Gulf International Services Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015

Gulf International Services Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2015

	Notes	***30 September 2015 QR '000 (Unaudited)***	*30 September 2014 QR '000 (Restated) (Unaudited)*
Revenue		**3,268,418**	2,711,406
Direct costs		**(2,254,672)**	(1,991,354)
GROSS PROFIT		**1,013,746**	720,052
Finance income		**15,279**	15,851
Net gains/(loss) on financial assets at fair value through profit or loss		**(1,521)**	23,818
Other income		**38,115**	83,849
Share of profit from joint ventures		**-**	100,405
Finance cost		**(58,699)**	(30,090)
General and administrative expenses		**(184,650)**	(142,422)
Gain from business combination		**--**	269,440
PROFIT FOR THE PERIOD		**822,270**	1,040,903
Other comprehensive income/(loss)			
Net movement in fair value of available-for-sale investments		**(16,587)**	33,820
Net foreign exchange difference on translation of foreign operations		**597**	21
Other comprehensive income/(loss) for the period		**(15,990)**	33,841
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**806,280**	1,074,744
Earnings per share			
Basic and diluted earnings per share (Qatari Riyals)	7	**4.42**	5.60

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Notes	30 September , 2015	31 December, 2014
		QR '000	QR '000
		(Unaudited)	*(Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	3	**7,210,338**	7,037,488
Goodwill		**313,026**	313,026
Investment properties		**750**	1,125
Held-to-maturity financial assets		**85,525**	85,484
Available-for-sale financial assets		**301,440**	300,496
Total non-current assets		**7,911,079**	7,737,619
Current assets			
Inventories		**213,345**	202,766
Due from related parties		**583,697**	634,452
Accounts receivable, prepayments and other debit balances		**803,446**	679,237
Insurance contract receivables		**269,768**	266,579
Financial assets at fair value through profit or loss		**241,053**	218,331
Cash and bank balances		**1,041,410**	1,087,281
Total current assets		**3,152,719**	3,088,646
Total assets		**11,063,798**	10,826,265
EQUITY AND LIABILITIES			
Equity			
Share capital	5	**1,858,409**	1,858,409
Legal reserve		**286,538**	286,538
General reserve		**74,516**	74,516
Foreign currency translation reserve		**248**	(349)
Fair value reserve		**15,001**	31,588
Retained earnings		**1,727,172**	1,927,027
Total equity		**3,961,884**	4,177,729
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits		**73,006**	64,402
Loans and borrowings		**3,781,041**	3,945,832
Total non-current liabilities		**3,854,047**	4,010,234
Current liabilities			
Accounts payable, insurance payables and accruals		**1,845,999**	1,718,891
Due to related parties		**24,332**	10,556
Loans and borrowings		**1,377,536**	908,855
Total current liabilities		**3,247,867**	2,638,302
Total liabilities		**7,101,914**	6,648,536
Total equity and liabilities		**11,063,798**	10,826,265

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Khalid Bin Khalifa Al-Thani
Chairman

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Suleiman Haidar Al-Haidar
Vice-Chairman

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

	Share capital QR '000	*Legal reserve QR '000*	*General reserve QR '000*	*Foreign currency translation reserve QR '000*	*Fair value reserve QR '000*	*Retained earnings QR '000*	*Total QR '000*
Balance at 1 January 2015	1,858,409	286,538	74,516	(349)	31,588	1,927,027	4,177,729
Total comprehensive income				597	(16,587)	822,270	806,280
Dividends paid (Note 6)						(1,022,125)	(1,022,125)
Balance at 30 September 2015	**1,858,409**	**286,538**	**74,516**	**248**	**15,001**	**1,727,172**	**3,961,884**
Balance at 1 January 2014	1,486,727	75,474	74,516	(337)	16,857	1,432,487	3,085,724
Total comprehensive income	-	-	-	21	33,820	1,040,903	1,074,744
Bonus Share Distributed (Note 5)	371,682	-	-	-	-	(371,682)	-
Dividends paid (Note 6)	-	-	-	-	-	(297,345)	(297,345)
Other movement in reserves	-	121,511	-	-	-	(121,511)	-
Balance at 30 September 2014 (Restated)	**1,858,409**	**196,985**	**74,516**	**(316)**	**50,677**	**1,682,852**	**3,863,123**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2015

	Notes	*30 September 2015 QR '000 (Unaudited)*	*30 September 2014 QR '000 (Unaudited) (Restated)*
OPERATING ACTIVITIES			
Profit for the period		**822,270**	1,040,903
Adjustments for:			
Depreciation	3	**370,358**	219,194
Provision for employees' end of service benefits		**15,230**	12,704
Gain on sale of securities		**(2,100)**	(23,760)
Finance expenses		**58,699**	30,090
Gain from business combination		**-**	(269,440)
Unrealized gain on financial assets through profit and loss		**1,521**	(23,818)
Finance income		**(15,279)**	(15,851)
Loss/(profit) on disposal of property, plant and equipment		**4,544**	(605)
Share of result of joint ventures			(100,405)
Net operating profit before working capital changes		**1,255,243**	869,012
Inventories		**(10,579)**	(39,283)
Accounts receivable and prepayments		**(76,643)**	(100,537)
Accounts payable, insurance payables and accruals		**141,480**	7,927
Cash from operations		**1,309,501**	737,119
Employees' end of service benefits paid		**(6,626)**	(4,706)
Net cash from operating activities		**1,302,875**	732,413
INVESTING ACTIVITIES			
Interest income		**15,279**	15,851
Net movement in financial assets		**(39,716)**	10,135
Proceeds from disposal of property, plant and equipment		**1,567**	617
Dividend from the joint venture		**-**	140,140
Time deposits with maturities in excess of three months		**111,093**	(196,728)
Acquisition of subsidiaries		**-**	(438,390)
Acquisition of property, plant and equipment	3	**(548,941)**	(1,292,085)
Net cash from investing activities		**(460,718)**	(1,760,460)
FINANCING ACTIVITIES			
Proceeds from loans		**853,624**	1,498,736
Repayment of loans and borrowings		**(549,735)**	(204,494)
Dividends paid	6	**(1,022,125)**	(297,345)
Finance costs paid		**(58,699)**	(30,090)
Net cash used in financing activities		**(776,935)**	966,807
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**65,222**	(61,240)
Cash and cash equivalents at 1 January		**599,134**	508,583
CASH AND CASH EQUIVALENTS AT 30 September	4	**664,356**	447,343

1. CORPORATE INFORMATION

Gulf International Services Q.S.C. (the "Company") is a Qatari Shareholding Company incorporated in the State of Qatar under commercial registration number 38200 on February 12, 2008.

The accompanying consolidated financial statements for the period ended September 30, 2015 comprise the assets, liabilities, and results of operations of the Company and its subsidiaries (together referred to as the "Group").

The principal activity of the Company is to operate as a holding company. The registered office of the Company is in Doha, State of Qatar.

The Company was incorporated by Qatar Petroleum ("QP") as a sole shareholder with an initial capital of QR. 5 million on February 12, 2008.

Until February 24, 2008, the equity interests in the portfolio companies Gulf Helicopters Q.S.C. ("GHC"), Gulf Drilling International Q.S.C. ("GDI") and Al Koot Insurance and Reinsurance Company S.A.Q. ("Al Koot") were held directly by QP and Japan Drilling Company ("JDC") (In case of GDI – 30.01% was owned by JDC) and the equity interests of QP were transferred to the Company on February 24, 2008.

The management concluded that the effective date of transfer of interest from QP to the Company was February 12, 2008, being the date on which control as well as joint control, over these portfolio companies, was transferred by QP to the Company and hence from this date, the results of operations of these portfolio companies are consolidated with the results of operations of the Company.

On May 26, 2008, QP listed 70% of the Company's issued share capital on Qatar Exchange. An extraordinary general assembly held on November 4, 2012 approved the amendments to the Articles of Association in which it increased the ownership limit of General Retirement and Social Insurance Authority (GRSIA). Subsequently, as per the instructions of the Supreme Council of Economic Affairs, QP divested 20% of its stake in GIS to the GRSIA.

On May 31, 2012, the Group acquired 100% shares of Amwaj Catering Services Limited Q.S.C., a company incorporated in the State of Qatar. The Group has obtained control over the Subsidiary in accordance with the sale and purchase agreement effective from June 1, 2012.

On April 30, 2014, the Group acquired additional 30% of the shares of Gulf Drilling International Limited Q.S.C, a company incorporated in the State of Qatar that resulted to 100% ownership. The Group has obtained control over the company; therefore, the company became a subsidiary of Gulf International Services Q.S.C., in accordance with the sale and purchase agreement, effective from May 1, 2014.

1. CORPORATE INFORMATION (CONTINUED)

Following are the subsidiaries and joint venture in which the company has direct ownership as of 30 September 2015.

		Country of incorporation	Percentage Of Holding September 30 2015	Percentage Of Holding December 31, 2014
Al Koot Insurance & Reinsurance Company S.A.Q.	Subsidiary	Qatar	100%	100%
Amwaj Catering Services Company Ltd. Q.S.C.	Subsidiary	Qatar	100%	100%
Gulf Helicopters Company Q.S.C.	Subsidiary	Qatar	100%	100%
Gulf Drilling International Limited Q.S.C.	Subsidiary	Qatar	100%	100%

Also, included in the consolidated financial statements of one of the Group's subsidiaries are the share of profit or loss and other comprehensive income of the below joint venture company, using the equity accounting:

		Country of incorporation	Percentage of Holding
United Helicharters Private Limited	Joint venture	India	36%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2014. In addition, results for the nine months period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2014.

3 PROPERTY, PLANT AND EQUIPMENT

	30 September 2015 QR'000 (Unaudited)	*31 December 2014 QR'000 (Audited)*
Opening net book value	**7,037,488**	963,184
Additions	**548,941**	1,768,011
Acquired through business combination	**-**	4,666,439
Disposals and transfers	**(5,733)**	(178)
Depreciation	**(370,358)**	(359,968)
Closing net book value	**7,210,338**	7,037,488

4 CASH AND CASH EQUIVALENTS

	30 September 2015 QR'000 (Unaudited)	*31 December 2014 QR'000 (Audited)*
Bank balances and cash	**1,041,410**	1,087,281

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise:

	30 September 2015 QR'000 (Unaudited)	*31 December 2014 QR'000 (Audited)*
Bank balances and cash	**1,041,411**	1,087,281
Less: Fixed deposits maturing after 90 days	**(377,055)**	(488,147)
	664,356	599,134

5 SHARE CAPITAL

	30 September 2015 QR'000 (Unaudited)	*31 December 2014 QR'000 (Audited)*
Issued and paid-up: 185,840,868 ordinary shares of QR 10 each (31 December 2014 : 185,840,868 ordinary shares)	**1,858,409**	1,858,409

	30 September 2015 No of shares (Unaudited)	*31 December 2014 No of shares (Audited)*
Balance at the beginning of the period	**185,840,868**	148,672,695
Bonus share issue	**-**	37,168,173
Balance at the end of the period	**185,840,868**	185,840,868

6 DIVIDENDS PAID

During the year, a cash dividend of QR 5.5 per share amounting to QR 1,022 million relating to 2014 was approved by the shareholders at the Annual General Meeting held on 18 February 2015 (2013: QR 2.0 per share amounting to QR 297.3 million).

7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of shares outstanding during the period.

The following reflects the income and share data used in the computation of basic and diluted earnings per share:

	30 September 2015 (Unaudited)	*30 September 2014 (Unaudited) (Restated)*
Net profit for the period (QR'000)	**822,270**	1,040,903
Weighted average number of shares outstanding during the period	**185,840,868**	185,840,868
Basis and diluted earnings per share (expressed in QR per share)	**4.42**	5.60

8 SEGMENTAL REPORTING

The Group has four reportable segments, as described below. The segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the segments, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Insurance; provider of a range of insurance and reinsurance services to QP and its subsidiaries and other companies.
- Aviation; provider of helicopter transportation services in Qatar and India. Also operating in Middle East and North Africa (MENA region).
- Catering; Catering and manpower services Mainly to the QP Group and its affiliates.
- Drilling; Drilling related services to the QP Group and its international co-ventures.

Operating segments
The following table present revenue, expenses and profit information regarding the Group's operating segments for the period ended 30 September 2015 and 30 September 2014 and assets and liabilities as of 30 September 2015 and 31 December 2014 respectively:

8 SEGMENTAL REPORTING (continued)

	Insurance QR'000	*Aviation QR'000*	*Catering QR'000*	*Drilling QR'000*	*Total QR'000*
Period ended 30 September 2015					
Segment revenue	501,801	478,210	781,539	1,506,868	3,268,418
Direct cost	(435,951)	(301,505)	(686,498)	(812,919)	(2,236,873)
Depreciation	(1,723)	(72,405)	(12,831)	(265,600)	(352,559)
Finance charges	-	(4,549)	(171)	(41,200)	(45,920)
Segment results	96,961	158,355	92,671	509,766	857,753
Unallocated income					2,490
Unallocated expense					(37,973)
Profit for the period					822,270

	Insurance QR'000	*Aviation QR'000*	*Catering QR'000*	*Drilling QR'000*	*Total QR'000*
As of 30 September 2015					
Cash	475,837	101,975	153,596	149,012	880,420
Other current assets	943,097	279,135	380,466	566,072	2,168,770
Non current assets	345,528	1,281,695	65,341	5,656,313	7,348,877
Total assets	1,764,462	1,662,805	599,403	6,371,397	10,398,067
Debts falling due within 1 year	-	81,810	-	1,132,793	1,214,603
Other current liabilities	1,146,750	92,145	381,721	182,040	1,802,656
Debts due after 1 year	-	277,730	-	2,752,777	3,030,507
Other non-current liabilities	4,716	27,033	27,363	13,894	73,006
Total liabilities	1,151,466	478,718	409,084	4,081,504	6,120,772

8 SEGMENTAL REPORTING (continued)

	Insurance QR'000	*Aviation QR'000*	*Catering QR'000*	*Drilling QR'000*	*Total QR'000*
Period ended 30 September 2014					
(Restated)					
Segment revenue	547,684	479,516	815,270	1,220,048	3,062,518
Direct cost	(537,671)	(294,042)	(697,637)	(662,886)	(2,192,236)
Depreciation	(1,423)	(54,807)	(10,398)	(212,786)	(279,414)
Finance charges	-	1,779	(90)	(23,077)	(21,388)
Segment results	90,161	179,920	87,035	446,860	803,976
Unallocated income					270,802
Unallocated expense					(33,875)
Profit for the period					1,040,903

	Insurance QR'000	*Aviation QR'000*	*Catering QR'000*	*Drilling QR'000*	*Total QR'000*
As of 31 December 2014					
Cash	492,049	152,286	202,672	89,676	936,683
Other current assets	790,615	242,648	331,067	698,711	2,063,041
Non current assets	336,775	1,308,061	63,382	5,446,062	7,154,280
Total assets	1,619,439	1,702,995	597,121	6,234,449	10,154,004
Debts falling due within 1 year	--	89,788	--	697,734	787,522
Other current liabilities	963,172	93,775	357,482	271,297	1,685,726
Debts due after 1 year	--	257,564	--	2,814,641	3,072,205
Other non-current liabilities	3,978	23,943	23,124	13,381	64,426
Total liabilities	967,150	465,070	380,606	3,797,053	5,609,879

9 PRIOR PERIOD ADJUSTMENT

The Group has restated the interim condensed consolidated financial statements for the nine months period ended September 30, 2014 to adjust the provisional amounts of the acquired net assets recognised from the acquisition of the remaining 30% shares of Gulf Drilling International Limited Q.S.C.