

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**Financial highlights**

- Group sales increased 10.6% (QAR 129.7 million), from QAR 1,220.4 million to QAR 1,350.1 million, compared to the same period last year
- Group gross profit increased 8.0% despite a drop in gross profit percentage from 16.3% (last period) to 16.0% (this period)
- Group gross shops rental income increased 50.1%
- Group other income declined 14.8%
- Group operating income increased 10.6%
- Group net profit attributable to equity holders of the parent, increased 1.5% to QAR 102.4 million from QAR 100.9 million for the same period last year

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL MEERA CONSUMER GOODS COMPANY (Q.S.C.) - Doha - Qatar**

**Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of Al Meera Consumer Goods Company Q.S.C. (the "Parent") and its subsidiaries (together referred to as the "Group") as of 30 June 2016 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and other related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of 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 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.

**Basis for Qualified Conclusion**

The Group has investments classified as Available for Sale investments and carried in the statement of financial position at its market value of QR 154,470,254. The management has not considered the significant or prolonged decline in the value of these investments below cost as required by IAS 39, Financial Instruments: Recognition and Measurement and accordingly has not recognised an impair-

ment loss of QR 23,900,124 in the interim consolidated statement of profit or loss for the current reporting period by reclassifying this amount out of the fair value reserve and reducing the net profit for the six months period ended 30 June 2016. However, as stated in Note 2 to the interim condensed consolidated financial statements, the Group intends to early adopt IFRS 9: Financial Instruments, for the year ending 31 December 2016, and believes that the recognition of impairment losses on Available-for-sale investments amounting to QR 23,900,124 as at 30 June 2016 is not warranted, as the intention of the Group is to designate its Available-for-sale investments as Fair Value through Other Comprehensive Income as required by IFRS 9.

**Qualified Conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with IAS 34.

**Other matter**

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2015 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2015 were audited by another auditor whose review and audit reports dated 9 August 2015 and 21 February 2016 respectively, expressed an unmodified conclusion and an unmodified audit opinion there on.

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

**Date: 8 August 2016**  
**Doha**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2016

	June 30, 2016 (Unaudited) QR	December 31, 2015 (Audited) QR
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	791,730,364	691,190,809
Goodwill	344,097,998	344,097,998
Other intangible assets	8,057,034	8,730,961
Available-for-sale investments	154,470,254	210,262,821
Investment in associate	98,497	98,497
Deferred tax assets	298,937	298,937
	<u>1,298,753,084</u>	<u>1,254,680,023</u>
<b>Current assets</b>		
Inventories	192,694,660	183,419,260
Accounts receivable and prepayments	57,882,473	51,084,395
Amounts due from related parties	7,226,857	5,660,379
Bank balances and cash	469,132,014	471,522,458
	<u>726,936,004</u>	<u>711,686,492</u>
<b>TOTAL ASSETS</b>	<u>2,025,689,088</u>	<u>1,966,366,515</u>
<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	(23,226,727)	(11,943,444)
Retained earnings	193,959,209	273,927,930
<b>Equity attributable to equity holders of the parent</b>	<u>1,293,772,920</u>	<u>1,385,024,924</u>
Non-controlling interests	40,371,687	40,169,089
<b>Total equity</b>	<u>1,334,144,607</u>	<u>1,425,194,013</u>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	80,909,144	84,963,255
Employees' end of service benefits	27,314,065	25,799,696
	<u>108,223,209</u>	<u>110,762,951</u>
<b>Current liabilities</b>		
Interest bearing loans and borrowings	7,742,686	3,564,833
Accounts payable and accruals	575,578,586	426,844,718
	<u>583,321,272</u>	<u>430,409,551</u>
<b>Total liabilities</b>	<u>691,544,481</u>	<u>541,172,502</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,025,689,088</u>	<u>1,966,366,515</u>

**Dr. Saif Saeed Al Sowaidi**  
Vice Chairman

**Guy Sauvage**  
Chief Executive Officer

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months ended 30 June 2016

	Six months ended June 30	
	2016 (Unaudited) QR	2015 (Unaudited) QR
<b>Continuing operations</b>		
Sales	1,350,156,170	1,220,414,362
Cost of sales	(1,134,707,439)	(1,020,967,846)
<b>GROSS PROFIT</b>	<u>215,448,731</u>	<u>199,446,516</u>
Shops rental income	34,923,171	23,260,471
Other income	13,455,766	15,791,717
General and administrative expenses	(135,566,235)	(120,436,380)
Finance costs	(1,422,073)	(1,421,374)
Depreciation and amortisation expenses	(23,542,887)	(15,342,721)
Share in net loss of associate	(743,390)	-
<b>Profit for the period from continuing operations</b>	<u>102,553,083</u>	<u>101,298,229</u>
<b>Loss from discontinued operations</b>	-	(319,208)
<b>PROFIT FOR THE PERIOD</b>	<u>102,553,083</u>	<u>100,979,021</u>
<b>Attributable to:</b>		
Equity holders of the parent	102,350,485	100,876,782
Non-controlling interests	202,598	102,239
	<u>102,553,083</u>	<u>100,979,021</u>
<b>Basic and diluted earnings per share attributable to equity holders of the parent</b>	<u>5.12</u>	<u>5.04</u>

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) QR	2015 (Unaudited) QR
<b>PROFIT FOR THE PERIOD</b>	102,553,083	100,979,021
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		
Available-for-sale investments:		
Net loss on disposal of available-for-sale investments reclassified to the consolidated statement of profit or loss	873,666	2,332,919
Net loss arising during the period on revaluation	(12,156,949)	(9,285,133)
Net movement in the fair value of available-for-sale investments	(11,283,283)	(6,952,214)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>91,269,800</u>	<u>94,026,807</u>
<b>Attributable to:</b>		
Equity holders of the parent	91,067,202	93,924,568
Non-controlling interests	202,598	102,239
	<u>91,269,800</u>	<u>94,026,807</u>