

## Overview of Company's Activities 2014

### Dear Shareholders,

The Board of Directors of Al Meera Consumer Goods (Q.S.C.) is pleased to present the Company's Consolidated Financial Statements and Independent Auditor's Report for the year ended December 31, 2014. Your company has continued to deliver another record achievement in 2014, in both operations and financial results.

### 2014 Business review

#### Review of performance

#### Operations highlights

- Completed construction of nine (9) new malls. This will increase Al Meera's store space in 2015 by another 18,000 SqM, to a total of 72,500 SqM
- Have fourteen (14) additional malls currently under design. These additional malls will increase Al Meera's store space by a further 32,500 SqM to over 100,000 SqM
- Incorporated Aramex Logistics Services L.L.C. to develop and operate a logistics facility and services business in Qatar
- Completely, refurbished three (3) of the largest stores in Oman - Azaiba (5,500 SqM), Barka (3,500 SqM) and Sohar (2,500 SqM) - and converted them into community malls, thereby aligning Al Meera Oman's business model to Al Meera Qatar's.

#### Financial highlights

- Group sales up QAR 230.1 million, 11.8%, to QAR 2,176.0 million
- Group gross profit up QAR 41.6 million, 13.0%, to QAR 361.1 million
- Group shops rental income up QAR 6.2 million, 16.9%, to QAR 42.8 million
- Gain on sale of available for sale investments, net, up QAR 46.2 million, 310.3%, to 61.1 million
- Group operating income increased 26.9%, from QAR 382.2 million to QAR 484.9 million
- Group net profit attributable to owners of the Company after non-controlling interests and inclusive of gain on sale of available for sale investments, rose 15.5% to QAR 226.6 million

#### Operations

The most significant event of the year was the construction and completion of nine (9) new modern community shopping malls located at Muraikh, Al Azizia, Muaitheer, Jeryan Nejaima, Thakhira, Al Wakra, Al Thumama, Al Wajba, Rawdat Ekdeem. Further fourteen (14) new malls will make another addition to strengthening Al Meera's position as the leading retailer in Qatar and ensure that Al Meera remains tomorrow's leading retailer.

Like the refurbished stores, the new stores will continue to focus on delivering an array of fresh quality produce at affordable prices to attract customers to shop in Al Meera and place Al Meera stores at the forefront of competition. The refurbished stores and the two latest stores (Nuajia and Lqutaifiya) opened in 2013 continue to witness strong growth in sales signifying customers' acceptance of enlarged areas dedicated to fresh produce. Al Meera Qatar retail's sales of fresh produce in 2014 increased 19.7% over last year and contributed to 20.1%, of the total sales of Qatar retail.

#### Commercial

Al Meera vendors' portfolio has increased significantly over the years and now includes large as well as small and medium size suppliers providing large assortments in our stores to satisfy needs of the customers from all segments of life. Al Meera management's strategy to deal with small and medium size suppliers is aimed at supporting Qatari businesses. Currently, commercial department of Al Meera is working closely with more than 176 Qatari companies and offering them good opportunity to grow their businesses jointly by allocating good spaces to display and promote their products in Al Meera stores.

In addition to this, Al Meera is part of a social program initiated by Ministry of Social Affair that supports

Qatari families by providing them with adequate display for their products in our stores, at very favorable terms.

Apart from sourcing products locally, Al Meera is working aggressively to approach suppliers directly in various countries like UK, USA, Europe and Turkey to bring new products at most competitive price for the benefit of customers from all segment of life in Qatar. We are currently dealing with 51 international vendors supplying more than 4,800 products for FMCG, Fresh Food and General Merchandise.

#### Financial Results

##### Sales and gross profit

The increased sales from the refurbished stores - Azghawa and Mamoura - and new stores opened in 2013 - Nuajia and Lqutaifiya - have all contributed to sales growth in 2014. Group sales for the year 2014 have increased by 11.8%, to over 2.0 billion (from QAR 1,946.0 million in 2013 to QAR 2,176.0 million).

Gross profit was up by 13.0% from QAR 319.5 million in 2013, to QAR 361.1 million.

##### Operating income

Operating income increased 26.9%, from QAR 382.2 million to QAR 484.9 million, mainly attributable to the extraordinary net realized gains on sale of available for sale investment during the year.

Shop rental income from leased shops in Company's malls increased 16.9%, to QAR 42.8 million in 2014, from QAR 36.6 million in 2013.

##### Net profit attributable to Owners of the Company

Net profit attributable to owners of the Company, after non-controlling interest, rose 15.5% to QAR 226.6 million from QAR 196.1 million, in 2013.

2014's net profit before investment income increased by 51.7% (to QAR 157.7million) when compared to 2013's net profit before investment income and net gains on expropriation of land and building in Al Khor (QAR 104.0 million).

##### Earnings per share

Earnings per share in 2014 equated to QAR 11.33 per share compared to QAR 10.27 in 2013 (adjusted for rights issue).

##### Total assets

Total assets rose 10.9%, from QAR 1,795.3 million in 2013 to QAR 1,990.9 million as at December 31, 2014.

##### Total equity

Total equity increased 2.9% from QAR 1,404.0 million in 2013 to QAR 1,444.7 million as at December 31, 2014.

##### Bank Debt

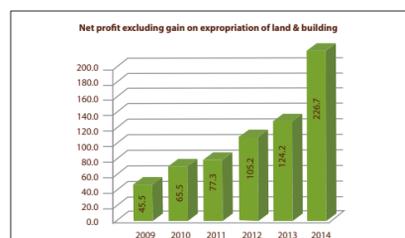
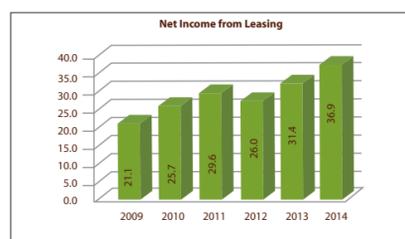
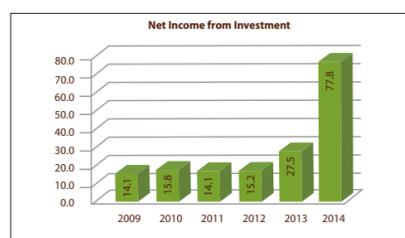
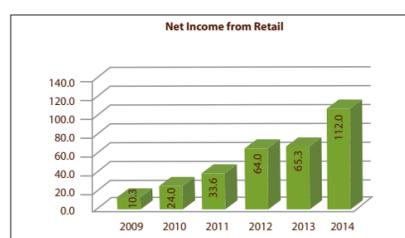
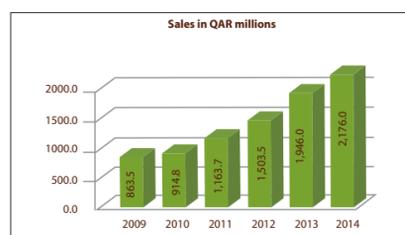
During the year the Company took a loan from Qatar Development Bank (QDB) to partially fund the acquisition in Oman. The loans to QDB amounted to QR 88.3 million (net) as at December 31, 2014.

##### Available-for-sale investments and dividend income

The year 2014 witnessed unprecedented increase in the value of stocks quoted on Qatar Exchange, during the first 3 quarters of the year. The Company was able to capitalize on this extraordinary increase and had realized gains on sale of available for sale investment (net) during the period amounting to QAR 61.1 million, compared QAR 14.9 million in 2013. This increase of QAR 46.2 million, equated to an increase of 310.3%, over 2013.

Dividend income for 2014 was QAR 7.9 million, up 48.9% from QAR 5.3 million in 2013.

### KEY PERFORMANCE INDICATORS (2009 - 2014)



### Al Meera Consumer Goods Company (Q.S.C.) - Consolidated Financial Statements

Key Performance Indicators (2009 - 2014)	In Millions Qatari Riyals					
	2014	2013	2012	2011	2010	2009
<b>NET SALES</b>	2,176.0	1,946.0	1,503.5	1,163.7	914.8	863.5
<b>TOTAL ASSETS</b>	1,990.9	1,795.3	1,046.2	764.9	434.5	393.1
<b>AVERAGE TOTAL ASSETS</b>	1,893.1	1,420.7	905.5	599.7	413.8	402.3
<b>TOTAL SHAREHOLDERS' EQUITY</b>	1,444.7	1,404.0	305.2	271.5	249.2	220.9
<b>AVERAGE TOTAL SHAREHOLDERS' EQUITY</b>	1,424.3	854.6	288.3	260.4	235.1	220.7
<b>TOTAL LIABILITIES</b>	546.2	391.4	740.9	493.4	185.3	172.1
<b>TOTAL BANK DEBTS</b>	88.3	0.0	408.5	246.6	0.0	0.0
<b>TOTAL CURRENT ASSETS</b>	837.7	1,006.3	450.3	243.7	215.7	215.9
<b>TOTAL CURRENT LIABILITIES</b>	434.6	370.3	314.5	230.3	172.6	161.3
<b>FINANCE COSTS</b>	1.4	3.7	12.1	6.5	0.0	0.0
<b>EBIT</b>	228.2	198.8	117.9	83.8	65.5	45.5
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	226.6	196.1	105.8	77.3	65.5	45.5
<b>EBIDA</b>	252.8	233.6	141.4	99.3	77.8	56.1
		Weighted Average number of shares	Restated for rights issue			
<b>NUMBER OF SHARES</b>	20,000,000	19,101,370	11,757,049	10,000,000	10,000,000	10,000,000

<b>GROSS PROFIT PERCENTAGE</b>	16.6%	16.4%	17.0%	15.1%	13.4%	12.0%
<b>NET PROFIT PERCENTAGE</b>	10.4%	10.1%	7.0%	6.6%	7.2%	5.3%
<b>RETURN ON AVERAGE TOTAL ASSETS</b>	12.0%	13.8%	11.7%	12.9%	15.8%	11.3%
<b>RETURN ON AVERAGE TOTAL SHAREHOLDERS' EQUITY</b>	15.9%	22.9%	36.7%	29.7%	27.9%	20.6%
<b>TOTAL LIABILITIES TO EQUITY RATIO</b>	37.8%	27.9%	242.7%	181.8%	74.3%	77.9%
<b>BANK DEBTS TO EQUITY RATIO</b>	6.1%	0.0%	133.8%	90.8%	0.0%	0.0%
<b>CURRENT RATIO</b>	1.9	2.7	1.4	1.1	1.2	1.3
<b>TIMES FINANCE COST EARNED</b>	160.4	54.0	9.7	12.9	0.0	0.0
<b>EARNINGS PER SHARE</b>	11.33	10.27	9.00	7.73	6.55	4.55
<b>NOMINAL VALUE PER SHARE</b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>BOOK VALUE PER SHARE</b>	72.23	73.50	25.96	27.15	24.92	22.09

## AL MEERA CONSUMER GOODS COMPANY Q.S.C. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2014

	2014 QR	2013 QR
Sales	2,176,005,608	1,945,952,216
Cost of sales	(1,814,928,236)	(1,626,436,774)
<b>Gross profit</b>	<b>361,077,372</b>	<b>319,515,442</b>
Shops rental income	42,761,250	36,584,593
Other income	81,067,092	26,065,893
<b>Operating income</b>	<b>484,905,714</b>	<b>382,165,928</b>
General and administrative expenses	(232,025,399)	(220,401,189)
Depreciation	(23,150,075)	(32,627,390)
Amortisation of intangible assets	(1,514,990)	(1,733,251)
Share in net loss of an associate	(3,503)	--
Finance costs	(1,422,733)	(3,690,470)
<b>Profit before expropriation of land and building</b>	<b>226,789,014</b>	<b>123,713,628</b>
Gain on expropriation of land and building	--	71,417,621
<b>Profit before income tax</b>	<b>226,789,014</b>	<b>195,131,249</b>
Income tax (expense)/credit	(68,733)	490,162
<b>Profit for the year</b>	<b>226,720,281</b>	<b>195,621,411</b>
<b>Attributable to:</b>		
Owners of the Company	226,584,439	196,123,109
Non-controlling interests	135,842	(501,698)
	<b>226,720,281</b>	<b>195,621,411</b>
<b>Basic and diluted earnings per share (EPS)</b>		
Basic EPS attributable to equity holders of the Company	11.33	10.27

## AL MEERA CONSUMER GOODS COMPANY Q.S.C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014 QR	2013 QR
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	588,020,015	284,324,943
Intangible assets	10,240,782	11,804,398
Available for sale investments	210,304,302	148,276,661
Investment in an associate	98,497	--
Deferred tax assets	421,429	490,162
Goodwill	344,097,998	344,097,998
<b>Total non-current assets</b>	<b>1,153,183,023</b>	<b>788,994,162</b>
<b>Current assets</b>		
Inventories	171,829,639	148,548,895
Accounts receivable and prepayments	41,925,435	47,929,842
Due from a related party	6,869	--
Cash and bank balances	623,972,031	809,863,801
<b>Total current assets</b>	<b>837,733,974</b>	<b>1,006,342,538</b>
<b>Total assets</b>	<b>1,990,916,997</b>	<b>1,795,336,700</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	200,000,000	200,000,000
Legal reserve	901,289,603	901,289,603
Optional reserve	21,750,835	21,750,835
Fair value reserve	(13,918,815)	6,609,740
Retained earnings	295,654,041	234,535,493
<b>Equity attributable to the owners of the Company</b>	<b>1,404,775,664</b>	<b>1,364,185,671</b>
Non-controlling interests	39,920,960	39,785,118
<b>Total equity</b>	<b>1,444,696,624</b>	<b>1,403,970,789</b>
<b>Non-current liabilities</b>		
Loans and borrowings	88,279,923	--
Employees' end of service benefits	23,384,170	21,095,034
<b>Total non-current liabilities</b>	<b>111,664,093</b>	<b>21,095,034</b>
<b>Current liabilities</b>		
Accounts payable and accruals	434,556,280	370,270,877
<b>Total current liabilities</b>	<b>434,556,280</b>	<b>370,270,877</b>
<b>Total liabilities</b>	<b>546,220,373</b>	<b>391,365,911</b>
<b>Total equity and liabilities</b>	<b>1,990,916,997</b>	<b>1,795,336,700</b>

Dr. Saif Saeed Al Sowaidi  
Vice Chairman

Mr. Mohammed Ibrahim Al Sulaiti  
Member of the Board of Directors

## AL MEERA CONSUMER GOODS COMPANY Q.S.C. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2014

	2014 QR	2013 QR
<b>Profit for the year</b>	<b>226,720,281</b>	<b>195,621,411</b>
<b>Other comprehensive (loss) / income</b>		
Net movement in fair value of available-for-sale investments	(20,528,555)	2,105,303
<b>Total comprehensive income for the year</b>	<b>206,191,726</b>	<b>197,726,714</b>
<b>Attributable to:</b>		
Owners of the Company	206,055,884	198,228,412
Non-controlling interests	135,842	(501,698)
	<b>206,191,726</b>	<b>197,726,714</b>

## AL MEERA CONSUMER GOODS COMPANY Q.S.C. CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

	2014 QR	2013 QR
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	226,789,014	195,131,249
Adjustments for:		
Depreciation	23,285,351	32,865,935
Amortisation of intangibles	1,514,990	1,733,251
Interest income	(9,284,896)	(7,274,115)
Gain on sale of available for sale of investments, net	(61,051,635)	(14,881,237)
Provision for doubtful debts, net	181,777	184,376
Provision employees' end of service benefits	4,865,612	4,877,741
Provision for impairment of unquoted investment	450,000	--
Provision for shrinkage and slow moving inventories	490,241	958,323
Share in net loss of an associate	3,503	--
Net gain on disposal of property and equipment	(199,005)	(65,624,883)
Dividend income	(7,948,796)	(5,338,503)
Finance cost	1,422,733	3,690,470
	<b>180,518,889</b>	<b>146,322,607</b>
<b>Working capital changes:</b>		
Accounts receivable and prepayments	6,962,548	(8,868,664)
Inventories	(23,770,985)	(18,077,363)
Due from a related party	(6,869)	--
Accounts payable and accruals	53,333,806	24,020,410
<b>Cash from operations</b>	<b>217,037,389</b>	<b>143,396,990</b>
Payment of employees' end of service benefits	(2,576,476)	(1,680,504)
Payment of contribution to social fund	(4,769,615)	(4,320,225)
<b>Net cash generated by operating activities</b>	<b>209,691,298</b>	<b>137,396,261</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of investment in an associate	(102,000)	--
Acquisition of business net of cash acquired	--	(116,786,292)
Purchase of available-for-sale investments	(688,022,139)	(218,403,566)
Proceeds from sale of available-for-sale investments	666,067,578	212,939,355
Purchase of property and equipment	(327,162,060)	(89,974,836)
Proceeds from disposal of property and equipment	429,267	73,705,576
Purchase of intangible assets	--	(1,235,748)
Net movement in deposits maturing after 90 days	173,017,699	(556,409,910)
Dividends received	7,948,796	5,338,503
Interest received	8,144,977	4,522,229
<b>Net cash used in investing activities</b>	<b>(159,677,882)</b>	<b>(686,304,689)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans and borrowings	88,279,923	--
Repayments of loans and borrowings	--	(408,498,236)
Proceeds from rights issued	--	947,779,636
Dividends paid	(149,744,677)	(69,670,710)
Interest paid	(1,422,733)	(3,690,470)
Non-controlling interest arising from investments in subsidiaries	--	38,000,211
<b>Net cash (used in)/generated by financing activities</b>	<b>(62,887,487)</b>	<b>503,920,431</b>
<b>Decrease in cash and cash equivalents</b>	<b>(12,874,071)</b>	<b>(44,987,997)</b>
Cash and cash equivalents at the beginning of the year	208,530,102	253,518,099
<b>Cash and cash equivalents at the end of the year</b>	<b>195,656,031</b>	<b>208,530,102</b>

### INDEPENDENT AUDITOR'S REPORT THE SHAREHOLDERS AL MEERA CONSUMER GOODS COMPANY Q.S.C.

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Al Meera Consumer Goods Company 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, 2014 and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and 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 consolidated financial statements in accordance with International Financial Reporting Standards and the applicable Qatar Commercial Companies Law provisions, 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.

#### 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 whether the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group'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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Al Meera Consumer Goods Company Q.S.C. and its subsidiaries as at December 31, 2014 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Other legal and regulatory requirements

We are also of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of 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.

March 1, 2015  
Doha - Qatar

For Deloitte & Touche  
Qatar Branch

Midhat Salha  
Partner  
License No. 257