



MANNAI CORPORATION Q.S.C.

DOHA - QATAR

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To The Shareholders
Mannai Corporation Q.S.C
Doha - Qatar

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mannai Corporation Q.S.C as at June 30, 2011, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the six month period ended June 30, 2011, and certain explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with **International Accounting Standard: IAS 34 "Interim Financial Reporting"**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Accounting Standard - 34 "Interim Financial Reporting"**.

For Deloitte and Touche

Doha - Qatar
August 9, 2011

Muhammad Bahemia
License No. 103

DIRECTORS' REPORT

The Directors are pleased to report a 13% growth in sales and 11% increase in Net Profit for the period ended 30 June 2011.

Net Profit was QR 140.5 Million compared to QR 126.1 Million for the same period in the previous year.

Earnings per share for the period increased to QR 4.93 from QR. 4.42 in the corresponding period 2010.

Following an AGM and EGM in February 2011, the capital was increased to QR 285.1 Million by the issue of 4.75 Million bonus shares of QR 10 each.

The group acquired 35% stake in Axiom during June 2011.

Mohamed Ali M. Al Kubaisi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2011

	June 30, 2011 (Reviewed)	Dec. 31, 2010 (Audited)
	QR 000	QR 000
ASSETS		
Current Assets:		
Bank balances and cash	54,130	86,754
Accounts and bills receivable	348,127	393,760
Due from a joint venture company	1,644	1,510
Inventories	726,362	696,724
Advance to suppliers	37,587	47,324
Prepayments and other debit balances	62,156	31,656
Total Current Assets	1,230,006	1,257,728
Non-Current Assets:		
Goodwill and other intangible assets	11,757	11,827
Available for sale investments	4,604	5,254
Investment in an associate company	1,098,866	-
Investment in a joint venture company	13,791	11,304
Long term receivable	1,428	2,142
Property, plant and equipment	314,008	288,980
Total Non-Current Assets	1,444,454	319,507
Total Assets	2,674,460	1,577,235
LIABILITIES AND EQUITY		
Current Liabilities:		
Bank overdrafts	86,800	47,186
Bank loan	74,671	-
Borrowings from shareholders	455,312	-
Accounts payable	252,825	212,639
Advances from customers	353,511	243,622
Accruals and other credit balances	144,103	177,526
Total Current Liabilities	1,367,222	680,973
Non-Current Liabilities:		
Bank Loan	435,279	-
Provision for employees' end of service benefits	33,168	29,814
Total Non-Current Liabilities:	468,447	29,814
Total Liabilities	1,835,669	710,787
Equity:		
Share capital	285,120	237,600
Legal reserve	171,072	172,354
Revaluation reserve	80,117	80,117
Currency translation reserve	(380)	(385)
Fair value reserve	(600)	50
Proposed dividends	-	166,320
Proposed bonus shares	-	47,520
Retained earnings	302,836	162,299
Equity attributable to equity holders of the parent	838,165	865,875
Non-controlling interest	626	573
Total Equity	838,791	866,448
Total Liabilities and Equity	2,674,460	1,577,235

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

	June 30, 2011 (Reviewed)	June 30, 2010 (Reviewed)
	QR 000	QR 000
Revenue	1,097,623	968,566
Direct costs	(862,521)	(736,257)
Gross Profit	235,102	232,309
Other income	11,625	940
Investment income	2,104	1,000
Share of profit from associate and joint venture company	13,488	2,601
General and administrative expenses	(73,133)	(66,910)
Selling and distribution expenses	(32,405)	(30,634)
Depreciation of property, plant and equipment	(5,217)	(5,816)
Finance costs	(3,769)	(1,937)
Net Profit before Directors' Remuneration	147,795	131,553
Directors' remuneration	(7,205)	(5,432)
Net Profit for the period	140,590	126,121
Attributable to:		
Owners of the parent company	140,537	126,121
Non-controlling interest	53	-
	140,590	126,121
Basic and diluted earnings per share (QR)	4.93	4.42
Weighted average number of shares	28,512,000	28,512,000

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	June 30, 2011 (Reviewed)	June 30, 2010 (Reviewed)
	QR 000	QR 000
Net profit for the Period	140,590	126,121
Other comprehensive income		
Net movement in fair value of available for sale investment	(650)	-
Foreign currency translation adjustment	5	24
Other comprehensive income for the period	(645)	24
Total comprehensive income for the period	139,945	126,145
Total comprehensive income attributable to:		
Owners of the parent company	139,892	126,145
Non-controlling interests	53	-
	139,945	126,145