

Overview of Company's Activities 2015

Dear Shareholders,

The Board of Directors of Al Meera Consumer Goods Company (Q.S.C) is pleased to present the Company's Consolidated Financial Statements and Independent Auditor's Report for the year ended December 31, 2015.

Review of performance

Operations highlights

- Opened nine (9) new community malls in Qatar with Al Meera as anchored stores.
- Opened Al Meera Brand Store in the Gulf Mall.
- Started construction of five (5) of the fourteen (14) additional community malls in Qatar.
- Received ISO 9001:2008 certification for the activities of the commercial department from Bureau Veritas Certification Holding SAS – UK Branch.
- Qatar Today's Awards for Business Excellence selected Al Meera among the top ten companies listed on the stock exchange in terms of performance.
- Finalized the signature of lease to open a new Supermarket (1,500 m2) in the upcoming Al Muzn Mall, in Al Hail, Muscat, the Sultanate of Oman. Store is scheduled to open second half of 2016.

Financial highlights

- Group sales increased 12.5% (QAR 273.1 million), from QAR 2,176.0 million to QAR 2,449.1 million.
- Group gross profit increased 17.7% (QAR 64.2 million), from QAR 362.9 million to QAR 427.2 million.
- Group gross shops rental income increased 17.7% (QAR 7.6 million), from QAR 42.8 million to QAR 50.3 million.
- Group operating income increased 2.4%, to QAR 498.6 million, compared to QAR 486.7 million in 2014.
- Group net profit attributable to owners of the Company after non-controlling interests and provision for impairment losses on sale of available for sale investments (QAR 47.6 million), decreased 28.5% to QAR 162.1 million.
- Below is a summary table showing the Group's sales and segment net profit from 2009 to 2015:

The Group's sales and segment net profit (2009 - 2015)	In Millions Qatari Riyals						
	2015	2014	2013	2012	2011	2010	2009
Retail Sales	2,449.1	2,176.0	1,946.0	1,503.5	1,163.6	914.8	863.5
Retail EBITDA	185.0	136.5	171.7	94.0	55.0	35.6	20.9
% of retail sales	7.56%	6.27%	8.83%	6.25%	4.73%	3.89%	2.42%
Retail Segment Net Profit	149.3	112.0	65.3	64.0	33.6	24.1	10.3
% of growth	33.3%	71.6%	2.0%	90.4%	39.7%	134.3%	Not Available
Rental Segment Net Profit	44.5	36.9	31.4	26.0	29.6	25.7	21.1
% of growth	20.6%	17.2%	21.1%	-12.2%	15.2%	21.9%	Not Available
Investment Segment Net Profit/(Loss)	(31.5)	77.8	27.5	15.2	14.1	15.8	14.1
% of growth	-140.4%	183.2%	81.1%	7.6%	-10.6%	11.8%	Not Available
Exceptional Incomes			71.4				
Total Net Profit	162.3	226.7	195.6	105.2	77.3	65.5	45.5
% of retail sales	6.63%	10.42%	10.05%	6.99%	6.64%	7.16%	5.26%

Operations

During the year, the Group opened nine (9) new modern community shopping malls located at Muraikh, Al Azizia, Muaither, Jeryan Nejaima, Thakhira, Al Wakra, Al Thumama, Al Wajba and Rawdat Ekdeem, with Al Meera stores as anchor stores, plus one new Al Meera store in the Gulf Mall. Of the fourteen (14) new malls planned for the coming years, the construction of five (5) is in progress and these stores are scheduled for completion 2016.

The 10 new stores contributed QAR 210.9 million to the Group's sales in 2015. Overall, the new stores, with a total selling area of 13,975 SQM, contributed a remarkable 9.7% growth to the sales for 2015. Besides contributing to the sales and profit of the Group, these 10 new stores have increased our footprint in Qatar further.

Al Meera is progressing steadily with the renovation of existing stores to modernize their look and feel and to ensure our customers continue to enjoy a pleasant shopping experience. The refurbished stores continued their sales growth in 2015 with Mamoura at 20% and Azghawa at 13%. Hazm Markhiya whose revamp was completed in June 2015 grew at 8% despite the mall not yet being launched. The revamp of Old Wakra was completed in May 2015.

We have recently awarded contracts for façade renovation of six (6) stores at Jumailiya, Azghawa, Bin Omran, Dahl Al Hamam, Gharafat Al Rayan and Khalifa South.

The Company is also looking into embracing technology to further enhance the shopping experience of our valuable customers through e-commerce and will soon be launching an online shopping platform which was developed during 2015. In addition, we are testing a new retail ERP system in Onaiza which will improve the operations in our stores when it is implemented.

Commercial

Driven by favorable customers' response, we will continue to focus and expand on fresh items (butchery, fishery, fruit and vegetable, bakery and delicatessen) as it is Al Meera's strategy to differentiate itself from other players. We will concentrate on bringing quality import items at the best prices to meet the challenging price competition in the market.

We are working closely with our local partners to enhance our assortment of products. As it is Al Meera's mission to be socially responsible, we are working with Qatari organic fruits and vegetable producers and extending our support to the small Qatari entrepreneurs under the supervision of the Department of Productive Families Development.

A notable achievement during the year is being recognized as one of Qatar's quality retail businesses by receiving ISO 9001:2008 certification for the activities of the commercial department. Securing this prestigious recognition assures that our shelves will constantly be well-stocked with high quality of fresh produce products and our strict adherence to the country's culture and tradition.

During the year, we entered into an agreement with Qatar Quality Food Company to secure Al Oumara Bakeries' ability to consistently provide fresh and quality baked goods that can compete with the leading brands in the market.

Financial Results

Sales and gross profit

Sales for the year totaled QAR 2,449.1 million, compared to QAR 2,176.0 million in 2014, an increase of QAR 273.1 million. 77.2% of the sales increase in 2015, amounting to QAR 210.9 million, came from the ten new stores. The balance sales increase of 22.8%, QAR 62.2 million, was from existing stores.

Gross profit increased by QAR 64.2 million (17.7%), to QAR 427.2 million in 2015, from QAR 362.9 million in 2014.

Operating income

Operating income increased 2.4%, from QAR 486.7 million to QAR 498.6 million.

Shop rental income from leased shops in Company's malls increased 17.7%, to QAR 50.3 million in 2015, from QAR 42.8 million in 2014.

Net profit attributable to owners of the Company

GCC stock markets, including Qatar's stock market, declined sharply at the end of 2015. The steep decline in stock values has negatively impacted the value of our available-for-sale investments as at December 31, 2015.

After careful consideration and prudent assessment of the fair value of our available-for-sale investment as at 31 December 2015, the Board of Directors has decided to recognize impairment losses on available-for-sale investment amounting to QAR 47.6 million in the consolidated income statement.

As a result, net profit attributable to owners of the Company, after provision for investment impairment losses declined (28.5%) to QAR 162.1 million from QAR 226.6 million in 2014.

Earnings per share

Earnings per share in 2015 equated to QAR 8.10 per share, compared to QAR 11.33 in 2014.

Dividends for shareholders – 2005 to 2015

On February 21, 2016, the Board of Directors proposed cash dividend of QR 9 per share amounting to QAR 180 million for the shareholders which is subject for approval of the Annual General Assembly. If approved, the total dividends made to shareholders from 2005 to 2015 will total QAR 890 million.

Total assets

Total assets declined (1.2%), from QAR 1,990.9 million in 2014 to QAR 1,966.4 million as at December 31, 2015.

Total equity

Total equity declined (1.3%) from QAR 1,444.7 million in 2014 to QAR 1,425.2 million as at December 31, 2015.

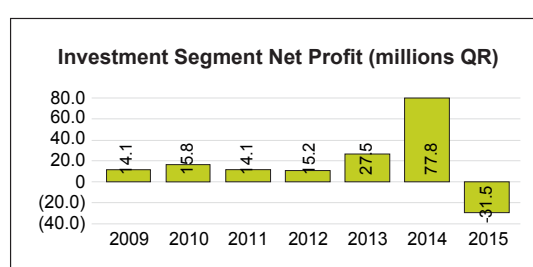
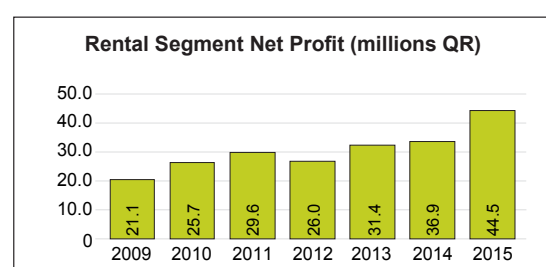
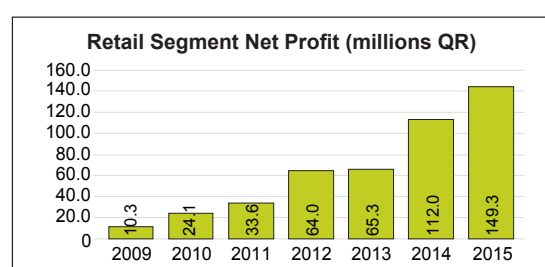
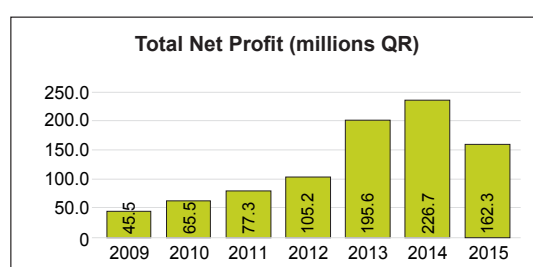
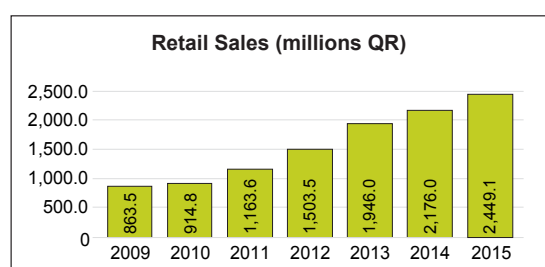
Bank debt

Bank borrowings – current and non-current as at December 31, 2015, totaled QAR 88.5 million. This relates to a loan taken from Qatar Development Bank (QDB) to partially fund the acquisition in Oman.

Dividend income

Gross dividend income for 2015 was up 16.7%, from QAR 7.9 million to QAR 9.3 million.

The Group's sales and segment net profit (2009 - 2015)



“Having taken a very transparent and conservative approach, the Group recognized an impairment loss of QAR 47.6 million on its available-for-sale investments with no impact on the proposed dividends distribution to the shareholders compared to last year”

Key Performance Indicators (2006 – 2015)

	In Millions Qatari Riyals									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
NET SALES	2,449.1	2,176.0	1,946.0	1,503.5	1,163.7	914.8	863.5	748.7	577.2	507.9
TOTAL ASSETS	1,966.4	1,990.9	1,795.3	1,046.2	764.9	434.5	393.1	411.5	379.6	351.9
AVERAGE TOTAL ASSETS	1,978.6	1,893.1	1,420.7	905.5	599.7	413.8	402.3	395.5	365.7	333.8
TOTAL SHAREHOLDERS' EQUITY	1,425.2	1,444.7	1,404.0	305.2	271.5	249.2	220.9	220.4	228.5	221.9
AVERAGE TOTAL SHAREHOLDERS' EQUITY	1,434.9	1,424.3	854.6	288.3	260.4	235.1	220.7	224.5	225.2	212.7
TOTAL LIABILITIES	541.2	546.2	391.4	740.9	493.4	185.3	172.1	191.1	151.0	130.0
TOTAL BANK DEBTS	88.5	88.3	0.0	408.5	246.6	0.0	0.0	0.0	0.0	0.0
TOTAL CURRENT ASSETS	711.7	837.7	1,006.3	450.3	243.7	215.7	215.9	260.6	209.1	195.8
TOTAL CURRENT LIABILITIES	430.4	434.6	370.3	314.5	230.3	172.6	161.3	183.5	144.6	124.1
FINANCE COSTS	2.9	1.4	3.7	12.1	6.5	0.0	0.0	0.0	0.0	0.0
EBIT	165.3	228.2	198.8	117.3	83.8	65.5	45.5	63.8	36.0	34.5
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	162.1	226.6	196.1	105.8	77.3	65.5	45.5	63.8	36.0	34.5
EBIDA	200.9	252.7	233.6	141.4	99.3	77.8	56.1	74.1	46.6	45.4
NUMBER OF SHARES	20,000	20,000	19,101	11,757	10,000	10,000	10,000	10,000	10,000	10,000

"Al Meera received ISO 9001:2008 certification for the activities of the commercial department from Bureau Veritas Certification Holding SAS – UK Branch"

"Qatar Today's Awards for Business Excellence selected Al Meera among the top ten companies listed on the stock exchange in terms of performance"

GROSS PROFIT PERCENTAGE	17.4%	16.7%	16.4%	17.0%	15.1%	13.4%	12.0%	13.3%	12.4%	10.0%
NET PROFIT PERCENTAGE	6.6%	10.4%	10.1%	7.0%	6.6%	7.2%	5.3%	8.5%	6.2%	6.8%
RETURN ON AVERAGE TOTAL ASSETS	8.2%	12.0%	13.8%	11.7%	12.9%	15.8%	11.3%	16.1%	9.9%	10.3%
RETURN ON AVERAGE TOTAL SHAREHOLDERS' EQUITY	11.3%	15.9%	22.9%	36.7%	29.7%	27.9%	20.6%	28.4%	16.0%	16.2%
TOTAL LIABILITIES TO EQUITY RATIO	38.0%	37.8%	27.9%	242.7%	181.8%	74.3%	77.9%	86.7%	66.1%	58.6%
BANK DEBTS TO EQUITY RATIO	6.2%	6.1%	0.0%	133.8%	90.8%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT RATIO	1.7	1.9	2.7	1.4	1.1	1.2	1.3	1.4	1.4	1.6
TIMES FINANCE COST EARNED	57.7	160.4	53.9	9.7	12.9	0.0	0.0	0.0	0.0	0.0
EARNINGS PER SHARE	8.10	11.33	10.27	9.00	7.73	6.55	4.55	6.38	3.60	3.45
NOMINAL VALUE PER SHARE	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
BOOK VALUE PER SHARE	71.26	72.23	73.50	25.96	27.15	24.92	22.09	22.04	22.85	22.19

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

For the year ended December 31, 2015

	2015 QR	2014 QR
Sales	2,449,080,123	2,176,005,386
Cost of sales	(2,021,922,739)	(1,813,085,592)
Gross profit	427,157,384	362,919,794
Shops rental income	50,333,872	42,761,250
Other income	21,088,129	81,067,092
Operating income	498,579,385	486,748,136
General and administrative expenses	(252,786,100)	(231,195,193)
Depreciation	(34,135,363)	(23,022,563)
Impairment losses on available-for-sale investments	(47,550,889)	(450,000)
Amortisation of intangible assets	(1,515,821)	(1,514,990)
Share in net loss of associates	(692,902)	(3,503)
Finance costs	(2,863,370)	(1,422,733)
Profit before income tax	159,034,940	229,139,154
Income tax expense	(122,492)	(68,733)
Profit for the year from continuing operations	158,912,448	229,070,421
Discontinued operations		
Profit/(loss) for the year from discontinued operations	3,430,004	(2,350,140)
Profit for the year	162,342,452	226,720,281
Attributable to:		
Owners of the Company	162,094,323	226,584,439
Non-controlling interests	248,129	135,842
	162,342,452	226,720,281
Basic earnings per share (EPS)		
Attributable to equity holders of the Company from continuing and discontinued operations	8.10	11.33
Attributable to equity holders of the Company from continuing operations	7.93	11.45

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

As at December 31, 2015

	2015 QR	2014 QR
Assets		
Non-current assets		
Property and equipment	691,190,809	588,020,015
Intangible assets	8,730,961	10,240,782
Available-for-sale investments	210,262,821	210,304,302
Investment in associates	98,497	98,497
Deferred tax assets	298,937	421,429
Goodwill	344,097,998	344,097,998
Total non-current assets	1,254,680,023	1,153,183,023
Current assets		
Inventories	183,419,260	171,829,639
Accounts receivable and prepayments	51,084,395	41,925,435
Due from related parties	5,660,379	6,869
Cash and bank balances	471,522,458	623,972,031
Total current assets	711,686,492	837,733,974
Total assets	1,966,366,515	1,990,916,997
EQUITY AND LIABILITIES		
Equity		
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	(11,943,444)	(13,918,815)
Retained earnings	273,927,930	295,654,041
Equity attributable to the owners of the Company	1,385,024,924	1,404,775,664
Non-controlling interests	40,169,089	39,920,960
Total equity	1,425,194,013	1,444,696,624
Non-current liabilities		
Loans and borrowings	84,963,255	88,279,923
Employees' end of service benefits	25,799,696	23,384,170
Total non-current liabilities	110,762,951	111,664,093
Current liabilities		
Accounts payable and accruals	426,844,718	434,556,280
Loans and borrowings	3,564,833	-
Total current liabilities	430,409,551	434,556,280
Total liabilities	541,172,502	546,220,373
Total equity and liabilities	1,966,366,515	1,990,916,997

H.E. Abdullah Bin Khalid Al Qahtani
Chairman

Dr. Saif Said Al Sowaidi
Vice Chairman

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, 2015 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, 2015 and their 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 and the Company's by-laws were committed during the year which would materially affect the Company's activities or its financial position. As explained in note 3 to the consolidated financial statements, a new Qatar Commercial Law was issued on July 7, 2015. The Group is in the process of assessing the impact of the new Qatar Commercial Companies' Law on the Company and its subsidiaries.

Doha - Qatar
February 21, 2016

For Deloitte & Touche
Qatar Branch

Midhat Salha
Partner
License No. 257

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

For the year ended December 31, 2015

	2015 QR	2014 QR
Profit for the year	162,342,452	226,720,281
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Net movement in cumulative changes in fair value	1,975,371	(20,528,555)
Total comprehensive income for the year	164,317,823	206,191,726
Attributable to:		
Owners of the Company	164,069,694	206,055,884
Non-controlling interests	248,129	135,842
	164,317,823	206,191,726

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

For the year ended December 31, 2015

	2015 QR	2014 QR
OPERATING ACTIVITIES		
Profit before income tax from continuing and discontinued operations	162,464,944	226,789,014
Adjustments for:		
Depreciation	34,233,046	23,285,351
Amortisation of intangibles	1,515,821	1,514,990
Interest income	(6,459,861)	(9,284,896)
Gain on sale of available for sale of investments, net	(1,051,844)	(61,051,635)
Provision for doubtful debts, net	325,760	181,777
Provision employees' end of service benefits	4,564,955	4,865,612
Impairment losses on available-for-sale investment	47,550,889	450,000
Provision for shrinkage and slow moving inventories	742,722	490,241
Share in net loss of associates	692,902	3,503
Gain on sale of investment in a subsidiary	(4,641,573)	-
Gain on disposal of property and equipment	(884,412)	(199,005)
Dividend income	(9,276,948)	(7,948,796)
Finance cost	2,863,370	1,422,733
	232,639,771	180,518,889
Working capital changes:		
Accounts receivable and prepayments	(12,360,892)	6,962,548
Inventories	(12,753,916)	(23,770,985)
Due from related parties	(1,192,235)	(6,869)
Accounts payable and accruals	(21,006,463)	53,333,806
Cash generated by operations	185,326,265	217,037,389
Payment of employees' end of service benefits	(1,989,107)	(2,576,476)
Payment of contribution to social fund	(5,465,891)	(4,769,615)
Net cash generated by operating activities	177,871,267	209,691,298
INVESTING ACTIVITIES		
Net proceeds on disposal of partial interest in a subsidiary that involves loss of control	2,878,353	-
Acquisition of investment in associates	-	(102,000)
Purchase of available-for-sale investments	(195,494,585)	(688,022,139)
Proceeds from sale of available-for-sale investments	151,012,391	666,067,578
Purchase of property and equipment	(138,348,380)	(327,162,060)
Proceeds from disposal of property and equipment	980,907	429,267
Net movement in deposits maturing after 90 days	295,316,000	173,017,699
Dividends received	9,276,948	7,948,796
Interest received	9,243,339	8,144,977
Net cash generated by/(used in) investing activities	134,864,973	(159,677,882)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	-	88,279,923
Dividends paid	(167,254,608)	(149,744,677)
Interest paid	(2,615,205)	(1,422,733)
Net cash used in financing activities	(169,869,813)	(62,887,487)
Increase/(decrease) in cash and cash equivalents	142,866,427	(12,874,071)
Cash and cash equivalents at the beginning of the year	195,656,031	208,530,102
Cash and cash equivalents at the end of the year	338,522,458	195,656,031