

Market Data

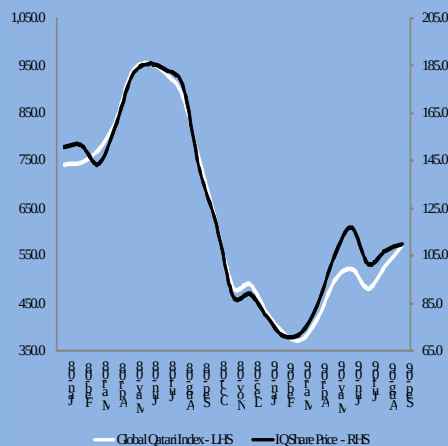
Bloomberg Code:	IQCD QD
Reuters:	IQCD.DSM
CMP (15 Oct 2009):	QR112.5
O/S (mn):	550.0
Market Cap (QRmn):	61,875.0
Market Cap (US\$mn):	16,859.7
Price/EPS 2009e (x):	10.8
Price/Bv 2009e (x):	3.2

Price Performance

1-Yr

High (QR):	134.4
Low (QR):	60.8
Average Volume:	586,845

Share Price Performance



Source: Global Research

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Industries Qatar – 9M2009 Review

- Industries Qatar (IQ)** announced 9M2009 net profit of QR3.8bn (EPS: QR6.9), 46.7% lower than the net profit of QR7.2bn (EPS: QR13.1) in 9M2008. The company's 3Q2009 profitability is also 53.7% lower than the profitability recorded in corresponding quarter last year. The decline in the bottom line over the corresponding quarter last year is mainly attributed to lower capacity utilization and lower prices which has eroded sales by 49.1% QoQ to QR2.6bn. The gross margins also declined from 52.8% in 3Q2008 to 49.3% in 3Q2009.

IQ Interim Result

QR mn	9M2008	9M2009	Changes
Sales	12,750.5	7,089.5	-44.4%
Cost of Sales	(5,560.2)	(4,328.6)	-22.2%
Gross Profit	7,190.2	2,760.9	-61.6%
Net Profit	7,182.9	3,829.5	-46.7%
EPS (QR)	13.06	6.96	
Gross Margins	56.4%	38.9%	

Source: Company Quarterly Report

- The company's balance sheet size, during 9M2009, has contracted by 5.4% to QR25.9bn from the reported size in 2008. The company's cash reserves size have shown a massive fall of 39.3% from the reported size of QR9.4bn in 2008. The decline in the company's cash reserves is mainly due to the (i) payment of cash dividend amounting QR4.4bn, (ii) investment of QR2.7bn in project under development and (iii) payment of QR3.3bn to settle short-term obligations. Furthermore, the company has also borrowed QR2.3bn to maintain its cash reserves at QR5.7bn by the end of 9M2009.

IQ Balance Sheet

QRmn	2008	9M2009
Cash	9,445.2	5,733.7
Other Current Assets	4,630.4	3,747.5
Fixed & Non-Current Assets	13,374.1	16,497.5
Total Assets	27,449.7	25,978.6
Short-Term Liabilities	5,059.4	1,727.6
Long-Term Liabilities	4,135.8	6,336.0
Owners' Equity	18,254.5	17,915.0
Total Liabilities & Owners' Equity	27,449.7	25,978.6

Source: Company Quarterly Report

- Based on our calculations, the company capacity utilization for 3Q2009 is estimated to remain in the range of 50%-55% for petrochemicals, 80%-85% for fertilizer and 50%-55% for steel. Thus, during the quarter under review, the overall production of the company is estimated to remain in the range of 1.5mn-2.0mn tons.

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