

**AL MEERA CONSUMER GOODS COMPANY Q.S.C.
DOHA - QATAR**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2017

AL MEERA CONSUMER GOODS COMPANY Q.S.C.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
At 31 March 2017

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AL MEERA CONSUMER GOODS COMPANY Q.S.C.
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months ended 31 March 2017

		Three months ended 31 March	
		2017	2016
		(Unaudited)	
	<i>Notes</i>	<i>QR</i>	<i>QR</i>
Continuing operations			
Sales		644,072,902	641,242,453
Cost of sales		(538,898,753)	(541,585,354)
Gross profit		105,174,149	99,657,099
Shops rental income		17,698,463	17,541,594
Other income		8,804,541	10,418,577
General and administrative expenses		(75,869,054)	(65,635,302)
Depreciation and amortisation	3 & 5	(13,937,518)	(11,723,336)
Share in net loss of associates		(277,683)	(404,925)
Finance costs		(1,063,460)	(404,247)
Profit before tax from continuing operations		40,529,438	49,449,460
Income tax expense		-	-
Profit for the period from continuing operations		40,529,438	49,449,460
PROFIT FOR THE PERIOD		40,529,438	49,449,460
Attributable to:			
Equity holders of the parent		40,516,263	49,403,900
Non-controlling interests		13,175	45,560
		40,529,438	49,449,460
Earnings per share			
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations		2.03	2.47

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

AL MEERA CONSUMER GOODS COMPANY Q.S.C.**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the three months ended 31 March 2017


	<i>Three months ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
PROFIT FOR THE PERIOD	40,529,438	49,449,460
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
<i>Investment securities:</i>		
Net change in the fair value	2,076,207	(5,431,645)
Total other comprehensive income	2,076,207	(5,431,645)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	42,605,645	44,017,815
Attributable to:		
Equity holders of the parent	42,592,470	43,972,255
Non-controlling interests	13,175	45,560
	42,605,645	44,017,815


The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.



AL MEERA CONSUMER GOODS COMPANY Q.S.C.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

		31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
	<i>Notes</i>		
Assets			
Non-current assets			
Property and equipment	3	1,010,629,327	920,678,425
Goodwill	4	344,097,998	344,097,998
Other intangible assets	5	6,906,092	7,288,654
Investment securities	6	163,159,299	159,926,871
Investment in associates		98,497	98,497
Total non-current assets		1,524,891,213	1,432,090,445
Current assets			
Inventories	7	185,699,019	184,862,105
Accounts receivable and prepayments	8	70,568,379	64,898,722
Amounts due from related parties	13	8,665,735	8,477,240
Bank balances and cash	9	280,681,517	500,553,676
Total current assets		545,614,650	758,791,743
TOTAL ASSETS		2,070,505,863	2,190,882,188
EQUITY AND LIABILITIES			
Equity			
Share capital	10	200,000,000	200,000,000
Legal reserve	11	901,289,603	901,289,603
Optional reserve		21,750,835	21,750,835
Other reserves		(5,044,510)	(7,120,717)
Retained earnings		141,803,373	285,829,206
Equity attributable to equity holders of the parent		1,259,799,301	1,401,748,927
Non-controlling interests		40,904,026	40,890,851
Total equity		1,300,703,327	1,442,639,778
Non-current liabilities			
Interest bearing loans and borrowings		120,402,398	121,546,529
Employees' end of service benefits		29,912,469	28,843,897
Total non-current liabilities		150,314,867	150,390,426
Current liabilities			
Accounts payable and accruals	12	607,088,936	585,505,538
Deferred tax liability		0	36,337
Interest bearing loans and borrowings		12,398,733	12,310,109
Total current liabilities		619,487,669	597,851,984
Total Liabilities		769,802,536	748,242,410
TOTAL EQUITY AND LIABILITIES		2,070,505,863	2,190,882,188


Dr. Saif Saeed Al Sowaidi
Vice Chairman


Johannes Jacobus Lombard
Acting Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.



AL MEERA CONSUMER GOODS COMPANY Q.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2017

	Equity attributable to equity holders of the parent					Non-controlling interests QR	Total Equity QR
	Share capital QR	Legal reserve QR	Optional reserve QR	Other reserves QR	Retained earnings QR		
Balance at 1 January 2017 (Audited)	200,000,000	901,289,603	21,750,835	(7,120,717)	285,829,206	40,890,851	1,442,639,778
Profit for the period	-	-	-	-	40,516,263	13,175	40,529,438
Other comprehensive loss for the period	-	-	-	2,076,207	(3,668,000)	-	(1,591,793)
Total comprehensive income for the period	-	-	-	2,076,207	36,848,263	13,175	38,937,645
Appropriation for contribution to social fund	-	-	-	-	(874,096)	-	(874,096)
Dividends paid	-	-	-	-	(180,000,000)	-	(180,000,000)
Balance at 31 March 2017 (Unaudited)	200,000,000	901,289,603	21,750,835	(5,044,510)	141,803,373	40,904,026	1,300,703,327

	Equity attributable to equity holders of the parent					Non-controlling interests QR	Total Equity QR
	Share capital QR	Legal reserve QR	Optional reserve QR	Other reserves QR	Retained earnings QR		
Balance at 1 January 2016 (Audited)	200,000,000	901,289,603	21,750,835	(11,943,444)	273,927,930	40,189,089	1,425,194,013
Profit for the period	-	-	-	-	49,403,900	45,560	49,449,460
Other comprehensive income for the period	-	-	-	(5,431,645)	-	-	(5,431,645)
Total comprehensive income for the period	-	-	-	(5,431,645)	49,403,900	45,560	44,017,815
Appropriation for contribution to social fund	-	-	-	-	(1,297,604)	-	(1,297,604)
Dividends paid	-	-	-	-	(180,000,000)	-	(180,000,000)
Balance at 31 March 2016 (Unaudited)	200,000,000	901,289,603	21,750,835	(17,375,089)	142,034,226	40,214,649	1,287,914,224

AL MEERA CONSUMER GOODS COMPANY Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****At 31 March 2017****1 INCORPORATION AND ACTIVITIES**

On 13 July 2004, the Law No. (24) for 2004 was issued in order to transfer the former Consumers Cooperative Societies to Qatari Shareholding Company with a capital of QR 100,000,000, thus, incorporating a new company Al Meera Consumer Goods Company Q.S.C. (the "Company") which is governed by the Qatar Commercial Companies Law No. 11 of 2015. The Company was registered under commercial registration number 29969 on 2 March 2005. The Company's registered office address is at P.O. Box 3371 Doha, State of Qatar.

The Company and its subsidiaries (together the "Group") are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets and trading in food stuff and consumer goods.

The Company is listed on the Qatar Exchange. During the year, an extra ordinary general meeting held on 5 October 2016, the shareholders have resolved to transfer 26% ownership of the Company, which was held by the Government of Qatar to Qatar Holding L.L.C.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three months period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

The following amendments to standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures at year end:

Amendments to Standards

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses (Effective 1 January 2017)

Amendments to IAS 7 - Disclosure Initiative (Effective 1 January 2017)

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

Standards Issued but not yet Effective

The below mentioned standards, interpretations and amendments to standards are not yet effective.

The Group is currently evaluating the impact of these new standards. The Group will adopt these new standards on the respective effective dates.

IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2018).

IFRS 16 Leases (Effective 1 January 2019)

New and amended standards and interpretations adopted by the Group

Early adopted IFRS 9 Financial Instruments

The Group has early adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2016. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

3 PROPERTY AND EQUIPMENT

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Cost:		
Balance at the beginning of the period/ year	1,142,407,628	866,824,787
Additions	103,987,405	276,219,852
Disposals	(69,230)	(637,033)
Transfer	(433,739)	
Balance at the end of the period/ year	<u>1,245,892,064</u>	<u>1,142,407,606</u>
Accumulated depreciation:		
Balance at the beginning of the period/ year	221,729,201	175,633,978
Charge for the period/ year	13,554,955	46,616,847
Relating to disposal	(21,419)	(521,644)
Balance at the end of the period/year	<u>235,262,737</u>	<u>221,729,181</u>
Net carrying amount at the end of the period/year		
At end of the period / year	<u>1,010,629,327</u>	<u>920,678,425</u>

AL MEERA CONSUMER GOODS COMPANY Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****At 31 March 2017****4 GOODWILL**

The carrying amount of goodwill has been allocated to the following cash generating units:

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Qatar Markets Company W.L.L.	227,028,986	227,028,986
Al Meera Market S.A.O.C. (Al Safer Oman) – five supermarkets	117,069,012	117,069,012
	344,097,998	344,097,998

5 OTHER INTANGIBLE ASSETS

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Cost:		
Balance at the beginning of the period/ year	17,811,185	17,720,027
Additions	0	91,148
Balance at the end of the period/ year	17,811,185	17,811,175
Accumulated Amortization		
Balance at the beginning of the period/ year	10,522,530	8,989,066
Charge for the period/ year	382,563	1,533,455
Balance at the end of the period/ year	10,905,093	10,522,521
Net carrying amount at the end of the period/ year	6,906,092	7,288,654

AL MEERA CONSUMER GOODS COMPANY Q.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2017
6 INVESTMENT SECURITIES

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Quoted equity investments	148,807,140	145,574,712
Unquoted equity investments	14,352,159	14,352,159
	<u>163,159,299</u>	<u>159,926,871</u>

7 INVENTORIES

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Finished goods	188,667,654	188,391,278
Consumables and spare parts	1,439,863	1,676,167
Less: Provision for slow moving inventories	(4,408,498)	(5,205,340)
	<u>185,699,019</u>	<u>184,862,105</u>

8 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Trade receivables	10,353,414	11,914,829
Credit card receivables	11,464,423	17,222,818
Advances to suppliers	12,936,463	13,981,183
Prepaid expenses	20,322,649	6,990,009
Deposits	9,334,468	9,252,602
Staff receivables	3,584,843	3,779,027
Accrued interest income	1,510,058	1,201,941
Rent receivables	3,052,101	1,838,297
Other receivables	544,947	498,145
	<u>73,103,366</u>	<u>66,678,851</u>
Less: Allowance for impairment of receivables	(2,534,987)	(1,780,129)
	<u>70,568,379</u>	<u>64,898,722</u>

9 CASH AND CASH EQUIVALENTS

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Cash on hand	2,542,849	2,988,921
Cash at bank	278,138,668	497,564,755
Bank balances and Cash	280,681,517	500,553,676
Time deposits maturing after 90 days	(69,927,579)	(156,898,035)
	<u>210,753,938</u>	<u>343,655,641</u>

10 SHARE CAPITAL

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Authorised, issued and fully paid: 20,000,000 shares of QR 10 each	<u>200,000,000</u>	<u>200,000,000</u>

AL MEERA CONSUMER GOODS COMPANY Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****At 31 March 2017****11 RESERVES***Legal reserve*

In accordance with Qatar Commercial Companies Law, 10% of the profit for the year is transferred to a legal reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the issued share capital of the Group. The Group has resolved to discontinue such transfers as the reserve exceeded 50% of share capital. This reserve is not available for distribution except in the circumstances stipulated in Qatar Commercial Companies Law.

12 ACCOUNTS PAYABLE AND ACCRUALS

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Trade accounts payable	363,871,890	405,232,415
Dividends payable	114,895,270	88,320,607
Payable to contractors	21,356,867	33,542,643
Accrued expenses	34,235,199	37,605,549
Provision for social and sports fund	5,626,022	4,751,925
Provision for deficit in an associate	4,604,056	3,879,717
Deferred rent income	1,344,496	785,916
Other payables	61,155,137	11,386,766
	607,088,937	585,505,538

13 RELATED PARTY DISCLOSURES**Related party transactions**

Related parties represent associated companies, Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management.

Qatar Holding L.L.C. holds 26% of the Company's capital. In the course of business, the Group supplies its commodities to various Government and semi-Government agencies in the State of Qatar. The Group also avails various services from these parties in the State of Qatar.

The transactions with related parties included in the consolidated statement of profit or loss are as follows:

	31 March 2017 (Unaudited) QR	31 December 2016 (Audited) QR
<i>Purchases</i>		
Al Oumara Bakeries Company W.L.L. (Associate)	778,476	2,847,958
<i>Sales:</i>		
Al Oumara Bakeries Company W.L.L. (Associate)	1,235,454	3,985,944
<i>Sales Commission income:</i>		
Al Oumara Bakeries Company W.L.L. (Associate)	358,660	1,157,210

AL MEERA CONSUMER GOODS COMPANY Q.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2017
14 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- The retail segment, which comprises the buying and selling of consumer goods.
- The investment segment, which comprises equity and funds held as available for sale investments and fixed deposits.
- The leasing segment, which comprise mainly of renting shops in various malls owned by the Group.

Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured the same as the operating profit or loss in the interim condensed consolidated financial statements.

	Retail QR	Investment QR	Leasing QR	Total QR
<i>Period ended 31 March 2017 (Unaudited):</i>				
Sales	644,072,902			644,072,902
Cost of sales	(538,898,753)			(538,898,753)
Gross profit	105,174,149	-	-	105,174,149
Shops rental income			17,698,463	17,698,463
Income from equity investment		5,409,939		5,409,939
Income from fixed deposits		1,552,841		1,552,841
Other income	1,643,508	198,253		1,841,761
Operating income	106,817,657	7,161,033	17,698,463	131,677,153
General and administrative expenses	(75,655,701)	(55,307)	(158,046)	(75,869,054)
Finance costs	(1,063,460)			(1,063,460)
Depreciation and amortization	(12,498,154)	(263,334)	(1,176,030)	(13,937,518)
Share in loss of associate		(277,683)		(277,683)
Profit for the period	17,600,342	6,564,709	16,364,387	40,529,438
	Retail QR	Investment QR	Leasing QR	Total QR
<i>Period ended 31 March 2016 (Unaudited):</i>				
Sales	641,242,453			641,242,453
Cost of sales	(541,585,354)			(541,585,354)
Gross profit	99,657,099	-	-	99,657,099
Shops rental income			17,541,594	17,541,594
Income from equity investment		8,596,174		8,596,174
Income from fixed deposits		1,319,724		1,319,724
Other income	502,679			502,679
Operating income	100,159,778	9,915,898	17,541,594	127,617,270
General and administrative expenses	(65,025,179)	(338,484)	(271,639)	(65,635,302)
Finance costs	(404,247)			(404,247)
Depreciation and amortization	(10,443,024)	(263,334)	(1,016,978)	(11,723,336)
Share in loss of associate		(404,925)		(404,925)
Profit for the period	24,287,328	8,909,155	16,252,977	49,449,460

The following table presents segmental assets regarding the Group's business segments for the period ended 31 March 2017 and for the year ended 31 December 2016 respectively

Segment assets:	Retail QR	Investment QR	Leasing QR	Total QR
At 31 March 2017 (Unaudited)	1,702,204,734	244,408,805	123,892,324	2,070,505,863
At 31 December 2016 (Audited)	1,623,236,880	423,741,919	143,903,389	2,190,882,188