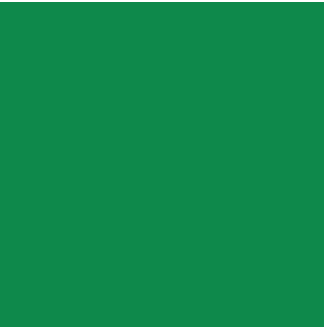
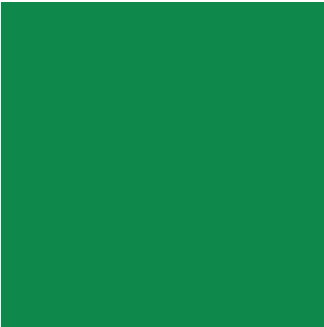
Successful acquisition of Amwaj Catering Services Limited Q.S.C.
This year is the first full year for Amwaj's results to be included in the group, and the acquisition can certainly be deemed a successful accomplishment as Amwaj accounted for over 40% of group revenue and just under 10% of net profit. With the acquisition of Amwaj, the range of services in the group expanded to include cleaning, pest control, manpower supply, facilities management, waste management, camp management, retail and VIP catering.

Buy-out of GDI's foreign joint venture partner
As previously disclosed, GIS has entered into discussions with the foreign partner in its joint venture, Gulf Drilling International, regarding

the acquisition of its 30% stake in the capital of GDI in order for GDI to become a wholly owned subsidiary of Gulf International Services. This buy-out will mark another important development in the history of GIS as GDI will become the first fully owned Qatari drilling company. Furthermore, GDI has rightfully earned positive recognition from its clients, which includes QP and international oil companies operating in Qatar. The transaction is expected to be completed during 2014.

Favorable cost of debt
Through the successful financial and operational management of the group, and due to our strong long-term relationships with our key financiers, we have been able to finance our massive expansion plans with a relative low cost of debt. The group's average cost of debt for 2013 was a commendable 2.2%, which is slightly lower than 2012.

Enhanced disclosures
With effect from January 1, 2013 following the adoption of IFRS 11 Joint Arrangements, the group was required to account for its interest in its joint venture, Gulf Drilling International, using the equity method of accounting. The equity method requires Gulf International Services to present the carrying amount of its investment in the 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. In order to maintain the group's historical levels of transparency and to compensate for the reduced disclosure in the primary financial statements, additional notes to the financial statements and further explanatory details were added to the quarterly investor relations data sheet.



Policies and procedures

As part of enhancing governance within the head office and ensuring the smooth functioning of head office activities, certain changes were reflected in the manual of authority to stream line the delegation of authority, notable enhancements were made to procedures covering short-term deposits, invoice processing, head office accounting and the consolidation process, and a procurement manual was developed.

Conclusion

In closing, I would like to extend my sincere thanks and gratitude to His Highness, Sheikh Tamim Bin Hamad Al-Thani, the Emir of the State of Qatar, for his remarkable success towards achieving the Qatar National Vision 2030. I would also like to extend my appreciation to His Highness, Sheikh Hamad Bin Khalifa Al-Thani, the Father Emir, for his wise and visionary leadership. Finally, I would like to express my thanks to H.E. Dr. Mohammed bin Saleh Al-Sada, the Chairman and Managing Director of GIS, the Board of Directors, senior management and dedicated staff of our group companies for their support and dedication.

Independent Auditors' Report

to the Shareholders of Gulf International Services

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Gulf International Services Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International

Financial Reporting Standards, and applicable Qatar Commercial Companies Law provisions, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 Gulf International Services Q.S.C. and its subsidiaries, as at December 31, 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The consolidated financial statements for the year ended December 31, 2012 were audited by another auditor whose report dated February 25, 2013 expressed an unqualified opinion.

Other legal and regulatory requirements

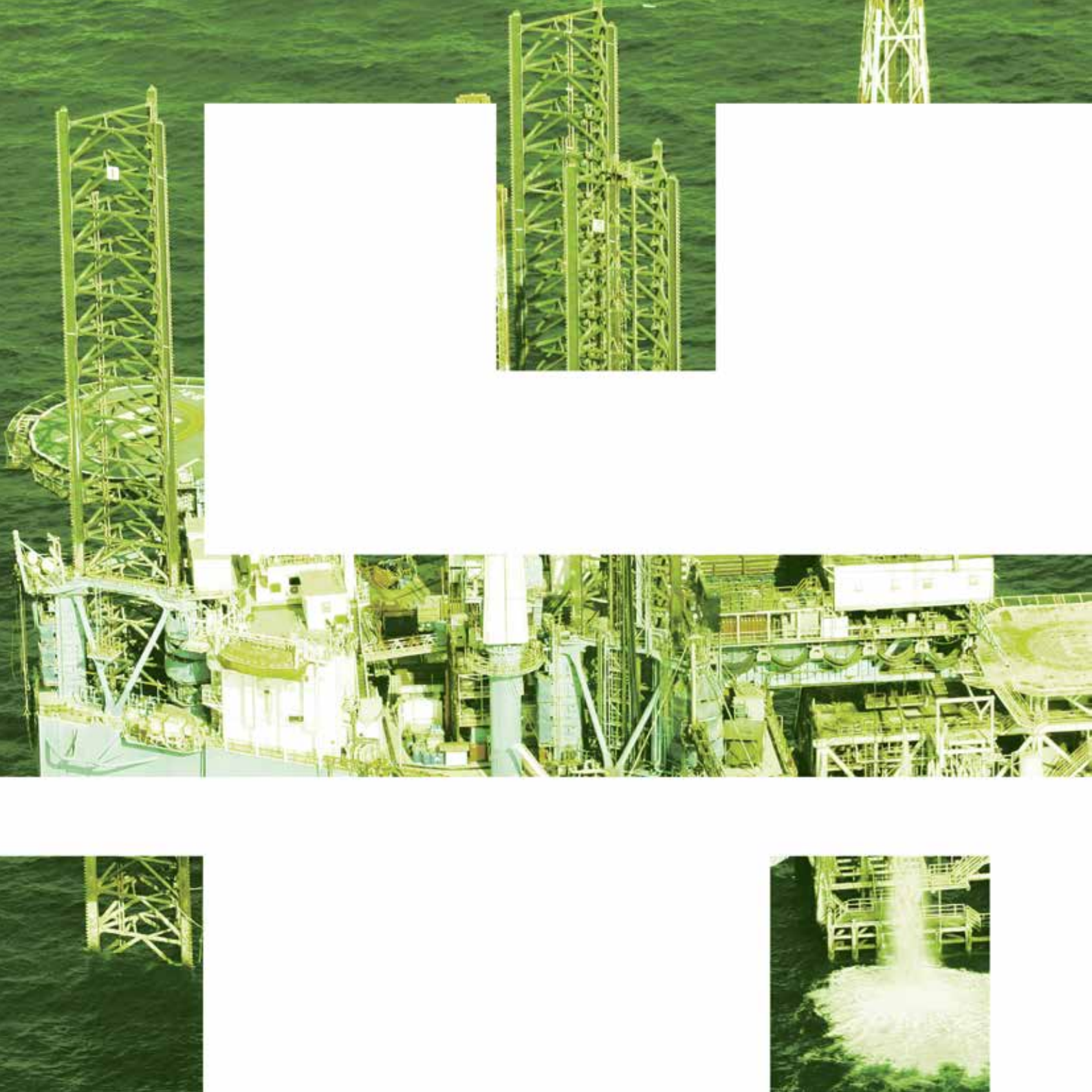
We are also of the opinion that proper books of account were maintained by the Group and physical inventory has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. We further confirm that the consolidated financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Company. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Doha – Qatar
February 23, 2014

For Deloitte & Touche
Qatar Branch



Muhammad Bahemia
Partner
License No. 103



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2013

	December 31, 2013 QR'000	December 31, 2012 (restated) QR'000
Revenue	2,301,747	1,574,183
Direct costs	(1,817,705)	(1,246,877)
Gross profit	484,042	327,306
Finance income	18,383	25,292
Net gains on financial assets at fair value through profit or loss	1,220	13,151
Other income	37,631	35,460
Share of profit of joint ventures	244,874	148,372
Finance cost	(15,187)	(19,737)
General and administrative expenses	(93,981)	(65,583)
Profit for the year	676,982	464,261
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net fair value gain on available-for-sale financial assets	12,094	4,264
Reclassification adjustments related to available-for-sale financial assets disposed of during the year	--	357
Net foreign exchange difference on translation of foreign operations	(176)	(7)
	11,918	4,614
Total comprehensive income for the year	688,900	468,875
Earnings per share		
Basic and diluted earnings per share (Qatari Riyals)	4.55	3.12

Consolidated Statement of Financial Position

As at December, 31 2013

	December 31, 2013 QR'000	December 31, 2012 (restated) QR'000	January 01, 2012 (restated) QR'000
Assets			
Non-current assets			
Property, plant and equipment	963,184	940,312	897,904
Goodwill	303,559	303,559	-
Investment properties	1,125	1,125	1,125
Investment in joint ventures	1,379,565	1,109,386	897,322
Held-to-maturity financial assets	85,448	85,413	72,598
Available-for-sale financial assets	169,985	52,393	48,967
Total non-current assets	2,902,866	2,492,188	1,917,916
Current assets			
Inventories	79,542	62,183	40,396
Due from related parties	242,722	267,006	51,188
Accounts receivable, prepayments and other debit balances	622,081	723,476	254,323
Insurance contract receivables	363,099	460,036	422,048
Financial assets at fair value through profit or loss	260,656	409,624	98,155
Cash and bank balances	893,200	756,505	923,816
Total current assets	2,461,300	2,678,830	1,789,926
Total assets	5,364,166	5,171,018	3,707,842

	December 31, 2013 QR'000	December 31, 2012 (restated) QR'000	January 01, 2012 (restated) QR'000
Equity and liabilities			
Equity			
Share capital	1,486,727	1,486,727	1,351,570
Legal reserve	75,474	64,667	50,735
General reserve	74,516	74,516	74,516
Foreign currency translation reserve	(337)	(161)	(154)
Fair value reserve	16,857	4,763	142
Retained earnings	1,432,486	1,006,245	878,416
Total equity	3,085,723	2,636,757	2,355,225
Liabilities			
Non-current liabilities			
Employees' end of service benefits	40,413	30,139	11,431
Loans and borrowings	468,731	608,155	172,697
Total non-current liabilities	509,144	638,294	184,128
Current liabilities			
Accounts payable, insurance payables and accruals	1,629,343	1,720,904	1,099,508
Due to related parties	531	2,474	3,399
Loans and borrowings	139,425	172,589	65,582
Total current liabilities	1,769,299	1,895,967	1,168,489
Total liabilities	2,278,443	2,534,261	1,352,617
Total Equity and Liabilities	5,364,166	5,171,018	3,707,842



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



Saeed Mubarak Al-Muhannadi
Vice-Chairman

Consolidated Statement of Changes in Equity

For the year ended December 31, 2013

	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Foreign currency trans- lation reserve QR'000	Fair value reserve QR'000	Retained earnings QR'000	Total QR'000
Balance at January 1, 2012 - as previously reported	1,351,570	133,402	74,516	(154)	142	795,749	2,355,225
Prior year adjustments	--	(82,667)	-	-	-	82,667	-
Balance at January 1, 2012 (Restated)	1,351,570	50,735	74,516	(154)	142	878,416	2,355,225
Total comprehensive income for the year (Restated)	-	-	-	(7)	4,621	464,261	468,875
Transfer to legal reserve	-	13,932	-	-	-	(13,932)	-
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 December 31, 2012 (Restated)	1,486,727	64,667	74,516	(161)	4,763	1,006,245	2,636,757

	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Foreign currency trans- lation reserve QR'000	Fair value reserve QR'000	Retained earnings QR'000	Total QR'000
Balance at January 1, 2013 (Restated)	1,486,727	64,667	74,516	(161)	4,763	1,006,245	2,636,757
Total comprehensive income	-	-	-	(176)	12,094	676,982	688,900
Net movement in legal reserves	-	10,807	-	-	-	(10,807)	-
Dividends paid	-	-	-	-	-	(223,009)	(223,009)
Provision for social and sports fund	-	-	-	-	-	(16,925)	(16,925)
Balance at 31 December 2013	1,486,727	75,474	74,516	(337)	16,857	1,432,486	3,085,723

Consolidated Statement of Cash Flows

For the year ended December 31, 2013

	December 31, 2013 QR'000	December 31, 2012 (restated) QR'000
Operating activities		
Profit for the year	676,982	464,261
Adjustments for:		
Depreciation	89,669	74,394
Employees' end of service benefits	13,444	14,538
Finance cost	15,187	19,737
Gain on disposal of property, plant and equipment	(1,307)	(314)
Share of profit of joint ventures	(244,874)	(148,372)
Net gains on financial assets at fair value through profit or loss	(1,220)	(13,151)
Amortization of discount of held to maturity financial assets	(35)	(16)
Provision for doubtful debts, net	10,873	2,280
Finance income	(18,383)	(25,292)
Provision for slow moving and obsolete items	2,069	3,883
Net gain on disposal of available-for-sale financial assets	(1,445)	(2,843)
Working capital changes:		
Inventories	(19,428)	(25,670)
Accounts receivable, due from related parties, insurance contract receivables, prepayments and other debit balances	211,743	(725,239)
Accounts payable, due to related parties, insurance payables and accruals	(110,429)	617,793
Cash generated from operating activities	622,846	255,989
Employees' end of service benefits paid	(3,170)	(4,756)
Net cash from operating activities	619,676	251,233

	December 31, 2013 QR'000	December 31, 2012 (restated) QR'000
Investing activities		
Proceeds from disposal of available-for-sale investments	27,740	4,438
Finance income received	18,383	25,292
Dividend income received	101,919	63,701
Proceeds from sale of financial assets at fair value through profit or loss	233,929	159,302
Acquisition of property, plant and equipment	(113,848)	(117,345)
Acquisition of financial assets at fair value through profit or loss	(83,741)	(457,633)
Acquisition of available-for-sale investments	(131,793)	(403)
Acquisition of held-to-maturity investments	-	(12,782)
Time deposits with maturities in excess of three months	(20,104)	251,003
Proceeds from disposal of property, plant and equipment	2,614	857
Investment in a joint venture	(127,400)	(127,400)
Acquisition of a subsidiary net of cash received	-	(303,559)
Net cash used in investing activities	(92,301)	(514,529)
Financing activities		
Proceeds from loans and borrowings	-	693,825
Repayment of loans and borrowings	(172,588)	(151,360)
Dividends paid	(223,009)	(175,740)
Finance costs paid	(15,187)	(19,737)
Net cash from (used in) financing activities	(410,784)	346,988
Increase in net and cash equivalents	116,591	83,692
Cash and cash equivalents at the beginning of the year	391,995	308,303
Cash and cash equivalents at the end of the year	508,586	391,995

