شركة الخليج للمخازن
Gulf Warehousing Company
(ش.م.ق) (Q.S.C)

MORE THAN JUST LOGISTICS

Annual Report 2013

His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir


T.S.LINES
CLASS 3
Flammable Liquids

CONTENTS

REPORTS AND FINANCIALS

MORE THAN JUST LOGISTICS

Every time we see a smile on a satisfied customer's face, we are once again reminded that we are more than just a logistics company.

In fact, we are simply hard working people who are focused on serving the needs of Qatar's people, corporates and state institutions. As the largest player in the logistics industry in terms of revenue, number of customers, transportation assets, warehouse space and just about any other metrics, we know that we bear a special social responsibility towards the country for its storing, shipping and product handling needs.

WE ARE MORE THAN JUST LOGISTICS. For us, its not enough just to be the largest. It is also important to serve the country by setting up the most comprehensive logistics infrastructure, so that other regional players and large corporates may have their own best-in-class facilities. This makes for a larger and more vibrant and competitive economy, in which Qatar's consumers and businesses are the winners.

WE ARE MORE THAN JUST LOGISTICS. Given that our economy is so heavily dependent on the hydrocarbons industry, we have developed a range of challenging customised solutions, ensuring that overall safety is always the priority. We have ensured that the key wealth creating sector for the country has an able and willing ally in us.

WE ARE MORE THAN JUST LOGISTICS. We are also at the forefront in offering contract logistics solutions that allow businesses and state depots to operate efficiently and focus on their core value drivers. This means that we do not just need to be big, but also extremely smart in understanding and delivering our customer requirements.

WE ARE MORE THAN JUST LOGISTICS. We are the freight forwarding gateway to Qatar, with more than 125 global connections serviced. From moving a family's home, transporting rare and delicate art between museums and to the largest capital machinery for large infrastructure projects being built for the nation, we are capable and always ready to assist in almost any kind of move imaginable.

Ultimately, we measure our success by the countless smiles on our customers' faces.

WE ARE MORE THAN JUST LOGISTICS.

as an asset rich company, with a **wide variety** of **products & solutions** on offer, we've become a **PREVALENT part** of Qatar's economy

AT A GLANCE

WE ARE A **RAPIDLY GROWING PREFERRED LOGISTICS COMPANY,** AIMING TO BECOME AN **INTEGRATED SUPPLY CHAIN PROVIDER** IN THE GCC REGION.

LISTED

2004

EMPLOYEES

1,500+

CUSTOMERS

500+
globally

ORGANIC EXPANSION

Logistics Village Qatar

with **>1 mn.**
square metres

STORAGE CAPACITY

>200,000
pallets in state-of-the-art

Warehouse; **20,000**
square metres bulk storage

and **250,000**
square metres open yard storage

TRANSPORTATION ASSETS

>1,171 Trucks, Trailers and Specialised Vehicles

POSITIONING

Leading 3PL and 4PL Service Provider in Qatar

SERVICES

- 3PL and Distribution Warehousing
- Freight Forwarding and Transportation
- Ambient and Frozen/Temperature Controlled Storage
- Bonded Storage
- Hazmat Chemical Storage
- Records Management
- Customs Clearance
- Sports Logistics
- Asset Management
- International Moving and Relocations
- Fine Arts Logistics

HEAD QUARTERS	COMPANY TYPE	LISTING	STOCK CODE
D Ring Road, Doha, Qatar	Qatari Shareholding Company	Qatar Exchange (Previously Doha Securities Market)	GWCS

INDUSTRY SEGMENTS SERVED

- Chemicals
- Electronics
- Food & Beverage
- Healthcare
- High Value Commodities
- Industrial Products
- Government
- Retail
- Oil
- Gas
- Steel

INFORMATION TECHNOLOGY

- Warehouse Management
- Transport Management
- Freight Management

Shareholders

>10,000

CORPORATE INFORMATION

CORPORATE OFFICE
Gulf Warehousing Company
D Ring Road
Doha, Qatar.

BOARD OF DIRECTORS

Sh. Fahad Bin Hamad Bin Jassem Al Thani
Chairman

Mr. Ahmed Mubarak Al-Ali Al-Maadid
Vice Chairman

Sh. Abdulla Bin Fahad Bin Jassem Al Thani
Member

Dr. Hamad Saad M. Al-Saad
Member

Mr. Jassim Sultan J. Al-Rimaihi
Member

Mr. Mohd Thamer M. Al-Aseri
Member

Ms. Henadi Al-Saleh
Member

Mr. Mohammed Hassan Al Emadi
Member

GROUP CEO

Mr. Ranjeev Menon

PRINCIPAL BANKERS

Qatar Islamic Bank
Masraf Al Rayan
Barwa
Qatar Development Bank

STOCK EXCHANGE LISTING
Qatar Exchange
Doha, Qatar.

MISSION, VISION & VALUES

WHAT IS OUR MISSION?

OUR MISSION IS **TO EARN THE TRUST AND LOYALTY OF GWC OWNERS** AND **NURTURE OUR FAMILY** BY DEVELOPING AND **MARKETING OURSELVES AS A MARKET LEADER** WITH RESPECT TO **QUALITY, COST AND CUSTOMER SERVICE** THROUGH **INTEGRATION OF PEOPLE, TECHNOLOGY** AND **BUSINESS SYSTEMS.**

WHAT IS OUR VISION?

MOVING FORWARD, GWC IS A **RAPIDLY GROWING PREFERRED LOGISTICS COMPANY.** WE AIM **TO BECOME THE NUMBER ONE INTEGRATED SUPPLY CHAIN SERVICE PROVIDER** OF CHOICE AND THE **MOST SOUGHT AFTER THIRD-PARTY LOGISTICS SERVICE PROVIDER** IN QATAR AND THE GCC REGION.

WHAT ARE OUR VALUES?

OWNERSHIP

We take ownership for everything that happens at our workplace. We are accountable for our results and know that for things to change, we must change first.

COMMITMENT

We are committed to the Vision, Mission, Values and success of our company, its current and future teams and its customers at all times.

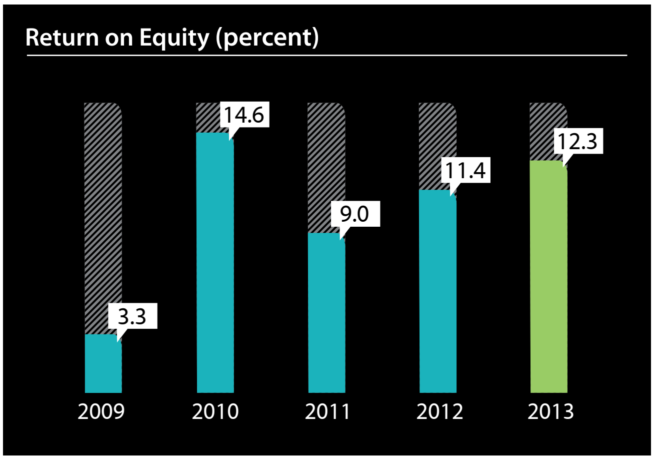
GOING THAT EXTRA MILE

We deliver beyond your expectations. This means we will give you more than what we have promised by going the extra mile.

EXCELLENCE

'Good' isn't enough for us. We always deliver solutions of exceptional quality that add value to all those involved. We look for ways to do more and stay on the path of constant and never-ending improvement and innovation.

FINANCIAL HIGHLIGHTS

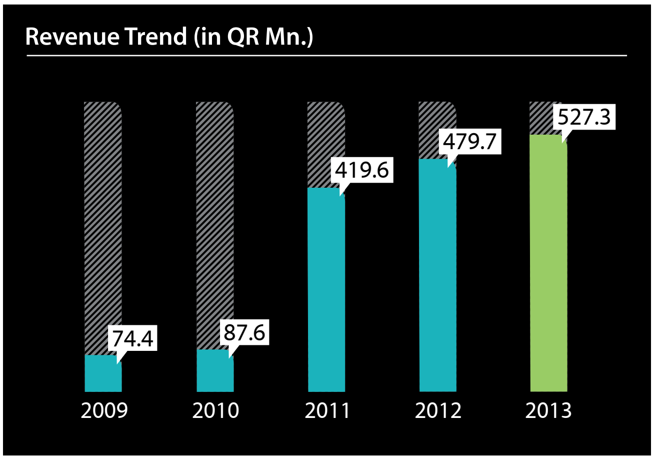


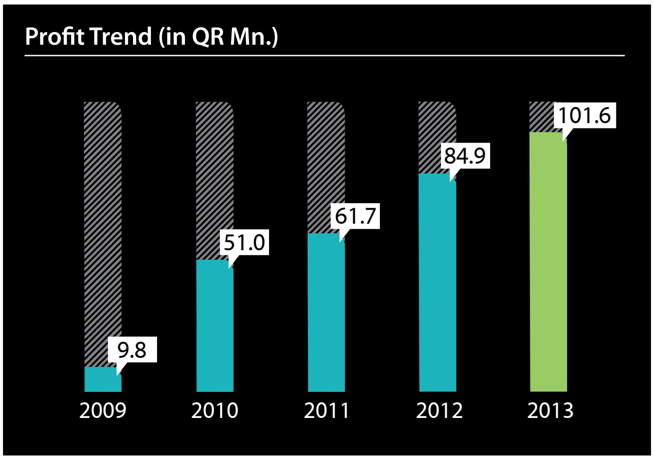
RATIOS

		2009	2010	2011	2012	2013
1	Equity Ratio (in percent)	74.8	57.3	55.0	44.8	42.9
2	Return on Equity (in percent)	3.3	14.6	9.0	11.4	12.3
3	Short-term ratio of Indebtedness (in percent)	7.5	11.3	16.6	12.3	15.3
4	Intensity of long-term Indebtedness (in percent)	17.6	31.4	28.4	43.0	41.7
5	Fixed assets Coverage Ratio (in percent)	129.6	116.5	113.4	113.2	108.6
6	Working Capital (in QR million)	84.51	76.64	122.6	161.64	127.1
7	Intensity of Capital Expenditure (in percent)	71.3	76.1	73.5	77.5	77.9

* Previous years have been restated for comparison purposes.

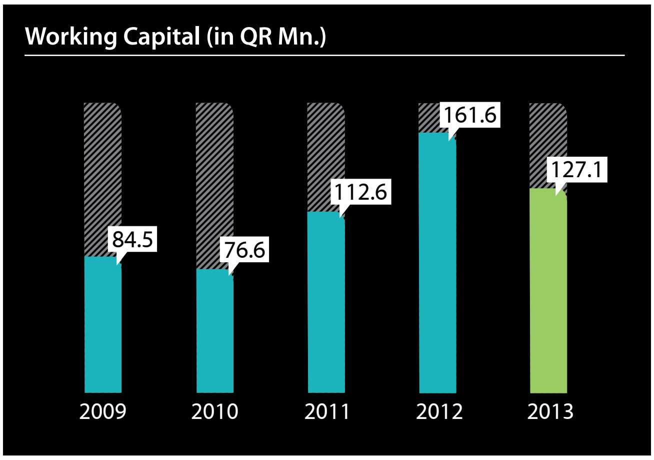
1. Total equity in relation to total assets at the end of the year.
2. Net Earnings for the year in relation to Share + Reserves + Retained Earnings as of January 1 of the current year less Dividend paid during the current years as of date of distribution + Capital Increase (incl. share premium) as of date of payment.
3. Short term liabilities in relation to total assets.
4. Long term liabilities in relation to total assets.
5. Total equity (including non-controlling interest) + long term liabilities in relation to non-current assets.
6. Total current assets, less current liabilities.
7. Non-current assets in relation to total assets.

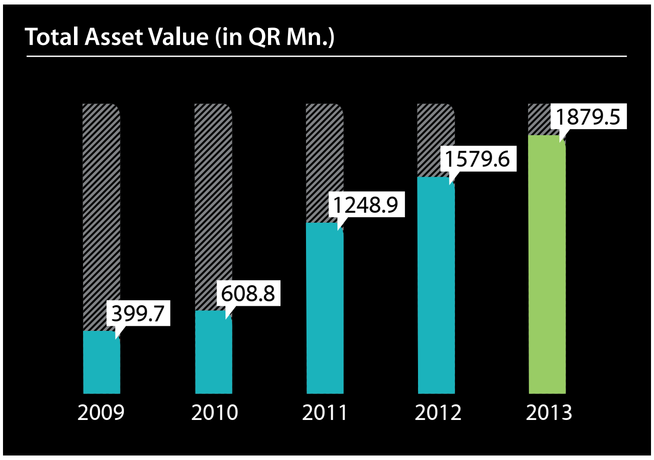


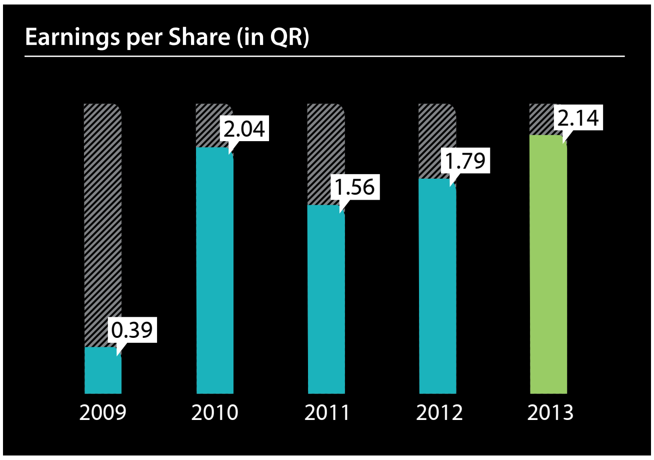


we have **beaten the odds** of **global certainty** by posting a topline YoY growth of **10%** to cross

QR 527.3 million







FINANCIAL SUMMARY

Key Figures	2009	2010	2011	2012	2013
Operating Revenue	74,395,121	87,563,612	419,574,107	479,726,841	527,259,368
Other Income	3,337,570	41,744,366	5,613,247	4,394,089	11,080,558
Profit	9,826,555	51,007,573	61,733,037	84,922,341	101,625,528
Shares	25,000,000	25,000,000	39,634,146	47,560,975 (Restated with the bonus shares)	47,560,975
Earnings Per Share (EPS)	0.393	2.040	1.557	1.79	2.14

All figures in the table and charts are in QR

OPERATIONAL HIGHLIGHTS

WE OFFER **HIGHER VALUE** TO OUR CUSTOMERS THROUGH **INTELLIGENT INTEGRATED LOGISTICS SOLUTIONS, SPECTACULAR** AND **EFFICIENT** EXECUTION OF OUR LVQ **LOGISTICS INFRASTRUCTURE** AND OUR OVERALL **IMPROVED EFFICIENCY** IN LEVERAGING OUR ASSETS.

- LVQ Phases I, II & III became fully operational with near 100% occupancy
- LVQ Phase IV expansion, over and above masterplan commenced with 70% pre-booked
- Mesaieed Open Yard Expansion completed, thus doubling Open Yard capacity
- Contract Logistics division grew 15% and continued to show robust growth
- Freight Forwarding Services maintained business volumes, despite delays in the launch of infrastructure projects
- Distance travelled by transportation fleet increased (in kms); Maintenance cost reduced by 9%
- Records Management division grew by a record 46%, showing strong promise for the future
- Dubai Operations (one-year old) restructured to make it better positioned to approach break-even point
- Latest Warehouse Management System further upgraded
- Won prestigious award from Frost & Sullivan at Global Best Practices Award

our **solid performance** has been a result of our **absolute passion** to understand the **varied needs** of our clients **&** the urge to **BEND BACKWARDS** to exceed their expectations

CHAIRMAN's LETTER

we bucked the trend by delivering a **5-year CAGR growth** of **79.4%** in net profit at QR 101.6 million

"IN A **LANDSCAPE FULL OF MIXED PERFORMANCES** AMIDST A STRUGGLING WORLD ECONOMY, GWC IS AMONGST THE VERY FEW PLAYERS IN THE **GLOBAL LOGISTICS INDUSTRY** THAT STOOD OUT AS A **GLEAMING EXAMPLE** IN EXHIBITING **CONSISTENT AND ROBUST** YOY GROWTH".

DEAR SHAREHOLDERS,

At times when we are witnessing tumultuous economic and trade upheavals across all continents, many logistics and transportation companies have had to recalibrate and reorganise themselves to become more responsive and innovative to stave off losses and ensure survival. The European sovereign debt crisis and the volatility of the financial markets undermined the hope for a global economic recovery. As a result of the persisting structural problems, the performance of the US economy has yet to improve as expected. Japan's economy remained in a fragile state. The Euro crisis impacted the emerging countries as well and slowed their growth. However, China was spared the forecasted "hard landing" as the Gross Domestic Product of the world's second-largest economy rose by approximately 7-8 percent. In India, Brazil and other South American countries, the long-term growth prospects were supported by foreign investments, although in many cases their upward momentum was burdened with very high inflation rates, current account deficits and exchange rate volatility.

As a result of these global economic trends in 2013, the international logistics business was marked by regionally different demand, unusually volatile sea-freight rates, margin and cost pressure as well as increased competition. In this environment, logistics companies needed to adopt a high degree of internal and external flexibility. Shipping lines and airlines had to contend with substantial over capacity and a decline in demand resulting in falling prices and rising operating costs. In addition, continued growth in cargo capacity despite the weak development of the market aggravated the situation.

In a landscape full of mixed performances in a struggling world economy, I am pleased to inform you that GWC is amongst the very few players in the global logistics industry that has stood out as a gleaming example in exhibiting consistent and robust YoY growth.

I am delighted to inform you that, for FY2013, we have once again beaten the odds of global

SH. FAHAD BIN HAMAD BIN JASSEM AL THANI
Chairman

"We need to establish and implement a scientific based development strategy to promote business growth while enhancing the quality and optimising the structures of our service delivery".

CHAIRMAN's LETTER

uncertainty to post a top line YoY growth of 10% to cross QR 527.3 million. This has meant that over the last five years, a period in which much of the world's economies have languished post the 2009 financial meltdown, we bucked the trend by delivering a 5-year CAGR growth rate of 63.16% – a remarkable feat indeed. On the bottom line front, we've done equally well. Our Net Profit for FY2013 grew by 20% to reach new record levels exceeding QR 101.6 million. On this front, our 5-year CAGR growth has been 79.4% – also a commendable achievement.

This solid performance is the result of astute forward planning and continuous investments into our technology, infrastructure and people. Most of all, it is a result of our absolute passion with a desire to understand the varied needs of our clients and our perseverance to bend backwards to exceed their expectations – from hauling super heavy project machinery to handling delicate art; from managing corporate assets to archiving their physical and digital records; from handling bulk freight from every corner of the earth to delivering the smallest of packages to people's homes; from managing temperature sensitive food and medicines to safely storing hazardous materials; and from providing state-of-the-art storage spaces to managing the spaces of our clients. In essence, we have become the region's first choice for 3PL services, the highest growth driver in our industry. Our ability to offer high-quality basic services to highly niche solutions has meant that we continue to post healthy EBITDA margins of 34.79%, a healthy improvement from 27.54% in FY2012.

DIVIDENDS

Since our listing in 2004, GWC has maintained a relatively stable dividend policy. In view of the Group's excellent results and healthy financial position, the Board of Directors of the Company have recommended the payment of a dividend of QR 1.50 per share to reward the continuing support and confidence of our shareholders towards the Company. We also issued one Bonus Share for every five Bonus Shares already held by our shareholders during last year.

A STRONG GROWING ECONOMY GIVES US A SOLID FOUNDATION

This consistent track record of posting YoY solid growth over the last five years is, in great part, also a product of an outstanding economic performance exhibited by Qatar. Thanks to the astute planning and management by his Royal Highness' Government, our economy is gradually becoming less dependent on the hydrocarbon sector, the linchpin of our economic growth thus far. The Government has been instrumental in priming the development of downstream industries in the petrochemical and metallurgy sectors, with some sub-sectors, such as fertilisers, growing at a fast clip. A foothold has also been established in new areas, including air transportation and media services. The Qatar Science and Technology Park now tenants several ventures in such areas

"OUR **SOLID PERFORMANCE** HAS BEEN THE RESULT OF OUR **ASTUTE FORWARD PLANNING** AND **CONTINUOUS INVESTMENT** INTO OUR **TECHNOLOGY, INFRASTRUCTURE** AND **PEOPLE**".

as life sciences, oil and chemicals, environment, electronics and software. Thanks to this strategy, we can continue to expect income levels to remain high through a continued robust expansion of the non-hydrocarbon economy. In particular, we anticipate sectors such as retail, leisure, education, information technology and financial services to grow vigorously. With the launch of mega projects and infrastructure spending on the anvil, construction too will grow steadily, and manufacturing performance should improve. The total population of Qatar is also expected to grow steadily to almost 2.4 million by 2016 and the structural shift to higher valued economic activity means that the skill content of the labour force should further deepen. Hosting the FIFA World Cup 2022 presents Qatar with new opportunities due to the sizeable investments in infrastructure that will now follow. These investments will be significant relative to the size of the current economy, and may present opportunities to strengthen the structure and performance of Qatar's non-energy sectors, well beyond 2022.

WAY FORWARD

As an asset rich company with a wide variety of products and solutions on offer, we've become a prevalent part of Qatar's economy. We serve both large and small start-up enterprises; both state and private sectors; both retail and wholesale logistics segments; and both corporate and individual needs. Being a leader means that we cannot afford to be complacent about competition or the dependency of our clients on us. We need to continuously boost our core businesses by means of strengthening our innovative capabilities and our core competencies. At the same time, we need to establish and implement a scientific based development strategy to promote business growth while enhancing the quality and optimising the structures of our service delivery. This is in order to maintain consistency in our speed of growth, structure, quality and effectiveness.

We are confident about GWC's future development. We will continue to make efforts to perfect our corporate governance, enhance internal control, improve coverage of business network, expand new product development, upgrade products, extend our efforts in sales and marketing and optimise our client portfolio. I firmly believe that with our capabilities and our strong balance sheet, GWC can grasp the invaluable opportunities presented by the rapid development of Qatar's economy and will attain even more outstanding results in the coming future. I expect it to generate handsome returns and growth in value for our shareholders, staff, customers as well as the community.

I wish to take this opportunity to thank the vast contribution of the past Chairman Mr. Mohamed Ismail Al Emadi, who served at the helm of the Board for over 4 years. We are truly grateful to him for his guiding principles and directions over this period. The task for taking this responsibility has been bestowed upon me and, having served on the Board for more than 7 years, I am honoured for the trust placed in me. I shall do my utmost best to serve the interests of GWC, its Board, Management Team, employees and shareholders.

In the same breath, I am also pleased to inform you that Mr. Ranjeev Menon has rejoined GWC as the Group CEO and I welcome him back with warmth and confidence in his managerial skills in steering GWC ahead.

I wish to take this opportunity to express my sincere gratitude to our shareholders, customers and staff for their unflinching support and contribution.

SH. FAHAD BIN HAMAD BIN JASSEM AL THANI
Chairman

GROUP CEO's LETTER

our consolidated revenues
grew by **10% YoY**
at QR 527.3 million

"WE ARE **EQUIPPED TO HANDLE** THE **MOST COMPLICATED MANDATES** AND TAKE ON **COMPLEX OUTSOURCED RESPONSIBILITIES** THAT MAKE OUR CUSTOMERS **MORE EFFICIENT** AND **COMPETITIVE IN THEIR MARKETPLACE**".

DEAR SHAREHOLDERS,

Being a leader is not just about having the largest top line in our industry. It's also about being a meaningful contributor to our society. I am pleased to say that as an undisputed leader of Qatar's logistics industry, GWC not only delivers value for its shareholders but also solves the logistical needs of all stakeholders in our society; including individuals, corporates and governments. We handle just about everything – both physical and digital; both small and big; both cold and hazardous; and both rare and fragile. And we can deliver anything just about anywhere – both locally and worldwide, through trucks, carriers, containers, sea, trains and planes.

Backed by the largest road transportation fleet, most warehouse capacity, state-of-the-art IT tools and the most diligent workforce, we enjoy the largest market share in the 3PL and 4PL business within our region. We're equipped to handle the most complicated mandates and take on complex outsourced responsibilities that make our customers more efficient and competitive in their marketplace. Today, we are an asset rich company with 1,171 transport vehicles, 200,000 pallet locations, 20,000 square metres of bulk storage, 250,000 square metres of open yard storage space managed by more than 1,500 employees. This, in a few words, is the profile of your Company.

Driven by Qatar's rapid economic growth throughout the last 5 years, its Gross Domestic Product has grown significantly over the years. The rapid growth in market demand for transportation and logistics services in Qatar, driven by the persistently strong domestic economy, has helped GWC reach its pre-eminent position today. Not surprisingly, we view Qatar as our main home market and we are extremely poised about its future growth. On the one hand, it requires us to grasp every opportunity presented by Qatar's industrialisation by boosting our core business by means of strengthening our innovative capability and our core competencies. On the other hand, it requires us to establish and implement a

"WE **INVESTED SUBSTANTIALLY** TOWARDS **EXPANSION OF OUR INFRASTRUCTURE** AND **SERVICE CAPABILITIES** OVER THE LAST FIVE YEARS AND **ACHIEVED ENORMOUS SCALE OF OPERATIONS** WITH **INHERENT COST ADVANTAGES.** WE CONTINUOUSLY OFFER **NEW CONCEPTS** AND DEVELOP **NEW SOLUTIONS** FOR TODAY'S **ASSET-LIGHT BUSINESS MODEL** DEPLOYED BY OUR CUSTOMERS".


RANJEEV MENON
Group CEO

development strategy to promote business growth while enhancing the quality of our service delivery in terms of speed, structure, responsiveness and effectiveness. Over the last 5 years, we have invested substantially in the expansion of our infrastructure and service capabilities, as a result of which we have achieved enormous scale of operations with their inherent cost advantages. We have been able to deliver a CAGR growth of 79.44% over the last five years by continuously offering new concepts and developing new solutions for today's asset-light business models deployed by our customers.

Today's customers continue to evolve and are asking for a wider scope of services delivered with ever-higher efficiency. In the face of a complex and ever-changing market environment, GWC is committed to promote the development of new services and to enhance our capability in providing value-added services. In addition, we also strive to raise the efficiency levels of our operation and optimise our client portfolio by committing stronger efforts in marketing. We are looking to build on the know-how and experience we have gained in specific sectors such as the oil and gas industry. Through our unique skills we have developed in 3PL solutions and multiple niche services, GWC will continue to develop a broad portfolio of know-how intensive services. On the administration side, we are also focused on optimising and innovating our management system for ensuring that, while we keep investing in new assets and capacities, we are also utilising

GROUP CEO's LETTER

these assets to their maximum use for an optimum return on investment.

The quick absorption of our vast LVQ capacities by the marketplace has been the result of our sharp management. This is also testimony to our planning and marketing prowess. With most of our ready LVQ space pre-booked before the completion of each construction phase, our investment in this initiative is proving to be highly positive to our ROE ratio, cash flows and our top as well as bottom lines. As we near 100% utilisation of LVQ by 2015, we are already exploring the possibility of expansion of this unique concept to further push our business volumes, revenues and, most importantly, enhance our EBITDA margins. Through these innovative and highly successful initiatives, we wish to continue to promote Qatar as an "indispensable hub" for logistics and trade within the GCC area.

FY2013 HIGHLIGHTS

We are pleased to inform you that, as per our audited results, our consolidated revenues for fiscal 2013 stood at QR 527.3 million, a YoY growth of 10%. The profit was QR 101.6 million, a YoY growth of 19.7%.

Year 2013 has proven that we have a resilient market position, which we will continue to expand in FY2014. During FY2013, we grew our customer portfolio, with customer satisfaction being higher than ever. This was not only based on excellent operational performance, but also on the strength of our customer proposition: a wide range of

"THROUGH THE **EXPANSION OF LOGISTICS VILLAGE,** WE HOPE TO CONTINUE TO **PROMOTE QATAR** AS AN **"INDISPENSABLE HUB" OF LOGISTICS** AND **TRADE** WITHIN THE GCC AREA".

integrated services, flexibility, reliability, expertise, regional presence and control and visibility over the customer's supply chain.

Both of the Company's two key business pillars – Contract Logistics and Freight Forwarding – showed solid resilience during the year, growing by 15% and 5% respectively on a YoY basis. Over the last four years, our Contract Logistics revenues have more than trebled its customer base. Going forward, we expect robust growth for our Freight Forwarding business within Qatar and the wider GCC region.

During FY2013, we also progressed positively in our hydrocarbon specialty areas with exclusive deals with some Oil & Gas industry giants in the State of Qatar. We added a new facility to the Messaieed location to service the Oil & Gas sector with the most specialised and up-to-date storage solutions available. The Logistics Village Qatar (LVQ) continued to push forward with the completion of its fourth expansion phase, well beyond its original master plan. Reservations for storage space in the Phase 4 facilities were getting filled prior to completion. The appeal of LVQ stems from its one-stop-shop nature, simultaneously offering a variety of warehousing solutions, including refrigerated, chilled and dry storage; a fully autonomous, highly accredited data centre; accommodation and shopping facilities for both on-site LVQ employees and the Doha Industrial Area at large.

The demand for Records Management and Relocation Services also continues to perform well, increasing their YoY net revenues by 9%. Our Transportation Assets business did reasonably well as expected. As new large-scale projects start taking shape in Qatar from 2014 onwards, we expect the Transportation sector to be well-positioned to take advantage of any future upsurge in demand. Implementation of the new regional set-up during the year led to an expansion of the cost base that, as expected, has not been met by a corresponding growth of the business. Despite this, our overall EBITDA margins sustained itself around 7.25% up and the overall net profitability was up by 19.7% in the reporting year.

CLOSING REMARKS

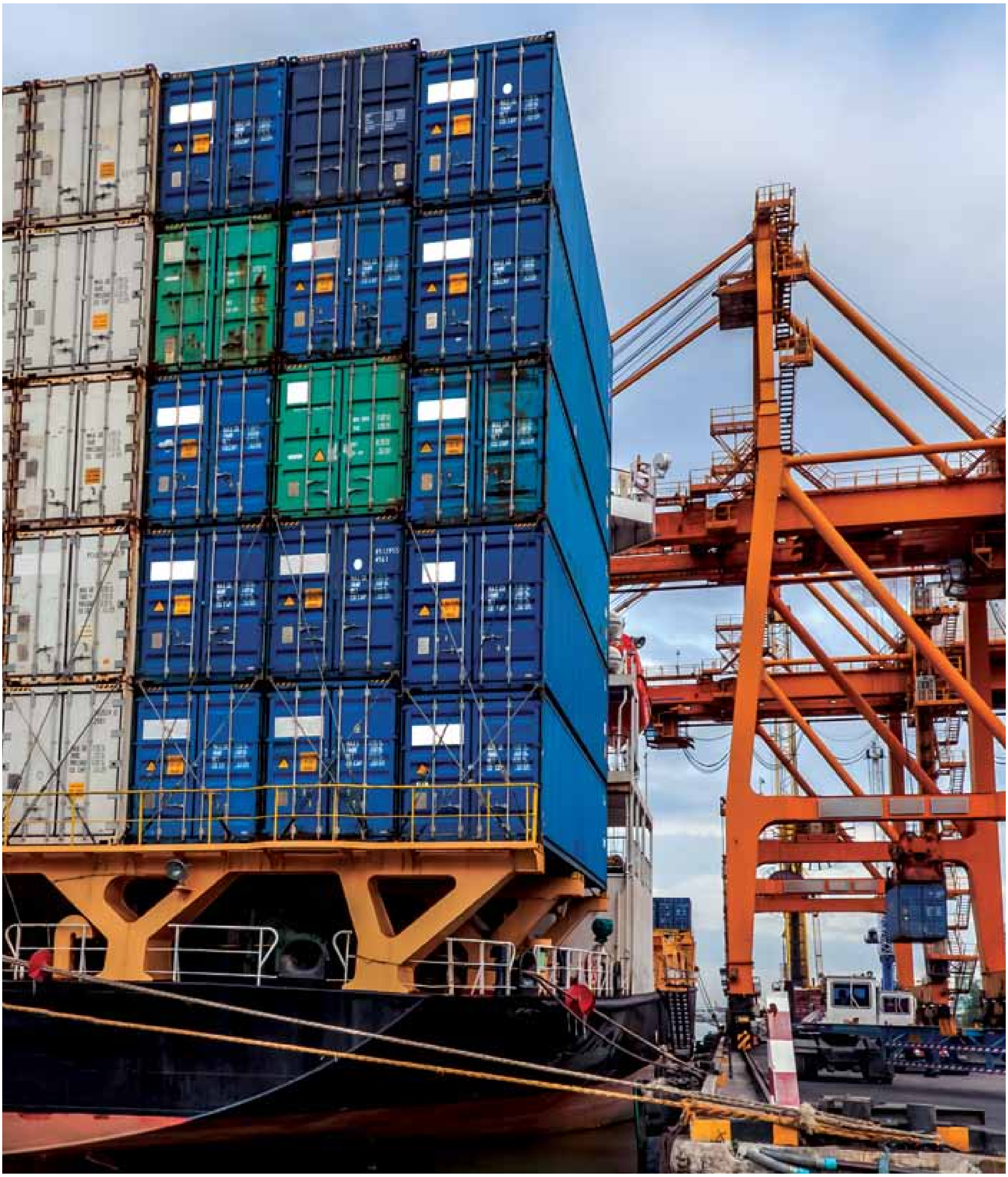
It is the knowledge and dedication of our employees that ensure that GWC enjoys a global reputation as a reliable and capable logistics partner. For this reason we continuously invest in training and staff development, as well as reinforce another vital ingredient of success: teamwork, both within the company and in the daily interaction with our customers. Thanks to a collaboration that embraces several countries and transcends conventional borders, we inspire each other to innovative solutions that enable us to offer our customers best-in class logistics services – everywhere in the region. Intelligent networking and a constructive dialogue at all levels led us to our aim. By that we mean not only lasting customer satisfaction, but also the opportunity for every individual to make best use of their personal talents.

GROUP CEO's LETTER

In recognition of our outstanding efforts and accomplishments, I am pleased to inform you that in June 2013, GWC was honoured as 'Qatar Domestic Logistics Service Provider of the Year 2013' by international Business Consultancy Frost & Sullivan that hosted the Global Best Practices Awards. Such recognitions are the result of the unrelenting perseverance of our employees and I thank them once again for making us the industry peer. We are confident of success, based on our strong market positions and the enormous positive momentum that exists within the Company. I can assure our shareowners that we, the management and employees, share a common ambition to deliver solid growth and healthy results in the coming years.

RANJEEV MENON
Group CEO

OUR **KEY BUSINESS PILLARS** – **CONTRACT LOGISTICS** AND **FREIGHT FORWARDING** – SHOWED **SOLID RESILIENCE** AND **GROWTH** DURING THE YEAR AND WE ALSO **PROGRESSED POSITIVELY** IN OUR **HYDROCARBON SPECIALTY AREAS.**



BOARD OF DIRECTORS

OUR MANAGEMENT AND OUR EMPLOYEES SHARE **A COMMON AMBITION** TO **DELIVER SOLID GROWTH** AND **HEALTHY RESULTS** IN THE COMING YEARS.

SH. FAHAD BIN HAMAD BIN JASSEM AL THANI
Chairman

MR. AHMED MUBARAK AL-ALI AL-MAADID
Vice Chairman

SH. ABDULLA BIN FAHAD BIN JASSEM AL THANI
Member

DR. HAMAD SAAD M. AL-SAAD
Member

OUR **KNOWLEDGE BASE** AND **DEDICATION OF OUR EMPLOYEES** ENSURES WE ENJOY **A GLOBAL REPUTATION** AS A **RELIABLE** AND **CAPABLE** LOGISTICS PARTNER.

MR. JASSIM SULTAN J. AL-RIMAIHI
Member

MR. MOHD THAMER M. AL-ASERI
Member

MS. HENADI AL-SALEH
Member

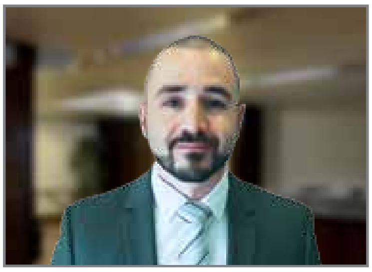
MR. MOHAMMED HASSAN AL EMADI
Member

MANAGEMENT TEAM

WE BELIEVE IN **MONITORING OUR PERFORMANCE** IN AREAS CRUCIAL TO **OPERATIONAL EXCELLENCE** AND THE **LONG-TERM SUSTAINABILITY** OF OUR OPERATIONS.

MR. RAJESWAR GOVINDAN
Chief Financial Officer

Mr. Govindan has been serving as the Chief Financial Officer of GWC since 2008. He is an ACMA from the Institute of Cost & Works Accountants of India, Kolkatta and has completed his Bachelor's degree in Commerce from MG University, Kerala. His experience in the field of accountancy and finance span for more than 17 years. Before joining GWC he worked for organisations such as Vodafone Essar, Reliance Communications Ltd., Escotel Mobile Communications Ltd., Shriram Investments Ltd. and Travancore Cochin Chemicals Ltd. His strong acumen in financial analysis, budgeting, MIS, accounts, revenue assurance, fund management and team management have been instrumental in helping GWC's organic and inorganic growth over the recent years.



MR. NADER HAKIM
Chief Operations Officer

Mr. Hakim is now the COO and is the business head for GWC's Contract Logistics and Distribution services, contributing to the growth of its 3PL & 4PL business since 2008. He has been instrumental in developing and expanding the warehousing and logistics operations of the Company. He is a bachelor's degree graduate in Electrical Engineering, from the American University of Beirut. Over the last 13 years, he has worked for organisations such as GeoVision S.A.L, Code Fusion Solutions, ABB and the Kuwait National Petrol Company.

MR. SHEBL SALIM EL KHAYATT
Chief Projects Officer

Mr. El Khayatt is now the Chief Projects Officer at the Logistics Village Qatar (LVQ). He has been extremely instrumental in the development of LVQ, which has helped establish GWC in the country's logistics infrastructure space. He has graduated from College Ecole Technique De Zahle and has more than a decade's experience in Warehousing & Logistics Management. Associated with GWC since 2005, he has held several positions within the Company. He was one of the pioneers in up-scaling the operational excellence of the LVQ. Prior to GWC, he spent five years establishing a pan Nigeria distribution network for prominent brands, such as British American Tobacco.

MR. BOBBY GEORGE
Director - Freight Forwarding

Mr. George is the Director of the Freight Forwarding business vertical at GWC and has been with the Company since 2003. He has completed his bachelor's degree in Arts, specialising in Public Administration, and has close to 15 years of experience in the Industry. Previously, he has worked with The Orient Express Lines and Freight Systems Ltd. in Dubai; with Al Jazeera Simatech Shipping and also with Samsung Corporation in Qatar. He has been involved extensively in growing the Freight Forwarding division of GWC, a key growth driver for GWC.

MR. SEGUN ABAYOMI

Chief Audit Executive

Mr. Abayomi is the CAE at GWC and has been associated with the Company since 2009. He is a qualified accountant (FCMA) and a Certified Fraud Examiner (CFE) with a Masters in Accounting. He has more than two decades of rich experience in the field of internal audit and financial reporting systems and procedures, working for firms such as Abuja Sheraton and Qatar National Hotels Company (QNHC).

MS. MELANIE COORAY

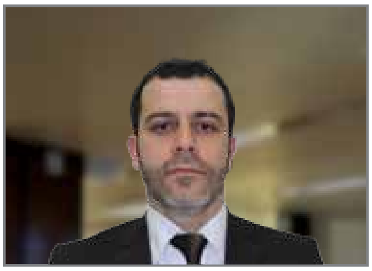
Director - IMRS

Ms. Cooray is the Director for the International Moving & Relocation (IM&R) business vertical of GWC. She holds Diplomas in HHGS & Freight Forwarding, Ticketing & Reservation, Computer Studies, Economics & Commerce. With more than 2 decades of rich experience in field of business development and operations, she has been a key driver behind the expansion of GWC's IM&R business.

MR. SUNIL KAMBRATH

Director - RMS

Mr. Kambrath is the Director for the Records Management Services (RMS) vertical of GWC. He holds a bachelor degree in Academic & Legislative Law and has two decades of rich expertise in fields of 3PL, 4PL business process engineering and in supply chain management. He has been a strong proponent and advocate for establishing and expanding the RMS business at GWC.



MR. SETRAK KHAJIKIAN

Transport Director

Mr. Khajikian is the Head of Transport at GWC. He holds PGD in Fleet Management and Transportation, he has 13 years of experience in transportation, logistics and supply chain and has been working with GWC since March 2007. Setrak directs all activities and functions within the Transportation Department and ensures compliance with all applicable company and state requirements. He has been highly effective in meticulous management of the transport division, achieving high levels of efficiency, economy and safety in operations.

MR. NAJI NASSAR

Chief Commercial Officer

Mr. Nassar is the CCO at GWC. He has close to 33 years of rich experience and has been working with GWC since April 2005. In particular, he has deep familiarity with the Oil and Gas industry, having handled major projects such as Shell GTL, Ashgal, Lusail and Rasgas. In parallel, he has been involved in the development of GWC's new segments and in the operational management of all departments within the Company.

MS. NATASHA JEYANTHI SUBRAMANIAM

Head of Human Resources

Ms. Subramanium is the Human Resources Head of Department at GWC since 2011. She holds a Masters degree in Human Resources Management and Industrial Psychology. She has extensive experience spanning 20 years in HR Operations within both Western and Asia Pacific regions.

MR. ABDULAZIZ MOHAMMED AL-SAHLAWI

Head of Public Relations

Mr. Mohammod is the Head of Public Relations and has been working with GWC since Feb 2011. He is focusing on creating and expanding public awareness of GWC across the gulf region.

OUR BUSINESS MODEL

our RELIABILITY defines & differentiates us

OUR BUSINESS MODEL IS TO DELIVER THE **HIGHEST SERVICE LEVELS** IN THE MOST **COST-EFFECTIVE** MANNER THROUGH ROBUST **PROCESSES & TECHNOLOGIES** AND **COMPANY-OWNED WAREHOUSE AND TRANSPORTATION ASSETS.** WE AIM TO ADDRESS A VARIETY OF CUSTOMER NEEDS, BOTH **GENERIC** AND **NICHE,** BECOMING AN ALL-IN-ONE SOLUTIONS PROVIDER TO OUR CLIENTS.

THE MODEL ALSO CALLS FOR ACHIEVING A **LARGE SCALE** IN BOTH **PHYSICAL AND DIGITAL STORAGE CAPACITY,** WHICH ALLOWS US TO ADDRESS THE LARGER CANVAS OF THE LOGISTICS INDUSTRY IN WHICH RELIABLE SOLUTIONS ARE NEEDED BY BOTH **END-USER CUSTOMERS AND INTERMEDIARY LOGISTICS PLAYERS.**

HOW DO WE DELIVER IT?

We deliver this by understanding our customers intimately and by leveraging our global network and unique local insights; specialised logistics capabilities; motivated, skilled, and multi-cultural people; high quality Information Technology; multi-located well-equipped warehouses and a fleet of road transportation assets.

WHAT IS OUR GROWTH STRATEGY?

Our core strategy for growth is to take our business to the next level through unique marketing strategies and to strengthen our competitive positioning that will lead to satisfied customers and increased business results. Organically, we are investing significantly in expanding our capacities to cater to a growing nation with a vibrant economy.

WHAT IS OUR BUSINESS STRATEGY?

Our key business strategy is to bring new competitive advantages to our customers and better chances for growth in the future.
We move more types of products to more places – in more ways than one can imagine, which is our competitive advantage.
When regional corporates and global multinationals choose us for delivery services, it is reliability that we promise. This is what defines and differentiates us.

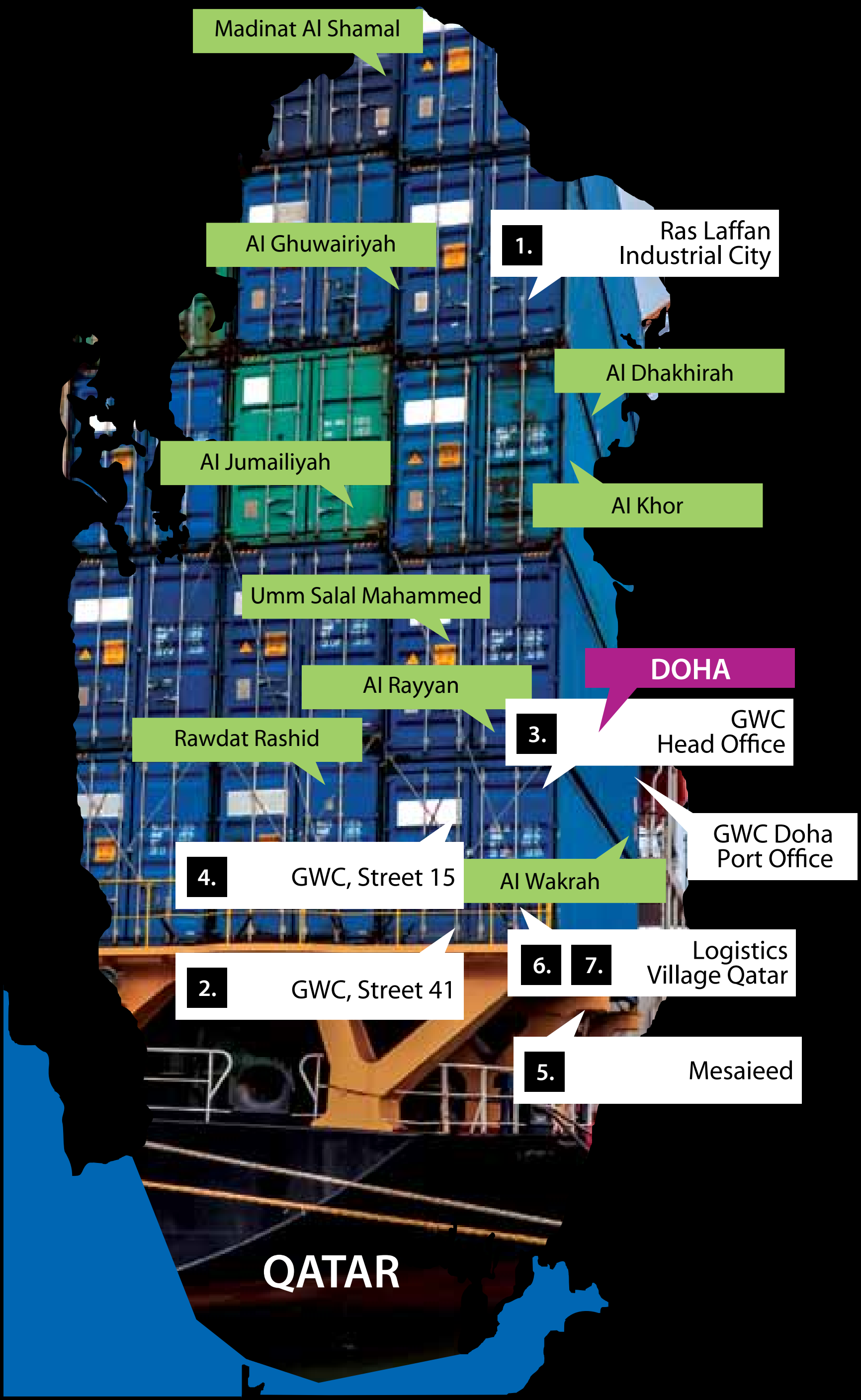
WHAT BUSINESS ARE WE IN?

We are in the business of providing high-quality logistics services that give our customers a competitive advantage in Qatar and the Middle East markets. GWC is as vital to Qatar's domestic and global supply chain needs as currency is to commerce.

at the centre of our model lies **our know-how and our people,** who are continuously learning **new and better ways** of getting the best out of our assets to deliver **shareholder value**

OUR PAN QATAR PRESENCE

WAREHOUSE & OFFICE LOCATIONS IN QATAR



Our new Beach-Head in the GCC area

WAREHOUSE: RAS LAFFAN

Located inside Ras Laffan Industrial City, GWC's facility caters to the specialist needs of Qatar's companies. It occupies an area of 16,000 square metres, comprising 19,860 pallets positions and 10,000 square metres of open yard for storage of heavy equipment and pipes. It also offers temperature controlled safe storage and handling of hazardous materials such as UN class 2, 3, 4, 5, 6, 8 and 9 and non-classified according to their hazardous properties.

WAREHOUSE: STREET 41

Street 41 is a specialised warehouse located in the industrial area, featuring 12,000 square metres, 10,000 pallet positions, 8 dock doors, 12 metre high, temperature control, chilled and frozen zone. This facility also houses our state-of-the-art records management storage with 8 chambers and a capacity of more than 240,000 boxes.

GWC HEAD OFFICE

Located in the heart of Doha City, GWC's Corporate Headquarters houses Freight Forwarding, Financial Administration, Investor Relations and Sales and Marketing functions of the Company. It is also the place where the senior management of the Company function from.

FLAGSHIP WAREHOUSE: STREET 15

Street 15 is our flagship warehouse, featuring 25,000 square metres, 40,084 pallets positions, 18 dock doors, 13.5 m high, ambient, temperature controlled, chilled and frozen zones, vertical carousels for fast-moving and high-value storage solutions.

WAREHOUSE: MESAIEED

About 60,800 square metres of open yard mainly services our clients in the second major energy production hub for open yard storage solutions and assists our Doha operations to even better service the capital's logistics needs.

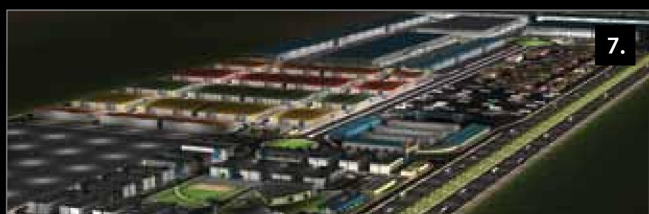
we grew by

20% YoY

in our profits

THE 33K WAREHOUSE (LVQ)

The "33K" is GWC's largest third-party warehousing facility of 33,000 square metres, with a capacity of 60,000 pallet locations. It covers the requirements of Bulk and In-Rack material storage and handling, temperature controlled, ambient or open yard conditions. It also uses the most advanced technologies, with VNA racking of upto 12 metres, modern VNA man-up machines, dock level controls, super-flat flooring and the latest WMS.



LOGISTICS VILLAGE QATAR (LVQ)

Located 20 Kms away from all the key transportation hubs and business and industrial centres, LVQ will occupy more than 1 million square metres and feature a gamut of facilities and capabilities that will make GWC by far the largest logistics operator in Qatar.

LOGISTICS VILLAGE QATAR

LOGISTICS VILLAGE QATAR IS A **SHINING EXAMPLE** OF WHAT '**BIG THINKING'** CAN ACHIEVE. IT IS **ONE OF THE LARGEST CONCENTRATION** OF LOGISTICS INFRASTRUCTURES IN THE GCC AREA, **SERVING** BOTH **REGIONAL LOGISTICS PLAYERS** AND **CORPORATES** OF ALL SIZES. IT IS **GWC'S FLAGSHIP BRAINCHILD** OF WHAT **MODERN LOGISTICS** SHOULD BE – **ORGANISED, STRUCTURED, INTEGRATED, IT-ENABLED, COMMUNICATION READY** AND **'READY TO GO'.** IT IS ON A SCALE THAT HAS **SET NEW BENCHMARKS IN CONVENIENCE, EFFICIENCY** AND **VIABILITY.** ULTIMATELY, IT IS AN INFRASTRUCTURE THAT **HELPS MAKE KEY BUSINESSES OPERATING** IN QATAR **FUNCTION BETTER** AND **MORE PROFITABLY.**

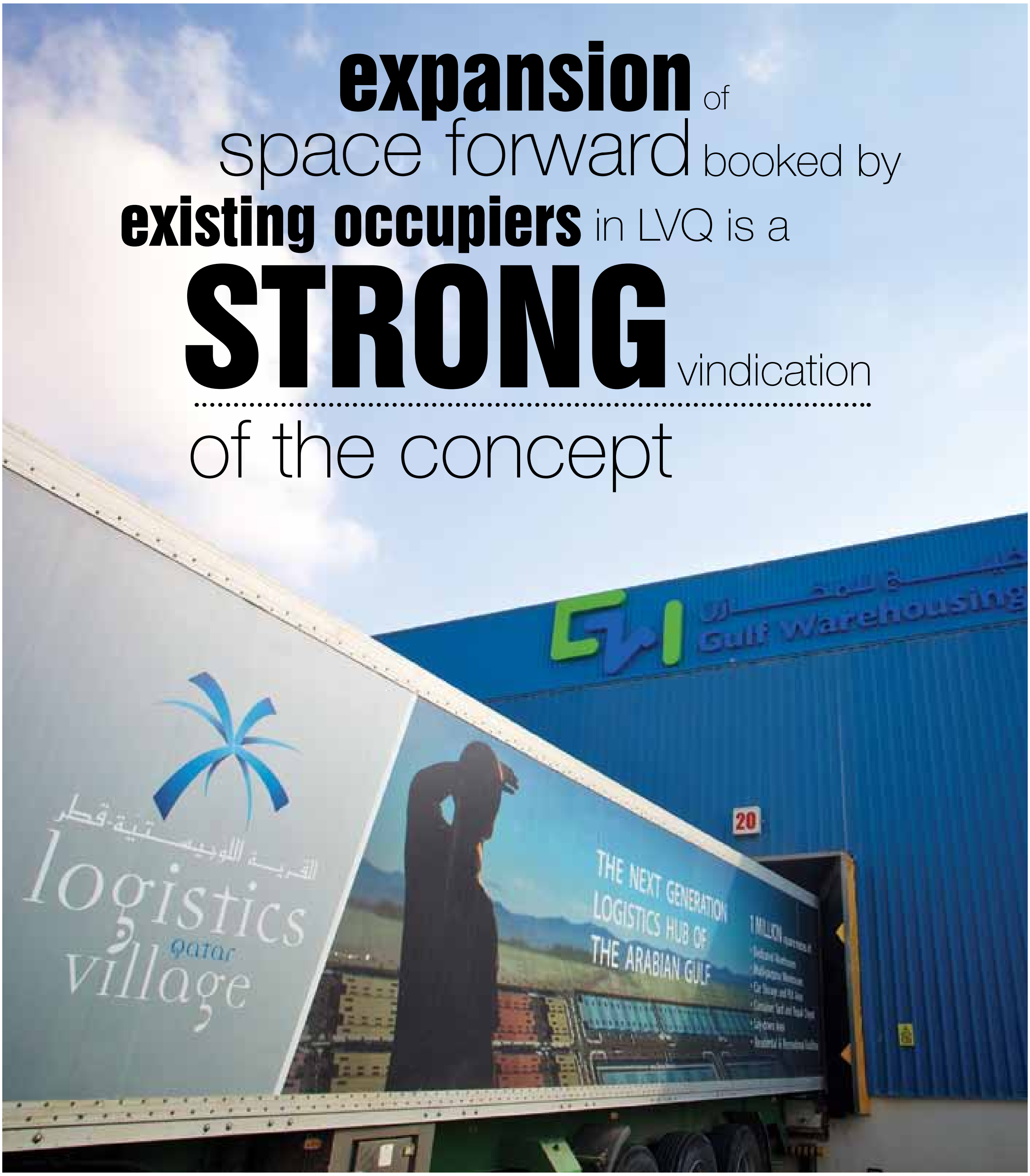
In FY2013, the Logistics Village Qatar (LVQ) witnessed the culmination of the first three phases completed and occupied. With occupation of these three phases nearing 100%, the revenues from LVQ grew by 100% on YoY basis, now comprising 21% of the Company's total revenues. The demand for space in LVQ has been so strong that the management has decided to add another phase of development which is beyond the original master-plan for the project. The fourth phase, comprising of 81,500 square meters of warehouses, also progressed smoothly during the year and is expected to be completed and occupied by July 2014. Much of this additional space has been booked by the first set of occupiers in LVQ that are planning for future growth. With almost 70% of this last phase already booked, the expansion of space forward booked by existing occupiers is a strong vindication of the LVQ concept.

The rationale for LVQ's popularity is simple. The regional hub provides corporates and logistics service providers an easy and ready-made plug-and-play infrastructural solution for catering to their logistical needs. Companies of all sizes, with short time-lines and budgets, do not have to waste their resources creating their infrastructure from scratch and instead can set up shop immediately. As a result, GWC's clients at LVQ have been able to focus more on their core competencies and implement their regional strategies faster. The popularity of LVQ over the last 2 years stands testimony to the vision behind the concept. Moreover, LVQ's Data Centre offers instant plug-and-play access into its IT backbone so that its clients can harness the power of IP Telephony for global communications. The number of clients served from this Data Centre reached 19 in FY2013, up from 9 clients in FY2012. This award winning infrastructure also boasts globally accepted Quality Management Standards, state-of-the-art IT infrastructure and flexible and bespoke service packages. In addition, the facility is also accredited with the ISO 27001:2005 Information Security Management Systems (ISMS) certification.

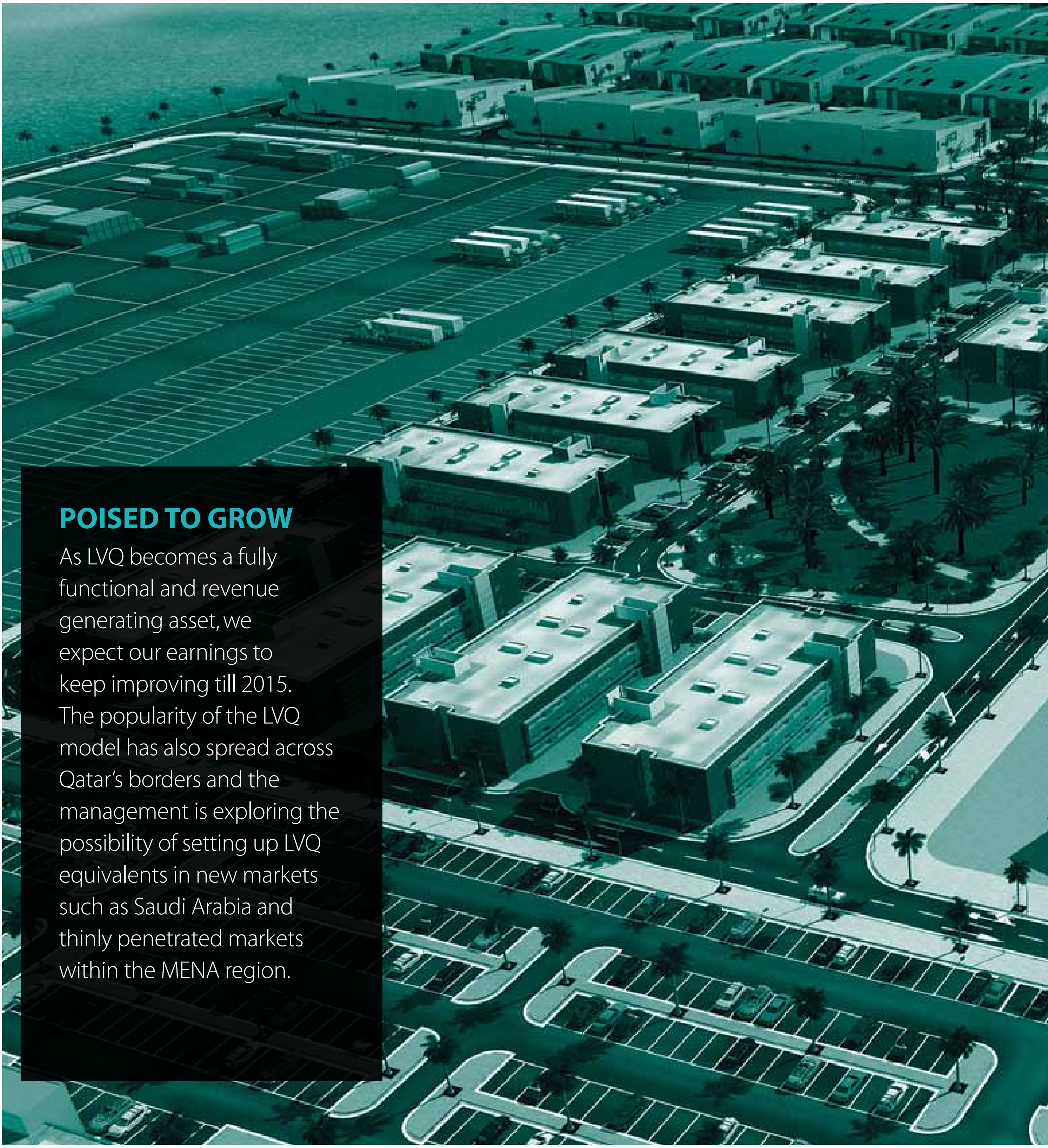
During the year and on completion of Phase 3, the handling and area capacity for the container yard was doubled to around 4,500 TEUs. This gave a further boost to the revenue capacity of LVQ. The Hypermarket, Central Canteen and the Recreational Areas were also completed to serve LVQ's resident community of around

2,800 population and approximately 1,000 floating population mainly comprising of in-transit drivers. These facilities make LVQ a highly desirable park. As the various phases gain completion and LVQ becomes a fully functional and revenue generating asset for the Company, we expect our earnings to keep improving through till 2015. The popularity of the LVQ model has also spread across Qatar's borders and the management is exploring the possibility of setting up LVQ equivalents in new markets such as Saudi Arabia and thinly penetrated markets within the MENA region.

expansion of space forward booked by **existing occupiers** in LVQ is a **STRONG** vindication of the concept



LOGISTICS VILLAGE QATAR

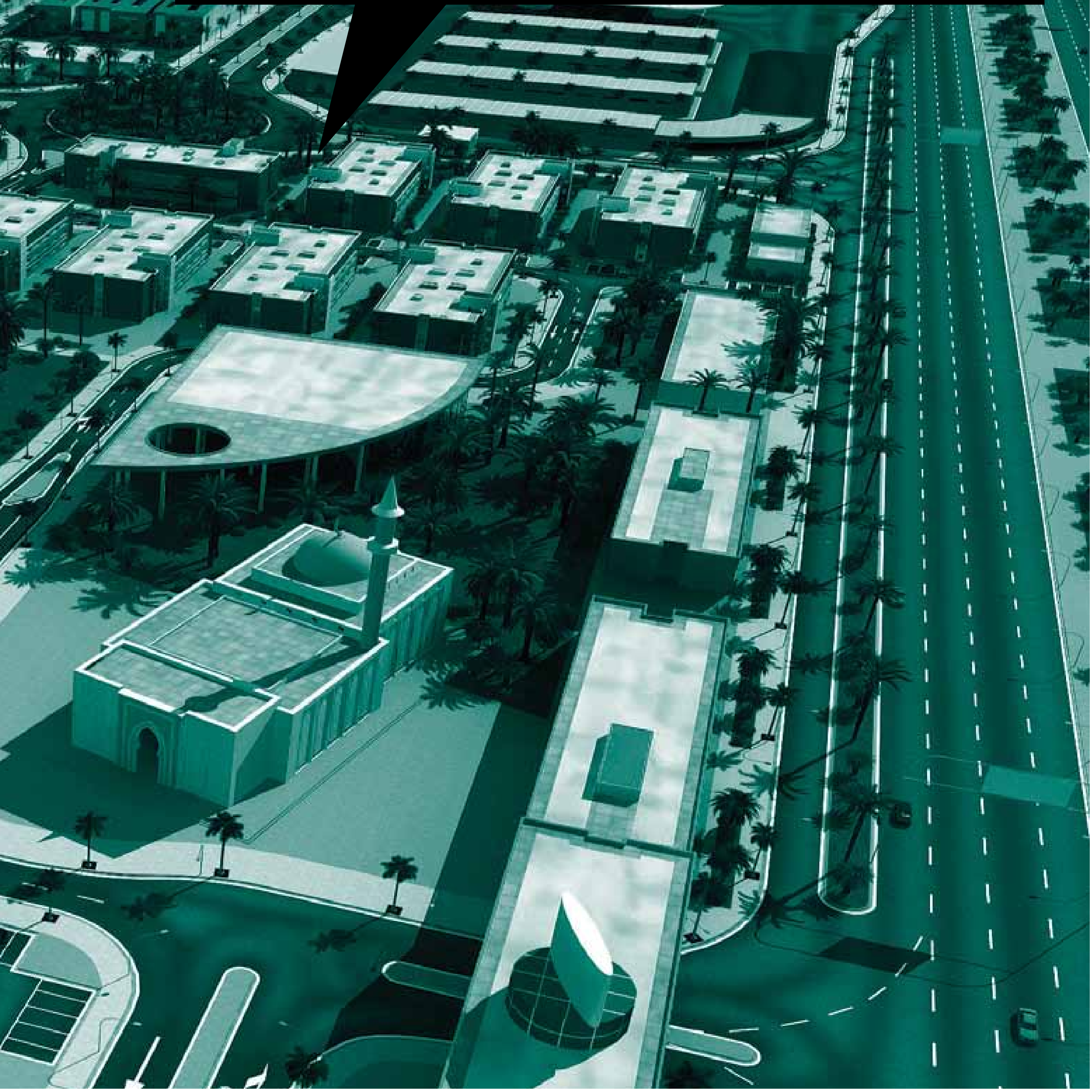


POISED TO GROW

As LVQ becomes a fully functional and revenue generating asset, we expect our earnings to keep improving till 2015. The popularity of the LVQ model has also spread across Qatar's borders and the management is exploring the possibility of setting up LVQ equivalents in new markets such as Saudi Arabia and thinly penetrated markets within the MENA region.

A SNAPSHOT VIEW OF LOGISTICS VILLAGE QATAR (LVQ)

	Phase I, II, III & IV
Master Plan for LVQ	1,000,000 sqm
Warehouse	305,500 sqm
Open Yard/ Truck Yard	100,000 sqm
Container Depot	50,000 sqm
Administrative/Residential Area	70,000 sqm



OUR TRANSPORTATION ASSETS

WE OPERATE ONE OF THE **LARGEST TRANSPORTATION FLEET IN QATAR** WITH **MULTIPLE OPTIONS** TO CHOOSE FROM. WITH OUR EXPERTISE IN **ROAD TRANSPORTATION ANALYSIS**, **IMPLEMENTATION** AND **MANAGEMENT**, WE DELIVER **COST-EFFECTIVE** AND **CUSTOMISED TRANSPORTATION SOLUTIONS** FOR VARIOUS INDUSTRIES.

GWC is one of the largest domestic road carriers in Qatar. We started with a modest fleet in 2004; today we have a total of 1,171 vehicles and have become one of the most prominent and trusted transportation providers in Qatar. We are an asset-based organisation with facilities in all major hubs providing distribution services. We currently own and operate 1,179 vehicles, including prime movers; 60-140 tonne cranes; trailers; side curtained; low-bed trailers; 40' reefer boxes; car carriers; container stackers and rigid box trucks. By the end FY2013, our headcount employed in the form of operators and drivers exceeded 400 employees.

In FY2013, our fleet covered more than 13.6 million kilometres, up by 13.33% from the previous year. During the year, our Transportation division exceeded its targets and produced revenue growth of 15% on a YoY basis. Its overall capacity utilisation was better than 83% and we were able to reduce our maintenance costs by 9% during the year, compared to the last financial year.

Our strength has been attributed to our partnerships with long standing customers who trust us to handle their freight in a professional manner. GWC has a long tradition of sustaining itself against stiff competition through a healthy blend of long-term contracts; a deep fleet of multiple capabilities; and focus on attending to clients of all sizes – large and small. During FY2013, GWC signed several contracts. Most notably, it signed a new contract with a major steel company for carrying out crane operations for loading and unloading. Another key business driver was the expansion of GWC's container yard operations and its new contracts with major shipping liners for handling their containers. GWC also saw steady business growth of around 7% in the Oil & Gas industry, which is served by our dedicated fleet.

Our primary focus is on highway services across Qatar and more recently across the GCC area, supported by our new hub in Dubai. Our strengths include movement of freight between the major cities and industrial hubs of the GCC area. Initially supported by a fleet size of just 8 vehicles in 2012, our Dubai operations expanded the fleet to 20 vehicles during 2013. Based on the solid traction made by our Business Development team in Dubai, we expect our fleet size to double within a year.

Looking into the future, we expect a surge in the number of large infrastructural and construction related contracts to be awarded. To meet the growing demands of a burgeoning Qatari economy, GWC plans to expand its fleet by quantum leaps in FY2014 and FY2015.

301+ Prime Movers	**05+** Cranes (60-140 Tonnes)	**706+** Trailers
10+ Side Curtained	**16+** Low Bed Trailers	**14+** 40' Reefer Boxes
04+ Car Carriers	**05+** Container Stackers	**110+** Rigid Box Trucks Reefer and Dry

CONTRACT LOGISTICS

WITH A **KEEN FOCUS ON CORE COMPETENCIES** AND ADDED PRESSURE ON **COST RATIONALISATION, PROCESS-DRIVEN CORPORATES** ARE INCREASINGLY OUTSOURCING **COMPLEX BUSINESS PROCESSES** AND **FUNCTIONS IN LOGISTICS**, ESPECIALLY IN CONTRACT LOGISTICS. BASED IN QATAR, WE ARE **AT THE FOREFRONT** OF THE THIRD-PARTY LOGISTICS SERVICES BUSINESS OPPORTUNITY. WE OFFER SPECIALISED AND **SECTOR-FOCUSED SOLUTIONS** AND OPERATE NEAR AND **WITHIN CUSTOMERS' FACILITIES** TO RESPOND **QUICKLY AND FLEXIBLY** TO THEIR NEEDS.

An increasing trend towards outsourcing complex functions of the logistics services and integrated cross-company management in business processes is here to stay. Besides helping gain market intelligence for transport and logistics industry, an increasing focus on core competencies and added pressure on cost rationalisation has been the driving force behind the growing importance of Contract Logistics for process-driven corporates. Fast-moving consumer goods must be constantly distributed at very high delivery speed and in large quantities, which can be possible only through high-quality of assets and personnel. In Qatar, no other player fits the bill better than GWC.

WE ARE ASSET RICH. We have our own vast warehouses and a large transportation vehicle fleet. **WE ARE TECHNOLOGY RICH.** We have competitive skills in IT and process management and provide state-of-the-art access to our clients to check the movement of each product (SKU) and gain a high level of customisation ability. **WE ARE EXPERIENCE RICH.** We have a comprehensive expertise and experience in Contract Logistics, strategic value management and personnel leadership. We possess the capability to select the right partners, identify alternative ways to optimise network capacity, create synergies and implement effective logistics processes along the entire value chain. Holistic management of our value chain optimises our structure and process organisation of the entire value chain.

Today, GWC is a market leader in Contract Logistics, which contributes nearly 30% to its total turnover. The Company designs, implements and operates complex, end-to-end Contract Logistics for large and medium-sized national and multinational companies operating in the GCC region. By concentrating on certain sectors and niches, GWC has been able to garner a large market share of the Qatar marketplace, particularly in the Contract Logistics space.

GWC is by far the most preferred Contract Logistics service provider in Qatar. Our knowledge of customers' supply chain requirements, focus on operational excellence and sector expertise creates competitive advantages for customers. It also helps its own business develop more cost-effective solutions and puts it in a strong position to grow over the coming years.

we are **ASSET** rich.

we are **TECHNOLOGY** rich.

we are **EXPERIENCE** rich.

CONTRACT LOGISTICS

EXAMPLES IN EXCELLENCE & INNOVATION

CASE STUDIES

1. HOME DELIVERY & FURNITURE ASSEMBLY SOLUTIONS

GWC's distribution services not only ensure our client's goods arrive on time and as ordered, but also that their end-customers are happy. We work with our clients to make sure all their distribution needs are met. Our fleet of distribution trucks can handle less than truckload shipments throughout our delivery area. Currently, we service over 500 retail outlets in Qatar (hypermarkets, supermarkets and smaller outlets) and deliver daily to over 250 homes, including furniture assembly. Our edge has been our strict delivery windows, multi-compartment vehicles for different temperature ranges, vehicle tracking/command centre operations and deliver zoning/vehicle routing.

2. ENHANCING WAREHOUSE CAPACITY

At GWC, we are committed to invest our long-term experience and rich expertise in storage solutions in alliance with our strategic partners. We provide them with the most effective and efficient storage solutions to cater to their current and future storage requirements. Our ability to scale up their storage space with additional warehouse capacity provides them with a convenient storage environment. Our storage layout enables them to gain added flexibility as it is configured to conveniently store and easily access the stored items. Our warehouses are fully equipped with office space, great road network, state-of-the-art fiber network, and are aimed at high-speed voice, data connectivity and facility management services.

we service **500 outlets** and deliver to over 250 homes daily

CASE STUDIES

3. COLD STORAGE CAPABILITIES

Our state-of-the-art warehouse and distribution centre in industrial zones provides highly specialised services in cold storage capabilities, approved by Civil Defence and fully compliant with and adhering to international standards for cold storage. Our Warehouse Management System is equipped with raised super-flat flooring, dock levellers and 15,000 sq metre capacity for expansion, giving us a definite edge over others. The total capacity of this facility is 6,660 pallet locations for frozen and chiller storage, 2,200 pallet locations for temperature control storage and 10,200 pallet locations for dry storage. Our high-value storage solution offers various types of storage facilities such as VNA racking, selective and cantilever racking and bulk areas. Our storage solution also offers different zones with varying temperatures ranging from +25 degrees to minus 26 degrees. As an environment-friendly initiative, we have implemented the WMS Integrated Paperless Operations to enable paperless operations across all segments of our facility.

4. HAZMAT STORAGE

Our warehousing and Hazmat Storage Facility at the Ras Laffan Industrial City (RLIC) and the Mesaieed Industrial City (MIC), the hub of Qatar's vibrant upstream industry, gives us an edge in serving third-party logistics field to handle hazardous materials in the oil & gas industry. Hazardous materials used by oil & gas companies operating in RLIC and MIC for maintenance and cleaning purposes includes flammable and inflammable materials, oxidizers and corrosive products. Our Hazmat warehousing facility has bulk areas with wide access docks for oversized cargo, raised flooring with hydraulic dock levellers for palletized cargo and large staging area for special cargo handling. It is built to the highest standards of safety and includes temperature-controlled and dedicated compartments for different classes of chemicals and enhances our ability to provide a one-stop solution. Our state-of-the-art facility is backed by a team of professionals, representing a repository of expertise in import logistics and dangerous goods regulations.

CONTRACT LOGISTICS

NEW WINS

Winning new business with a disciplined strategy has been constantly on our agenda. At GWC, using a systematic approach is crucial to winning business, delivering on our ongoing success and increasing the flow of our opportunities, as it strongly supports the practice of identifying and leveraging strengths. Below are the key sectors where GWC achieved new business wins during FY2013:

1. LUBRICANT STORAGE AND DISTRIBUTION

2. FMCG WAREHOUSING FOR A RETAIL OUTLET

we provide green solutions in transportation packaging

AGENCIES

1. INTERCEPT ANTI-CORROSION PACKAGING

Intercept Technology for Anti-Corrosion Packaging is a corrosion protection method which has proved its long-lasting effectiveness in extreme conditions. It is proven and effective in protecting against corrosion; environment-friendly and economical; and provides one-packaging technology in numerous applications. The Corrosion Technology reacts with and neutralises corrosive gases, creating a cleaned atmosphere and micro-environment and protecting materials against corrosion and degradation caused by corrosive reactive gases.

Intercept's packaging processes are recyclable and pose no risk for workers. Intercept helps clients manufacture every possible quality of packaging using our specialised technology – right from the smallest zipper bag to full container liner. Key industries and sectors using corrosion technology are automobiles, military, electronic storage media, museums and archives and aeronautics, among others.

2. ELTETE TRANSPORT PACKAGING SOLUTIONS

Eltete TPM Ltd is a global carton board refiner, a supplier of 100% recyclable transport packaging materials made of laminated compact carton board and a machine producer. It is one of the world's leading producers of edge-boards and recycled specially-engineered honey-combed cardboard. Green pallets are innovative and high-quality packaging solutions made of compact carton board for efficient transportation packaging material, with the highest strength integrity and durability.

Environment-friendly green pallets are made from 100% recycled cardboard and help in reducing the environmental footprint through conservation, recycling and sustainability. These innovative transportation solutions unite strong performance, light weight and safety, without the need for any mechanical assistance. Through our association with Eltete, we aim to provide a cost-effective solution for all kinds of pallet needs and strive to achieve the optimum recycling performance for our customers.

FREIGHT FORWARDING MANAGEMENT

OUR FREIGHT FORWARDING DIVISION IS A **KEY PILLAR** SUPPORTING OUR **TOTAL LOGISTICS SOLUTIONS** OFFERING. THE DIVISION CONSTITUTES **AROUND 29%** OF OUR TOTAL BUSINESS AND WITH A **GLOBAL NETWORK** COVERING **MORE THAN 125 COUNTRIES,** WE ARE BY FAR AN **UNDISPUTED LEADER** IN FREIGHT FORWARDING WITHIN QATAR.

FY2013 was a year of modest growth for our Freight Forwarding division. There were several reasons for this. Firstly, whilst there were several announcements of new and large projects about to take shape, very few new projects materialised into actual action during the year. In addition to this, Qatar's modest growth rate in 2013 also contributed to the absence of any business surge as experienced in previous years. In contrast, FY2014 appears much more promising. With many projects likely to commence and with a more dynamic economic performance anticipated, our Freight Forwarding business looks set for double-digit growth during the year. Backed by stable long-term contracts in the Oil & Gas sector, GWC has a competitive advantage in sustaining stable business. This sector is also expected to announce multiple new project enhancements, which should give the business a further fillip.

Over and above, our newly set up Dubai operations is expected to stabilise during the current year to reach break-even point. As a new entrant in the market, the Company plans to leverage its cost advantages, trucking assets, specialised knowledge, warehousing capabilities and top service levels to participate with strength. This geographical diversification is strategic to GWC and is poised to capitalise on a more revitalised turnaround of UAE's economy. Despite this region being competitive, GWC is confident of establishing a long term and profitable stronghold in this region.

Being the largest player in the region, GWC also enjoys preferential rates with many air carriers due to the vast volumes that it handles in and out of Qatar. This, along with a vast global network, holds GWC in good stead as far as competition is concerned. Moreover, as a Freight Forwarding solutions player with warehousing and trucking under its own control, GWC is able to offer better options and service levels to clients compared with non-asset based players. Going forward, with better visibility on new projects taking off in the economy, GWC is confident of achieving a sustainable and profitable Freight Forwarding business.

we are a

freight forwarding

solutions player with warehousing & trucking
under our control

RECORDS MANAGEMENT

OUR RECORDS MANAGEMENT DIVISION HAS **DISPLAYED TREMENDOUS GROWTH** IN OUR CUSTOMER BASE – FROM **53 IN FY2012 TO 103 IN FY2013.** AS A **FAST GROWING NICHE BUSINESS** WITH A **STRONG EBITDA,** THE DIVISION IS GRADUALLY BECOMING **A MEANINGFUL CONTRIBUTOR** TO OUR BOTTOM LINE.

GWC operates the most advanced Data Storage Centre incorporating the latest know-how on media management. To help organisations successfully implement highly productive Records Management strategies, we offer a comprehensive array of services – digital records management, data tapes management, data destruction, public and dedicated physical warehouse space, dedicated warehouse space, asset management and inventory management, document shredding services and scanning services. The division also manages the fixed and IT assets of its clients, making it extremely convenient for customers to trace and locate their assets, implement end-of-year audits and Intellectual Property compliances with great ease. As part of an end-to-end service platform, GWC offers its clients a comprehensive and responsible destruction service for digital and physical assets that exceed their maturity.

During FY2013, our Records Management business grew by 46% on YoY basis, reflecting the best-ever growth performance during the Company's history. Most notably, the Company won contracts from three Government bodies. It also won a significant mandate from an asset management company. We made highly successful inroads into the healthcare segment by winning a contract from a medical organisation. The division's most successful penetration has been within the Oil & Gas sector, where it added 12 (out of 14) key players to its customer base. The Company is also hopeful of adding a major Oil & Gas company to its esteemed clientele by early 2014. Commensurate with its growth, the division expanded its infrastructure by making appropriate capital expenditure to support the burgeoning demand. Similarly, the headcount running the division grew substantially to reach 156 knowledgable and diligent workers. Going forward, we expect the division to continue its strong performance well into FY2014.

during FY2013, our **Records Management Business** grew by 46% on YoY basis, reflecting **the BEST EVER** growth performance in the Company's history

FINE ARTS LOGISTICS

FINE ART PIECES, SUCH AS **STATUES AND PAINTINGS,** ARE **HIGHLY SENSITIVE TO TEMPERATURE, HUMIDITY** AND **"BUMPS"** ON THE ROAD. GWC HAS MAINTAINED A **LEADERSHIP IN QATAR** IN THIS SEGMENT AND IS **EQUIPPED TO PROTECT** SUCH SHIPMENTS **FROM ALL OF THESE POTENTIAL DANGERS.**

Moving of fine arts from one place to another demands skills of extraordinary arrangements. For shipping unusual and expensive arts, Qatar's leading museums go for GWC's fine arts moving professionals who are particularly skilled in the task of moving fragile art pieces. GWC offers specialised fine arts shipping, along with a wide range of dedicated services such as packing, storage or shipping for fine arts and curios.

Antiques too need to be handled with special skills and care since some of these pieces need crating or packaging. Our specialised and trained personnel are experts in moving these antique pieces from one place or city to another.

Whether our clients are responsible for a multi-city tour, a one-time exhibition, an entire collection or a single masterpiece, they count on GWC to usher their shipment with an unfailing attention on integrity, safety and security.

With our unbeatable credentials, leading fine arts institutions have reposed complete faith in our expertise in handling exhibition material time and again. Besides local museums, some international museums have also associated with us and leveraged our special skills in moving of art pieces and shipping of antiques from one country to another, resting assured of the diligence we potray in ensuring the safety of each item we handle.

INTERNATIONAL MOVING & RELOCATIONS

HANDLING, TRANSPORTING AND **STORING** PERSONAL BELONGINGS IS SOMETHING OF **AN ART FORM** TO US. THOUSANDS OF FAMILIES HAVE FOUND OUR STAFF TO BE **COURTEOUS, ORGANISED** AND **DILIGENT** IN **ENSURING THE SAFETY** OF EVERY ITEM THEY HANDLE. WE HAVE BEEN DELIVERING AN **INFORMED AND RESPONSIVE SERVICE** – FROM PRE-MOVE PLANNING THROUGH SETTLING INTO A NEW HOME.

We own and operate state-of-the-art moving facilities and equipment within Qatar, which ensures secure handling of personal belongings. Only the highest quality, environment-friendly packing materials are used and every possession is properly protected for the journey. We own and operate multiple facilities within Qatar, which ensure secure handling of personal belongings around the corner or across the world.

We have a unique online tracking system which is password protected and a tracking tool that gives our customers real-time access to the status of their personal belongings. Looking at the future, the dynamism of Qatar's economy and growth of its expat community will continue to dictate the continuous growth of this division, enabling us to provide an informed and responsive service to our customers.

INFORMATION TECHNOLOGY

OUR GOAL IS TO LEVERAGE INFORMATION TECHNOLOGY TO **CREATE THE MOST EFFICIENT** AND **MOST EFFECTIVE LINK** BETWEEN SUPPLIERS AND CONSUMERS. WE HAVE **ADAPTED COMPLEX IT-BASED INFRASTRUCTURES** TO **FREQUENTLY INTEGRATE OUR OWN SYSTEMS** INTO THE EXISTING LANDSCAPE.

Organisations big and small are enhancing the use of Information Technology tools and applications in their business processes to become more competitive, efficient and effective. A complex IT infrastructure helps corporates achieve a strategic advantage and compete in cost leadership, differentiation and focus and help in bottomline and topline strategies. Progressive companies, such as GWC, are increasingly using IT as part of their strategic planning processes and tactical execution of their business strategies.

At GWC, our goal is to use Information Technology to create the most efficient and effective link between suppliers and consumers. We have adapted complex IT infrastructures to frequently integrate our own systems into the existing IT landscape. We emphasise on high quality, forward thinking and timely action of our services and aim to leverage our IT systems to optimise our network capacity usage. Better IT applications are helping us reach target market segments more cost effectively, track data, improve productivity levels and maximise our Returns on Investment.

INFORMATION TECHNOLOGY ENHANCEMENTS DURING FY2013

Amongst several upgrades and introduction of IT solutions, these are some of the key progress areas achieved during FY2013:

Objective	Steps Taken
Business Improvement	➤ Added a new Document Management System for SMB customers ➤ Introduced System-driven put-away to increase warehouse space utilisation to achieve efficiency and inventory accuracy ➤ Deployed new version of Order Management System to create and manage shipment orders through warehouse management system; Added new features such as full Arabic user interface and advanced search mechanism ➤ Introduced a Web Portal to monitor real-time stock prices ➤ Introduced automation in Billing of WMS, Receipt Confirmation and Daily Stock Report ➤ Finalised WMS Implementation Project
Enhancing IT efficiency and Governance Control	➤ Enabled integration between HR Management Systems and domain Active Directory to synchronise employee information changes to other systems ➤ Implemented an Automatic Email Signature to automatically populate contact information and job title of senders ➤ Acquired and deployed a new IT Helpdesk System fully compliant with ITIL Best Practices. Apart from KPI dashboards, the new system is able to produce several reports to measure and enhance service levels ➤ Upgraded Corporate Antivirus system with dedicated Reporting Server for real-time infection alerting and regular monitoring reports
LVQ & Data Centre	➤ Added Server hardware hosting services to Data Centre services portfolio ➤ Completed IT infrastructure of 3rd phase buildings and connected them to LVQ's main Fiber Optic network

QUALITY, SAFETY & RECOGNITION

WE ARE FOCUSED ON MAINTAINING THE **HIGHEST LEVEL OF QUALITY.** WE BELIEVE IN **TOTAL QUALITY MANAGEMENT** PHILOSOPHY SET BY OUR MANAGEMENT TO ENHANCE **QUALITY AND PRODUCTIVITY** STANDARDS AND INCREASE **PROFITABILITY AND COMPETITIVENESS.**

RAISING THE RESPONSIBILITY BAR

QUALITY

Having demonstrated our competencies and quality-assurance efforts in our core segments of logistics management and warehousing, we are focussed on maintaining the highest level of quality. To enable the best operational standards, we are continuing with our enviable stability of certifications. At GWC, we believe in Total Quality Management philosophy set by our management to enhance quality and productivity standards and increase profitability and competitiveness.

Our constant focus has been on improvement and cutting down of redundant processes and upgrading of systems to inculcate efficiency at all levels. Our key objective is continuous process improvement to attain cost optimisation and rationalisation, build competencies and harness diverse talents. Furthermore, we strive to make our staff more aware about quality standards. We continue to focus on quality. Our latest IT technologies and other systems and processes help us create and deliver value by increasing our resources' productivity and improving the quality of our operations.

SAFETY

Being a customer-centric company, we strive to provide a safe working environment to employees at our plant sites. At GWC, safety has been a matter of continuous evaluation and utmost priority. It is accorded the highest priority and is essentially aimed towards protecting the operating staff, general public, company's and customers' assets and the environment. We create multi-layers of safety, in line with the 'defense-in-depth' philosophy and the safety standards prevailing globally.

Historically, we maintain the highest levels of safety. For instance, at the Ras Laffan site which has extensive use of hazardous material, we maintain zero fatality rate. We leverage on our core strengths to achieve our objective of better security for clients in the Oil & Gas sector, striving to maintain stringent safety standards at all levels. We also seek to unleash the safety potential by setting goals, challenging tasks, focusing on meaningful social impacts and fostering a conducive work environment. We also aim to provide regular training to our employees and staff on continuous safety, with 6,586 Man Hours (5,975 for GWC employees and 611 Contractors) spent on safety training.

GWC was honoured as the "Qatar Domestic Logistics Services Provider of the Year 2013" by the International Business Consultancy Frost & Sullivan at the Global Best Practices Awards.

LIST OF CERTIFICATIONS MAINTAINED TO ENSURE OPTIMUM OPERATIONAL STANDARDS:

Structure Processes and Systems	ISO9001 : 2008 Quality Management System (QMS)	Since 2007
Caring for our Environment	14001 : 2004 Enviromental Management Systems (EMS)	Since 2010
Obsessed with Safety	18001 : 2007 Safety Management System (OHSAS)	Since 2009
Uncompromising on Food Safety	22000 : 2005 Food Safety Management System (FSMS)	Since 2007
Secured Information Systems	ISO 27001:2005 Information Security Management Systems (ISMS)	Since 2012

OUR PEOPLE

WE ARE RECOGNISED AS A **FIRST-CLASS LOGISTICS SERVICE PROVIDER** DUE TO OUR **MULTI-DIMENSIONAL** AND **SOLUTION-ORIENTED APPROACH** TOWARDS HANDLING OF LOGISTICS. OUR HR PRACTICES SUPPORT OUR BUSINESS STRATEGIES AND WE ATTRIBUTE OUR ACHIEVEMENTS TO THE **KNOWLEDGE BASE OF OUR WORKFORCE** AND **STRATEGIC DIRECTION** PROVIDED BY THE TOP MANAGEMENT.

At GWC, our objective is to provide a development platform to our employees to enhance the company's effectiveness and help it become a well-organised, diversified and transnational company. Our focus is on capability development, attracting and retaining talent and steering our high-levelled HR dimensional stewardship in a dynamic industry. We believe in hiring specialised talent due to our core strengths in various key business operations.

Our organisational culture is fully geared to encourage our workforce to innovate and achieve the company's short-term and long-term objectives. Through strategised HR processes, we aim to meet our business goals and achieve a good standing in quality, safety, facility, IT-related initiatives and logistics management. The core of our HR strategy is to provide added vigour to the human capital to drive our business goals and inculcate a high-performance culture within the organisation. We are seen as an attractive employer with a strong focus on management and employee development. We strive to continuously demonstrate our Global Leadership skills, Business and People Management and Relationship Management.

Our total number of employees now stands at 1,500, about 12% more than FY2012. Our attrition rate is commendable at less than 1% for our top and middle management staff members, while it is less than 5% for the rest of our workforce. Increasing the happiness quotient of our workforce continues to be our prime objective.

Our HR Team skilfully handles Change and Crisis Management and continually focuses on Counsel Management, with professional and personal development programs. We continue to impart relevant training programs to our employees to implement processes, enhance the usage of systems and keep pace with the latest technological developments. Our training programs are aimed towards holistic development of our employees, craft organisational competencies and provide a fresh and inspiring perspective on self-leadership, team synergy and goal setting.

CORPORATE GOVERNANCE REPORT FOR 2013

WE, AT GWC, BELIEVE IN A **WELL-BALANCED ACCOUNTABILITY** FRAMEWORK BASED ON **CLEAR COMMUNICATION** AND UNDERSTANDING ACROSS THE ORGANISATION OF ROLES AND RESPONSIBILITIES. PRESENCE OF **STRONG GOVERNANCE STANDARDS** HELPS US GAIN **BETTER ACCESS TO CAPITAL** AND GIVES US A BROADER **SOCIAL AND INSTITUTIONAL** DIMENSION. WE STRIVE TO IMPLEMENT A BUSINESS ENVIRONMENT THAT IS **FAIR AND TRANSPARENT** AND HELPS US DELIVER **SUSTAINABLE AND GOOD** BUSINESS PERFORMANCE.

"Gulf Warehousing Company's – (GWC) Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company. It guides the company towards enhancing business prosperity and corporate accountability with the ultimate objective of realizing long term shareholders' value. The corporate governance also takes into account the interest of other stakeholders.

The board of directors of the Company (the "Board") has adopted a Code of Corporate Governance Practices (the "CGP Code"), which is based on the guidelines set out by the Qatar Financial Market Authority (QFMA) on the rules governing all the listed companies on the Qatar Exchange.

Maintaining high standards of corporate governance practices is not just about complying with the letters of the provisions of the CGP codes but also the intent of the regulations to enhance corporate performance, accountability and transparency. Following below is the compliance status with the various CGP codes as of the financial year ended 31 December 2013.

A. Directors

1. The Board

The GWC's Board assumes responsibility for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles and has established relevant board committees to assist in discharging these responsibilities.

Established committees include the followings:
1. Board Remuneration Committee;
2. Board Audit Committee; and
3. Board Nomination Committee

Each of the committees has an approved committee charter that specifies each committee's roles, responsibilities and functions. All company's board committee charter has been distributed to all shareholders during AGM 2010 and is also published on the company's website. Compliance requirement of CG codes: article- 15.4, 16.2, 17.6,

The role and responsibilities of the GWC Board broadly covers reviewing and approving corporate missions and broad strategies; overseeing and evaluating the conduct of the group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions. The Board has delegated the day-to-day management and operation of the group's businesses to the management of the Company headed by the Group Chief Executive Officer (GCEO).
Compliance requirement of CG codes: article- 5

The GWC Board composition is in compliance with the company's article of association which stipulates a maximum total of Nine (9) Directors. Three (3) of these directors clearly meets the definition of 'Independent' Directors. Compliance requirement of CG codes: article- 9

Subsequent to specific request; the company has received confirmation of independence from each of the Directors for the period in review.

Several Directors have been allocated Board Committee memberships as indicated in table 1.1; there are three (3) Board Committees with membership allocations based on practical experience of the Board members. The various Board Committee meetings and attendance of directors are indicated in table 1.2

The GWC's Board of Directors' role is regulated by a well-defined Board Charter that specifies the duties of directors as well as their fiduciary responsibilities. The charter also lists out the details of the Board's mission and responsibilities. The company has designed documents which are a written confirmation of directors' compliance and fulfillment of their fiduciary duties. Compliance requirement of CG codes: article- 4 & 6

The entirety of this report is part indication of Management's commitment to ensuring full compliance with the CGP codes. Compliance requirement of CG codes: article- 3

Board Charter

The business of the Gulf Warehousing Company (GWC) is managed under the direction of the Board of Directors headed by the Chairman. The Board must direct its activities towards the achievement of the objects as set out in the GWC Memorandum of Association.

Objective of GWC

The objective of the GWC according to the company's certificate of Registration includes:

1.	(995221)	Prepare, make, manage, lease warehouses of all type	2	(602300)	Goods Transport by road on Trailers
3	(2003733)	Aircraft & hotel catering Services	4	(1000085)	Import of chemical items for construction works
5	(1000086)	Import painted related items	6	(2002939)	Trading in chemical items related to pest control
7	(1000087)	Import adhesive items	8	(2002730)	Import anti-rusting & anti-corrosion chemical items.
9	(536220)	Trading in chemical items used making of antiseptic and cleaning items	10	(536140)	Trading in chemical items related to photographic shooting.
11	(1000089)	Import chemicals related to plastic items	12	(536130)	Trading in chemical related to laboratories
13	(2002731)	Import of chemicals related to plastic items.	14	(536120)	Trading in chemicals related to making of fertilizer.
15	(536200)	Trading in chemical items related to printing	16	(1000027)	Importing of chemical items related to water treatment
17	(2001954)	Trading in chemical items related to heat insulations	18	(501400)	Trading in used trucks
19	(503053)	Trading in light weight trailers spare-parts	20	(512000)	Trading in food items
21	(512050)	Trading in consumable items	22	(523300)	Trading in office furniture
23	(631000)	Storing in warehouses	24	(544121)	Trading in heavy duty equipment
25	(544122)	Trading in light equipment	26	(602400)	Land transport by trailers (Transport)
27	(630100)	Shipping, unloading, supply of goods by road or sea	28	(641220)	Transport, store of documents & papers
29	(741500)	Industrial Consultancy , Technical and related	30	(2003571)	Trade in tools and Electronic devices
31	(200122)	Trade in Sports equipment and tools	32	(521660)	Trade in sports wear
33	(525200)	Trade in Computer Systems	34	(537600)	Trade in Tiles, Marble, Granite, Ceramic, Stones & Porcelain
35	(531100)	Trade in Cooling and Heating Machines			

Role of the Board

MAJOR FUNCTIONS OF THE BOARD

The major functions of the Board as approved by the Board are:

1. Strategy formulation and approval, including the development of major goals and strategies, in conjunction with the senior management team;

2. The Group Chief Executive Officer - GCEO is a GWC employee. Responsibility for selection and, when necessary, removal of the GCEO is jointly exercised by the board with the approval of the chairman of the board of directors;

3. Monitoring organizational performance using agreed performance measures linked to business strategies benchmarked against corporate peers;

4. Ensuring that stewardship frameworks are in place including overview of policies, practices and performance of risk management, internal compliance and control, codes of conduct, legal compliance and public reporting;

5. Networking on behalf of the organization to assist in achieving organizational goals.

In interpreting these functions Board members generally follow a clear direction in the way the Board carries out its major functions, and delegates detail or other functions to management. The board adopts the following approach:

1. The Board will focus on "ends" rather than "means" when formulating policies about delegation. Budgets, programs, personnel policies, building, equipment and a host of other matters that traditionally consume board time are management means issues rather than ends.

2. However, all terms and means that contravene the state laws or other statutory regulations or that contradict the norms and culture of the state of Qatar or the dictate of the memorandum of association is hereby prohibited and cannot be implemented.

3. From time to time the Board may redefine where management actions start and end.

Further Narration of Role of the Board

(a) The Board has primary responsibility to shareholders for the sustainability and relevance of the GWC by guiding and monitoring its business and affairs.

(b) In carrying out its responsibilities, the Board undertakes to serve the interests of GWC shareholders, employees, customers and the broader community.

(c) Each Director of GWC will act in good faith in the best interests of GWC as a whole, and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that GWC's long term sustainability is assured.

(d) The independence of the Directors will be a paramount principle of governance. Directors will not misuse their position in the Board to advance personal interests. Directors will not use information available to them as Board members to advance personal interests or agendas.

(e) Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters. Where a conflict of interest or potential conflict is not identified by a Director, the Chair of the Board or Committee (or other Directors) will call the matter to the attention of the Director.

Structure and composition

The Board Structure is described in the Articles of association of GWC. As currently defined it provides for a Nine (9) elected Board membership all of who shall be elected by the Ordinary General Assembly by secret ballots.

Term of References

Member of the Board shall be:

1. Not less than twenty one year old;

2. Have not been convicted with criminal offense or involved in dishonesty or in any of the crimes mentioned in articles (324), (325) of commercial company law unless he is reinstated;

3. Own (20,000) twenty thousand shares in the company allocated to guarantee the company, shareholders and creditor and other equities towards responsibility of the board members. These shares shall be deposited within sixty days from

the start of membership in one of the certified banks and it shall remain deposited and shall not be subject to dealing or mortgage or distrait until the end of membership and the "Balance Sheet" of the end of the financial year is certified and if the member fails to give the security as required his membership shall be dismissed;

4. Electable for three renewable years;

5. No one with his personal capacity or in his own capacity as representative to any persons is allowed to be member of the Board of GWC if this person is a member of the Board of three (or more) joint stock companies whose headquarters are in the state, also no one with his personal capacity or in his own capacity as representative to any persons is allowed to be Chairman or Deputy Chairman of GWC if this person is a chairman or Deputy Chairman of the Board of two (or more) joint stock companies whose headquarters are in the state. In all cases, ordinary persons may not be managing directors in more than one company whose headquarters are in the state or have membership in the Board of other companies of similar activities or competitors and whoever violates shall his/her membership dismissed.

6. The Board of directors shall elect Chairman and Deputy Chairman by secret ballot.

7. Chairman of the Board shall be the Company chairman and shall represent the company in front of others and shall implement the decision of the board and abide by its recommendations.

Board Committees

The responsibilities bestowed on the Board require the formation of committees to enhance effective monitoring of the Company. The following committees shall be established by the Board:

(a) Board Nomination Committee
(b) Board Audit Committee
(c) Board Remuneration Committee

Board Nomination Committee

I. The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee will not deprive any shareholder of his rights to nominate or to be nominated);

II. Nominations shall take into account inter alia the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and should be based on the 'Fit and Proper Guidelines for Nomination of Board Members' annexed to the Code as amended by the Authority from time to time;

III. Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role.

IV. The Nomination Committee's role shall also include conducting an annual self-assessment of the Board's performance.

Board Audit Committee

I. The Board of Directors shall establish an Audit Committee that shall be comprised of at least three members the majority of whom should be Independent. The Audit Committee must include at least one member with financial and audit experience. If the number of available Independent Board Members was not sufficient to fill the Audit Committee membership, the Company may appoint members that are not Independent Board Members provided that the Chairman of the Committee is Independent.

II. In any event, any person who is or has been employed by the Company's external auditors within the last 2 years may not be a member of the Audit Committee.

III. The Audit Committee may consult at the Company's expense any independent expert or consultant.

IV. The Audit Committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings.

V. In the event of any disagreement between the Audit Committee's recommendations and the Board 's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reason(s) behind the Board of Directors' decision not to follow the recommendations.

VI. Upon its establishment, the Audit Committee shall adopt and make public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter.

Board Remuneration Committee

I. The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of whom must be Independent. Article 16.1 of CG codes

II. Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities. Article 16.2 of CG codes

III. The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management. Article 16.3 of CG codes

IV. The Remuneration Policy shall be presented to the shareholders in the General Assembly for approval and shall be made public. Article 16.4 of CG codes

V. Remuneration shall take into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company. Article 16.5 of CG codes

Replacement and Resignation
Ref: Article 32-MoA

If the post of a member of the board is vacant it shall be occupied by the shareholder who has majority of votes but who is not already in the board. If this is not possible then the one who follows and this new member shall continue with the predecessor's term only.

Responsibilities of the Board Preambles/ Notes on the Responsibilities of the Board as it is now

The Board is responsible for the management of the affairs of GWC; this responsibility includes:

(a) Setting the strategic direction of GWC and monitoring management's implementation of that strategy;

(b) Selection and appointing the Group Chief Executive Officer, determining his/her conditions of service and monitoring his/her performance against established objectives;

(c) Selection and appointing the Company Auditors both external and internal, determining his/her conditions of service and monitoring his/her performance against established objectives;

(d) Appointing the Board Secretary;

(e) Reviewing on a regular basis, the conditions of service and performance monitoring procedures to apply to senior management;

(f) Monitoring financial outcomes and the integrity of reporting; in particular, approving annual budgets and longer-term strategic and business plans;

(g) Setting specific limits of authority for management to commit to new expenditure, entering contracts or acquiring businesses without Board approval;

(h) Approving acquisitions and disposals of businesses and investments;

(i) Approving significant changes of key policies;

(j) Ensuring that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimize the possibility of GWC operating beyond legal requirements or beyond acceptable risk parameters;

(k) Monitoring compliance with regulatory requirements and ethical standards; Reviewing, on a regular basis, senior management succession planning and development;

(l) Reporting to the Shareholders on the discharge of their responsibilities in such a manner as is approved by the Board from time to time.

(m) Appointing such Committees of the Board as may be appropriate to assist in the discharge of its responsibilities, determining their responsibilities and approving a charter for each Committee;

(n) In discharging these responsibilities, each Director is bound by the Company's Act, the memorandum of association and all charters, policies and codes of conduct in force from time to time including, but not limited to: (i) This Charter; (ii) The Committee charters (iii) The Directors' Code of Conduct,

(o) The Board's responsibilities are collegiate and, once decisions are made, Directors must not publicly advocate policies contrary to established Board decisions.

(p) The Board delegates to the Group Chief Executive Officer responsibility for implementing the strategic direction, and for managing the day-to-day operations of GWC.

Role of the Chairman **Article 8 of CG codes**

The responsibility of the Chairman includes:

I. The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information. Article 8.1 of CG codes

II. Ensuring that he/she is not a member of any of the Board committees prescribed in this charter. Article 8.2 of CG codes

III. Liaising with the Group Chief Executive Officer and the Board Secretary to see that new Board members are appropriately briefed and have access to information on aspects of the Company's operations;

IV. Establishing the agenda for Board meetings, in consultation with the Group Chief Executive Officer and Board Secretary; Article 8.3 of CG codes

V. Being the main point of contact and communication between the Board and the Group Chief Executive Officer, ensuring that the Board's views are communicated clearly and accurately;

VI. Acting as primary counselor to the Group Chief Executive Officer.

VII. Leading the review of the Board's performance and the review of the GCEO performance, ensuring that the delegated authority of the GCEO and expected key performance criteria for the GCEO are clear.

VIII. Presiding over Board and General Meetings of the Company.

IX. Setting a standard for Board members in terms of attendance at meetings and prior familiarity with Board Papers distributed and issues to be raised;

X. Ensuring that the meetings are conducted competently, ethically and in an open fashion consistent with a transparent culture.

XI. Ensuring that general meetings are conducted efficiently and that member have adequate opportunity to air their views and obtain answers to their queries.

Role of Directors **(Article 10 of CG codes)**

Duties of the Non-Executive Board Members include but are not limited to the following:

I. Participation in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources; (Article 10.1.1 of CG codes)

II. Ensuring that priority shall be given to the Company's and Shareholders' interests in case of conflict of interests; (Article 10.1.2 of CG codes)

III. Participation in the Company's Audit Committee; (Article 10.1.3 of CG codes)

IV. Monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports; (Article 10.1.4 of CG codes)

V. The development of the procedural rules for the Company's corporate governance for ensuring their implementation in a consistent manner; (Article 10.1.5 of CG codes)

VI. Availing the Board of Directors and its different Committees of their skills, experiences, diversified specialties and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholders' opinions. (Article 10.1.6 of CG codes)

Fiduciary Duties of Board Members (Article 6 of CG codes)

These duties include:

I. Board members shall ensure compliance with all trade laws and requirements of QE and QFMA.

II. Each Board Member owes the Company the fiduciary duties of care, loyalty and compliance with the rules set out in related laws and regulations including this Board Charter. (Article 6.1 of CG codes)

III. Board Members must at all-time act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Company and all shareholders. (Article 6.2 of CG codes)

IV. Board Members shall act effectively to fulfill their responsibilities towards the Company (Article 6.3 of CG codes)

Review of performance

The Board will conduct, at least every year, a comprehensive review of its performance as a Board. The method of conducting each review, and the extent of that review, is for the Board to determine from time to time. The review of the GCEO's performance is conducted in accordance with the terms set out in the formal letter of appointment signed by the GCEO and where not spelt out the Chairman of the Board will set out the terms. (Article 8.3.6 of CG codes)

Review of Charter

The Board will regularly review and amend this charter and the charters of Board Committees to ensure they remain consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance.

Approval of Charter

This charter must be approved in the form of a passed resolution of the Board.

Other Board Practices and Duties

1. The Board members has full and immediate access to information, documents, and records pertaining to the company. The company has complied with this CGR requirement. Compliance requirement of CG codes: article- 14

2. The board has put in review an induction program for newly appointed board members to ensure that, upon their election, members become fully aware of their responsibilities and the company operations. Compliance requirement of CG codes: article- 14

3. Board of Directors has a process in place to keep its members updated about latest developments in area of corporate governance and best practices. Compliance requirement of CG codes: article- 14

The Board currently comprises the following members:

Table1.1; Board Committee Membership:

#	Board Membership	Nomination Committee	Remuneration Committee	Audit Committee
1.	Shk. Fahad Bin Hamad Bin Jassem Al Thani – Chairman			
2.	Ahmed Mubarak Al-Ali Al-Maadid - Vice Chairman	Committee-Member	Committee-Chair	
3.	Shk. Abdulla Bin Fahad Bin Jassem Al Thani – Member	Committee-Chair		
4.	Dr. Hamad Saad M. Al-Saad – Member		Committee-Member	Committee-Chair
5.	Mohd Thamer M. Al- Aseri – Member	Committee-Member		
6.	Jassim Sultan J. Al- Rimaihi – Member		Committee-Member	Committee-Member
7.	Mohammed Hassan Al Emadi – Member			Committee-Member

Table1.2; Directors attendance of Meetings:

#	Board Membership	General Assembly	Board Meeting	Nomination Committee	Remuneration Committee	Audit Committee
1.	Shk. Fahad Bin Hamad Bin Jassem Al Thani –Chairman	1	7/7	1/1		
2.	Ahmed Mubarak Al-Ali Al-Maadid - Vice Chairman	1	7/7	0/1	1/2	
3.	Shk. Abdulla Bin Fahad Bin Jassem Al Thani – Member	1	6/7	1/1		3/4
4.	Dr. Hamad Saad M. Al-Saad – Member	1	7/7		2/2	4/4
5.	Mohd Thamer M. Al- Aseri – Member	1	5/7			
6.	Jassim Sultan J. Al- Rimaihi – Member	1	6/7	1/1	2/2	4/4
7.	South Port Representative- TBA	1	5/7			
8.	Henadi Al-Saleh	1	5/7			
9.	Mohammed Hassan Al Emadi – Member	1	2/2			1/4

2. Chairman and Group Chief Executive Officer ("GCEO")

In specific compliance with the CG codes; the roles of the Chairman and the Group CEO of the Company are segregated and are not held by the same person. Currently, Shk. Fahad Bin Hamad Bin Jassem Al Thani is the Non-Executive Chairman and Ranjeev Menon is the Group CEO of the Company. Compliance requirement of CG codes: article- 7

The primary responsibility of the Chairman is to ensure effective functioning of the Board and to oversee Board policies. The Chairman is responsible for ensuring the proper functioning of the Board in directing the affairs of the company; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information. The Group CEO's main responsibility is to work with business managers to develop and achieve strategic business plans and to set out Key Performance Areas for the business managers as well as to focus on creating value through asset deployment and optimal use of the capital resources available. The responsibilities of the Group CEO are determined by the Board. During calendar year 2013, Mr. Abdulaziz Zeid Al-Taleb resigned from the company as Managing Director. - Compliance requirement of CG codes: article- 8

The Chairman is not a member of any Board Committee – Compliance requirement of CG codes: article- 8.2

3. Non-executive Directors

All Board members have been chosen through balloting during the Annual General Meeting of the shareholders held in 2012. Board members have been elected to a term of maximum three (3) years in accordance with the Company's Bye-Laws. A new election into the Board is scheduled for 2015 AGM. The role of the Non-Executive Directors as listed in the Board charter is well in compliance with of the CG codes. Compliance requirement of CG codes: article- 10

4. Nomination of Directors

The Board is responsible for the selection and recommendation of candidates for directorship of the company, The Nomination Committee of the Board is chaired by an Independent Board Member and comprised of independent Board Members which recommend Board Members' appointments and nomination for election by the General Assembly.

All new nominations received are assessed and approved by the Board (Board Nomination Committee) in line with its policy of ensuring that the nominees are of high caliber and ample experience. Compliance requirement of CG codes: article- 15

5. Board Meetings and Access of Information

During 2013, the Board met regularly and members of the Board receive information between meetings about developments in the Company's business. In total Seven (7) board meetings were held and attended by the directors in 2013. Refer to Table 1.2 for attendance. Board papers have been circulated prior to board meetings at least one week; these papers includes mainly the agenda. Compliance requirement of CG codes: article- 11

6. Directors' Securities Transactions

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out by the QFMA instructions on "quiet time' throughout the year. Below is the Directors Shareholding information. Compliance requirement of CG codes: article- 13.4

Table 1.3

Name	Department /or Position	Details	Owned Share Balance@ 31-Dec'12	Add: Net Changes in Shares within the Year	Owned Share Balance@ 31-Dec'13
Shk. Fahad Bin Hamad Bin Jassem Al Thani	Chairman	Personal	0	0	0
		Al Murqab Capital	8,505,080	1,701,016	10,206,096
Ahmed Mubarak Al-Ali Al-Maadid	Vice-Chairman	Personal	691	138	829
		Al Bateel Commercial Co.	41,666	8,333	49,999
Shk. Abdulla Bin Fahad Bin Jassem Al Thani	Director	Personal	0	0	0
		Al Masar Services Co.	1,360,138	272,027	1,632,165
Dr. Hamad Saad M. Al-Saad	Director	Personal	0	0	0
		El Shameel Group Ltd	41,666	8,333	49,999
Mohd Thamer M. Al- Aseri	Director	Personal	21,000	4,200	25,200
		Al Sanaam Commercial Co.	1,240,000	248,000	1,488,000
Jassim Sultan J. Al- Rimaihi	Director	Personal	0	0	0
		Al Eseham Commercial Co.	1,240,000	248,000	1,488,000
TBA	Director	Personal	0	0	0
		South Port Co	1,119,862	223,972	1,343,834
Henadi Al-Saleh	Director	Personal	0	0	0
		Agility - Kuwait	7,170,732	1,434,146	8,604,878
Mohammad Hassan Al Emadi	Director	Personal	0	0	0
		Ismail Bin Ali Group	21,666	4,332	25,999
Ranjeev Menon	Group CEO	Personal	0	0	0
		N/A	0	0	0

7. Director's Transaction with the Company

The Gulf Warehousing Company's control systems are setup with a focus in knowing the details of sponsors of companies it transacts business with. During the fiscal year 2013; there is no Directors' related party transaction. Compliance requirement of CG codes: article- 13.1, 13.2 & 13.3

8. Board Secretary

The Company has a substantive Board Secretary whose function is fully compliant with the CG codes. The Board Secretary has an LLB law degree with more than six (6) years of experience. Compliance requirement of CG codes: article- 12

B. Directors' Remuneration

1. Board Remuneration Committee ("BRC")

The Board has established a Remuneration Committee comprising of three non-executive directors majority of who are independent. Upon its constitution, the remuneration committee had adopted a term of reference which is available to the public on the company's websites.

According to the term of reference, the committee's main role includes setting the remuneration of Chairman, Board Members, Group Chief Executive Officer - (GCEO) as well as the Internal Auditor. Compliance requirement of CG codes: article- 16

C. Accountability and Audit

1. Board Audit Committee ("BAC")

The BAC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's system of internal control and risk management. The BAC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programs, and the results of their examinations as well as their evaluations of the system of internal control and risk management. The BAC reviews the Company's financial statements and the auditors' report thereon and submits its views to the Board.

The Board Audit Committee comprise of three directors majority of who are independent. The chair of the Audit Committee is proficient in financial issues. The Audit committee has met 4 times during the year. Compliance requirement of CG codes: article- 17

2. Financial Reporting

The QFMA Rules requires listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of companies and of the results of their operations and cash flows. The Board; being aware of its responsibility for ensuring the maintenance of proper accounting records of the company, has acknowledged its responsibility for preparing the financial statements.

The Board approves the financial statements; as prepared by the management, after taking into account the BAC's comments on specific accounting matters. The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards. A statement of the auditors about their reporting responsibilities is included in the published audited financial reports. Details of the company's financials are published on the websites.

3. Internal Controls and Risk Management

The Board; recognizing its responsibilities to ensure sound internal controls have put in place a risk management and control framework for the Company to:

- identify significant risks faced by the Company in the operating environment as well as evaluate the impact of such risks identified;
- develop necessary measures and controls for managing these risks; and
- Monitor and review the effectiveness and adequacy of such measures.

The Board has entrusted the BAC with the responsibility of overseeing the implementation of the Company's risk management framework. In discharging this responsibility, the BAC, assisted by the Internal Audit Department:

- ensures that new and emerging risks relevant to the company are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks; and
- Monitors the implementation of the action plans and the effectiveness and adequacy of the control systems.
- Ensures all processes are mapped for complete coverage and related risk assessments

The natural process is such that the company defines processes and actions needed to achieve its objectives. Policy guidelines and standard operating procedures are then documented to guide the various actions, the Company's policies and standard operating procedures-SOPs are at the departmental or unit levels for all processes and actions.

The company's Quality Assurance Control department is responsible for tracking and documenting details of all SOPs and Policies. The Company policies set guidelines on all major or tangible issues while the SOPs narrate the detail steps in carrying out tasks in various units of the company. As of November 2011, all policies and SOPs have been reviewed and certified by the Internal Audit and approved by the Group CEO. The Internal Audit has the responsibility of ensuring the adequacy, relevance, appropriateness and compliance with all company's policies and SOPs.

During the year 2011, the Internal Audit in collaboration with the Quality Assurance Control Department carried out annual systems/Process MAPPING to verify that the processes contain no gap. All identified gaps have been rectified. These analyses were carried out to ensure controls are adequate and complete.

The entire system of internal control in GWC is highly dependent on Information Technology-(IT). The IT applications implementations have been designed and carried out in such manners as to ensure systems integrity, segregation of duties, data security, user privileges and access control, disaster recovery and business continuity surety, virus control etc. An audit report; ARP/012/2013 was raised in 2013 by the internal audit department narrating observed in-adequacies of the IT controls. All recommendations have been accepted by management for implementation.

During the period in review, the Internal Audit issued 31 reports and several hundreds of mails and correspondences. The 31 Audit reports raised 318 issues. These reports & mails are a result of reviews, audits, formal and informal discussions. All audit recommendations have been accepted and several are under implementations. Audit reports also include bi-annual internal control self-assessments that cover summary assessments of the various operations and processes in the company including the finance, information technology, transport operations, contract logistics operations, freight operations, and other departments.

The Internal Audit work is guided by Audit Plan for period 2013 - 2015. This audit plan is a planned schedule of prioritized audit work based on company-wide risk assessment. The Risk assessment has been challenged and defended before the Audit Committee and have been approved by both the Audit Committee and the Chairman. The Audit Plan for the period in review has been fully implemented and follow-up of completeness will be done in 2014/5.

Risk Assessment and Management

A very detail risk assessment of GWC has been carried out by the Internal Audit Department in liaison with the Management team. Generally, GWC risks have been identified into four classes namely: Strategic Risks, Infrastructure/Operational Risks, Compliance risk and Business Processes; the company's risk management process endures continuous periodical review to ensure risks details are up-to-date and are under adequate control.

Controls are built into the risk management framework and are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud. These controls assure that compliance and operations are running as should be.

The BAC also oversees the Internal Audit Department to ensure its functionality. The internal audit have prepared quarterly reports to the BAC as required by of the CG codes

The Board, through the BAC, has conducted an annual review on the company's system of internal control and considers that it is generally adequate and effective. The Board is satisfied that the Company has fully complied with the provisions on internal controls as set out in the CG Code and by the Internal Audit Department. Compliance requirement of CG codes: article- 18

Risk Management Principles

The QFMA code of corporate governance articles 17 & 18 clearly requires the Board to ensure that the company's business running is guided by solid internal controls and risk management process.

The following key principles underpin the current approach to risk management:

1. Our Board of Directors (through the Audit Committee) provides overall risk management supervision for the company as a whole. The Board Audit Committee regularly monitors the company's risk profile.

2. GWC manages Strategic, Compliance & Regulatory, Operational and Business risks in a coordinated manner at all relevant levels within the organization.

The structure of risk management function is closely aligned with the structure of the Company units. The risk management function is independent of our units or subsidiaries.

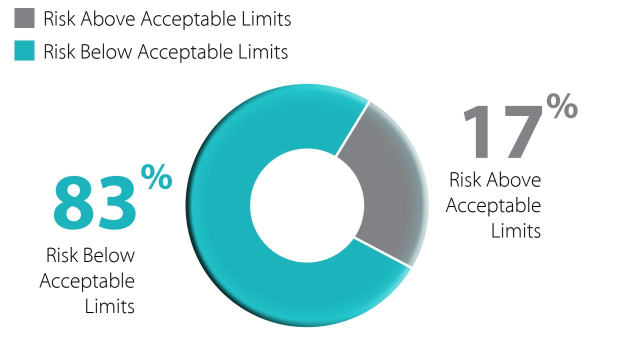
Risk Analysis

For purposes of identification and management, the company's list of risks have been categorized into 4 main groups namely:

1. Strategic Risks;
2. Operation & Infrastructure Risks;
3. Compliance and Regulatory Risks;
4. Business Processes Risks.

A total of 243 risks have been identified and assessed, evaluated and also communicated to the risk owners. The 243 risks mainly relate to business process risks.

% of Risk Below / Above Acceptable Limits



4. External Audit

The Board has procured the service of Ernst & Young Accounting firm as the external Auditor for the company. The terms and condition of engagement ensures professionalism and independence.
The External Auditor has been chosen on the recommendation of the Audit committee and approval of the General Assembly. Compliance requirement of CG codes: article- 19

5. Compliance

The function of Compliance is being managed by the Internal Audit department. There is no material non-compliance with any regulatory authority during 2013.

D. Investor Relations

1. Communication with Investors

The Company encourages communication with all its investors. Extensive information about the Company's activities is provided in the annual reports which are distributed to shareholders and are also available on the company's website. The company's approach to information dissemination is meant to ensure compliance with CG codes. Compliance requirement of CG codes: article- 21

Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcome and are dealt with in an informative and timely manner. The enquiries can be directed to the Board Secretary via email at the designated mail box: info@gulfwarehousing.com or directly by questions at general meetings of the Company. In order to promote effective communication, the Company maintains a website at www.gulfwarehousing.com to provide:

- Latest-news, announcements, financials reports etc.
- other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.;
- corporate calendar for important shareholders' dates for current financial year; online registration of email alert service for receiving the Company's latest corporate communications; and
- Other information relating to the company and its businesses to the public. Compliance requirement of CG codes: article- 21 & 23

2. Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of the Company's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The shareholders right to call for a general assembly and place items on the agenda and discuss matters listed on agenda and address questions and received answers thereupon as well as the right to make informed decisions are all guaranteed in the company's article of association. Compliance requirement of CG codes: article- 24

3. External and Internal Auditor

The Board has created an internal audit department and annually submits the appointment of external auditor for the approval of shareholders at the Annual General Assembly. Compliance requirement of CG codes: article- 18 & 19

4. Shares Ownership records and details

The Company through the office of Board Secretary maintains details of shares ownership and shareholders contacts in liaison with the Qatar Exchange. The company also maintains an up to date website. Compliance requirement of CG codes: article- 22

5. Antifraud Mechanisms

The Board has established anti-fraud policies and has set mechanism that encourages company employees to report to the Board through the Internal Audit Department any suspicious behavior where such behavior is unethical, illegal, or detrimental to the company. Moreover the company has adopted a comprehensive set of Human resources policies that protects the rights of employees in fairness and equity. The company also has a remuneration policy. Compliance requirement of CG codes: article- 29

6. Capital Structure and Protection of Minority Interest

The company's capital structures are well guarded in the article of association with limits of individual share ownership. Minority interest protections are also guaranteed. All shareholders have equal levels of treatment in the company i.e. all shares of the same class have same rights attached to them.

The Company's authorized capital is Qr. 475,609,750 while the legal reserve is Qr. 231,517,414. The total number of Shares issued is 47,560,975 shares. The shares are all of same class. The share capital structure for the company has been completely disclosed in the company's financial report under notes "Basis of consolidation". Compliance requirement of CG codes: article- 25 & 28

7. Shareholders' Rights concerning Board Members' Election and Dividend Policy

The company's article of association and bye laws ensures shareholders make the ultimate approval on who becomes a Director through vote casting; the company also has provisions that allow shareholders recommendation for Directorship. All shareholders have rights to cast their votes for board member's election by cumulative voting. The company has also adopted a dividend policy. Compliance requirement of CG codes: article- 26 & 27

8. Disclosures

The company has complied with all disclosure requirements including financial reporting as well as disclosing the shareholdings of Board members as narrated in table 1.1 and table 1.3 of this report. The company's financial reporting has been certified by the External Auditor. Compliance requirement of CG codes: article- 20

E. General Conclusion

The company has finished compiling its Governance Manual. The manual documents all issues concerning the corporate governance ethics, standards and procedures as well as policies.

Independent Auditors' Report
to the Shareholders of Gulf Warehousing Company (Q.S.C.)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Gulf Warehousing 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 31 December 2013, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the board of directors' determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 about whether the consolidated 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors', 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 consolidated financial statements present fairly, in all material respects the financial position of the Group as of 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Independent Auditors' Report (Contd.)
to the Shareholders of Gulf Warehousing Company (Q.S.C.)

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We further confirm that the financial information included in the Annual Report of the Board of the Directors is in agreement with the books and records of the Company. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Company or on its financial position.

Ziad Nader
of Ernst & Young
Auditor's Registration No: 258

Date: 19 January 2014
Doha

Consolidated Statement of Income

For the year ended 31 December 2013

The attached notes 1 to 27 form part of these consolidated financial statements

	Notes	2013 QR	2012 QR
Revenue	4	**527,259,368**	479,726,841
Direct costs	5	**(336,072,266)**	(323,137,394)
GROSS PROFIT		**191,187,102**	156,589,447
Other income		**1,005,648**	84,430
Valuation gains from investment properties	10	**9,243,767**	4,051,200
General and administrative expenses	6	**(34,825,355)**	(33,585,380)
Staff costs		**(34,587,636)**	(30,235,243)
Net impairment loss on trade receivables	13	**(6,116,168)**	(2,881,401)
OPERATING PROFIT		**125,907,358**	94,023,053
Finance income		**831,143**	258,459
Finance costs		**(28,187,148)**	(12,383,137)
Loss on disposal of available for sale investments		**—**	(1,014,124)
PROFIT FOR THE YEAR		**98,551,353**	80,884,251
Attributable to:			
Equity holders of the parent		**101,625,528**	84,922,341
Non-controlling interest		**(3,074,175)**	(4,038,090)
		98,551,353	80,884,251
BASIC AND DILUTED EARNINGS PER SHARE	7	**2.14**	1.79
(Attributable to equity holders of the parent)			
(Expressed in QR per share)			

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	2013 QR	2012 QR
PROFIT FOR THE YEAR	**98,551,353**	80,884,251
Other comprehensive income		
Transferred to income statement on disposal of available for sale investments	**—**	958,798
Other comprehensive income for the year	**—**	958,798
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (note)	**98,551,353**	81,843,049
Attributable to:		
Equity holders of the parent	**101,625,528**	85,881,139
Non-controlling interests	**(3,074,175)**	(4,038,090)
	98,551,353	81,843,049

Note:
At 31 December 2013, there are no items that will be reclassified to consolidated statement of income in subsequent periods (2012: 958,798).

Consolidated Statement
of Financial Position At 31 December 2013
The attached notes 1 to 27 form part of these consolidated financial statements

	Notes	2013 QR	2012 QR
ASSETS			
Non-current assets			
Property, plant and equipment	8	**931,424,667**	624,851,872
Projects in progress	9	**256,146,536**	351,880,586
Investment properties	10	**131,971,562**	99,427,795
Intangible assets	11	**141,387,018**	148,033,833
		1,460,929,783	1,224,194,086
Current assets			
Inventories		**8,792,545**	10,048,235
Trade and other receivables	13	**234,947,594**	228,421,911
Bank balances and cash	14	**174,804,478**	116,969,115
		418,544,617	355,439,261
TOTAL ASSETS		**1,879,474,400**	1,579,633,347
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**475,609,750**	396,341,460
Legal reserve	16	**231,517,414**	221,354,861
Retained earnings		**99,763,863**	90,109,816
Equity attributable to the equity holders of the parent		**806,891,027**	707,806,137
Non-controlling interests		**(3,681,223)**	(607,048)
Total equity		**803,209,804**	707,199,089
Non-current liabilities			
Loans and borrowings	18	**771,567,746**	667,252,034
Employees end of service benefits	19	**13,258,297**	11,379,504
		784,826,043	678,631,538
Current liabilities			
Trade payables and accruals	20	**97,187,017**	79,183,279
Loans and borrowings	18	**165,397,714**	89,452,819
Retention payable		**28,853,822**	25,166,622
		291,438,553	193,802,720
Total liabilities		**1,076,264,596**	872,434,258
TOTAL EQUITY AND LIABILITIES		**1,879,474,400**	1,579,633,347

Sheikh Fahad bin Hamad bin Jassem Al-Thani
Chairman

Ahmed Mubarak Al-Maadid
Vice Chairman

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

The attached notes 1 to 27 form part of these consolidated financial statements

	Notes	2013 QR	2012 QR
OPERATING ACTIVITIES			
Profit for the year		**98,551,353**	80,884,251
Adjustments for :			
Depreciation	8	**56,712,617**	38,853,649
Amortisation of intangible assets	11	**6,646,815**	6,646,815
Valuation gains from investment properties	10	**(9,243,767)**	(4,051,200)
Loss on disposal of available for sale investments		**—**	1,014,124
Impairment of trade receivable (net)	13	**6,116,168**	2,881,401
Gain on disposal of property, plant and equipment		**(53,566)**	(84,430)
Provision for employees' end of service benefits	19	**4,483,756**	4,383,515
Finance costs		**28,187,148**	12,383,137
Interest income		**(831,143)**	(258,459)
Operating cash flows before changes in working capital		**190,569,381**	142,652,803
Working capital adjustments:			
Inventories		**1,255,690**	273,742
Trade and other receivables		**(12,641,851)**	8,279,297
Trade payable and accruals		**17,485,206**	(29,286,723)
Retention payable		**3,687,200**	497,712
Cash from operating activities		**200,355,626**	122,416,831
Finance costs paid		**(28,187,148)**	(12,383,137)
Employee end of service benefits paid	19	**(2,604,963)**	(943,449)
Contribution to social and sports development fund		**(2,022,106)**	(1,543,352)
Interest income received		**831,143**	258,459
Net cash from operating activities		**168,372,552**	107,805,352
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	**(34,240,644)**	(49,244,878)
Additions to project in progress	9	**(257,063,079)**	(299,997,437)
Net proceeds from disposal of available for sale investments		**—**	1,807,826
Proceeds from disposal of property, plant and equipment		**505,927**	183,994
Net cash used in investing activities		**(290,797,796)**	(347,250,495)
FINANCING ACTIVITIES			
Net movement in loans and borrowings		**180,260,607**	335,211,662
Dividends paid	17	**—**	(59,451,213)
Net cash from financing activities		**180,260,607**	275,760,449
INCREASE IN CASH AND CASH EQUIVALENTS		**57,835,363**	36,315,306
Cash and cash equivalents at 1 January		**116,969,115**	80,653,809
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	**174,804,478**	116,969,115

Consolidated Statement

of Changes In Equity For the year ended 31 December 2013

The attached notes 1 to 27 form part of these consolidated financial statements

	Attributable to owners of the parent						
	Share capital	Legal reserve	Cumulative changes in fair values	Retained earnings	Total	Non-controlling interests	Total equity
	QR	QR	QR	QR	QR	QR	QR
Balance at 1 January 2012	396,341,460	221,354,861	(958,798)	66,660,794	683,398,317	3,431,042	686,829,359
Profit for the year	—	—	—	84,922,341	84,922,341	(4,038,090)	80,884,251
Other comprehensive income	—	—	958,798	—	958,798	—	958,798
Total comprehensive income for the year	—	—	958,798	84,922,341	85,881,139	(4,038,090)	81,843,049
Dividends paid (Note 17)	—	—	—	(59,451,213)	(59,451,213)	—	(59,451,213)
Contribution to Social and Sports Fund (Note 20a)	—	—	—	(2,022,106)	(2,022,106)	—	(2,022,106)
Balance at 31 December 2012	396,341,460	221,354,861	—	90,109,816	707,806,137	(607,048)	707,199,089
Profit and total comprehensive income for the year	—	—	—	101,625,528	101,625,528	(3,074,175)	98,551,353
Total comprehensive income for the year	—	—	—	101,625,528	101,625,528	(3,074,175)	98,551,353
Transferred to legal reserve	—	10,162,553	—	(10,162,553)	—	—	—
Bonus Issue (Note 15)	79,268,290	—	—	(79,268,290)	—	—	—
Contribution to Social and Sports Fund (Note 20a)	—	—	—	(2,540,638)	(2,540,638)	—	(2,540,638)
Balance at 31 December 2013	**475,609,750**	**231,517,414**	**—**	**99,763,863**	**806,891,027**	**(3,681,223)**	**803,209,804**

Notes to the Consolidated
Financial Statements At 31 December 2013

1 ACTIVITIES

Gulf Warehousing Company (Q.S.C.) (the "Company") is a public shareholding company incorporated in the State of Qatar under commercial registration number 27386. The address of the registered office of the Company is at PO Box 24434, 'D' Ring road, Doha, State of Qatar. The Company together with its subsidiaries (the "Group") specializes in providing set-up, establishment, and management of all types of warehouses for storage, freight forwarding and other ancillary services. The Company is listed at Qatar Exchange.

The consolidated financial statements of the Company for the year ended 31 December 2013 were authorized for issue in accordance with a resolution of the Board of Directors on 19 January 2014.

2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Gulf Warehousing Company Q.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The principal subsidiaries of the Group including branches of the Company, included in the consolidated financial statements are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Group effective shareholding %	
			2013	2012
Agility WLL	Qatar	Logistics and transportation	100%	100%
GWC Food Services W.L.L (Formerly GWC Projects)	Qatar	Trading in food stuffs	100%	100%
GWC Chemicals WLL	Qatar	Chemical trading and transport	100%	100%
GWC Global Transport LLC	UAE	Warehousing and transportation	100%	100%
Imdad Sourcing & Logistic Group WLL	Qatar	Trading in food stuff and other consumables	51%	51%
GWC Saudi Arabia – Branches in Riyadh, Dammam & Jeddah	KSA	Preparation, Development and Management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	100%

3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties which are measured at fair value.

The consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group's presentation currency.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) .

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in note 26.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2013.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment has no impact on the Group's financial position or performance.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. These amendments has no impact the Group's financial position or performance.

Notes to the Consolidated
Financial Statements At 31 December 2013

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment does not have any impact on the Group's consolidated financial statements.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance.

IFRS 10: Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation —Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. At the date of initial application of IFRS 10 (1 January 2013), the Group assessed that it controls its subsidiaries as per IFRS 10.

IFRS 11 Joint Arrangements (Effective for annual periods beginning on or after 1 January 2013)
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCE's) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This amendment did not have any impact on the Group's consolidated financial statement.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are not required as the Company has no subsidiaries with material non-controlling interests.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values. IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

Notes to the Consolidated
Financial Statements At 31 December 2013

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Improvements included but do not have any impact on financial position and performance:-

- IAS 1 Presentation of Financial Statements

  This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

- IAS 16 Property plant and equipment

  This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

- IAS 32 Financial Instruments, Presentation

  This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic	Effective date
IFRS 9 Financial Instruments (Phases 1 & 2)	—
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32	1 January 2014
IFRIC Interpretation 21 Levies (IFRIC 21)	1 January 2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39	1 January 2014

Summary of significant accounting policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Logistic operations

Logistic operations revenue primarily comprises inventory management, order fulfilment and transportation services. Logistics revenue is measured at the fair value of consideration received or receivable for goods and services and recognised upon completion of the services.

Freight forwarding

The Group generates freight forwarding revenues by purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenues are recognised upon completion of services.

Notes to the Consolidated
Financial Statements At 31 December 2013

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Other revenue
Other revenue represents income generated by the Group that arises from activities outside of the provision for logistic operations and freight forwarding, which are recognised upon completion of the services.

Interest income
Interest income is recognised using the effective interest rate method.

Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in the consolidated statement of income as incurred. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	25 years
Office equipment	3 to 5 years
Furniture and fixtures	4 years
Warehouse equipment	5 to 25 years
Motor vehicles	5 to 12 years
Tools and equipment	4 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Projects in progress
Projects in progress are carried at cost less impairment, if any. Costs are those expenses incurred by the Group that are directly attributable to the construction of assets. Once completed, the assets are transferred to either investment properties or to property, plant and equipment, depending on the management's intended use of the asset.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Investment properties

Investment properties are properties (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both. A property interest that is held by a lessee under an operating lease may be classified and accounted for as investment property if, and only if, the property would otherwise meet the definition of an investment property.

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. The initial cost of a property interest held under a lease and classified as an investment property is recognised at the lower of the fair value of the property and the present value of minimum lease payments. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss arising from changes in the fair values of investment property is included in the consolidated statement of income in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

	Customer contracts and related customer relationships	Brand names
Useful lives :	Finite	Finite
	(4-10 years)	(10 years)
Amortization method used :	Amortized on a straight line basis over the periods of availability.	Amortized on a straight line basis over the periods of availability.
Internally generated or Acquired :	Acquired	Acquired

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

The following assets have specific characteristics for impairment testing:

Goodwill
Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives
Intangible assets with indefinite useful lives are tested for impairment annually as either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Available for sale investments

All available-for-sale investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

After initial recognition, available for sale investments which have a quoted market price and whose fair value can be reliably measured, are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity until the investment is sold, collected or otherwise disposed, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of income.

Inventories

Materials and supplies inventories are stated at weighted average cost with appropriate adjustments for provisions against surplus inventory, deterioration, obsolescence or other loss in value. Inventories comprise trading stock, spares and consumables as at the reporting date.

Trade and other receivables

Trade receivables are carried at original invoiced amount less impairment for non-collectability of these receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise bank balances and cash and short-term deposits with an original maturity of three months or less.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

(a) The rights to receive cash flows from the asset have expired

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (i) the Group has transferred substantially all the risks and rewards of the asset, or

  (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Loans and borrowings

Loans and borrowings are recognized initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, Loans and borrowings are measured at amortized cost, using the effective profit method, with any differences between the cost and final settlement values being recognised in the consolidated statement of income over the period of borrowings. Installments due within one year at amortised cost are shown as a current liability.

Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with employment contracts and Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Also the Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

Trade payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

Leasing

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the consolidated statement of income on a straight line basis over the lease term.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting date. All differences are taken to the consolidated statement of income.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Top Management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments, such as, non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 25.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties. The management comprises of the head of the logistics operations segment, the head of the internal audit department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

3 Basis of Preparation and Summary of Significant Accounting Policies (Contd.)

Fair value measurement (Contd.)

The management, in conjunction with the Group's external valuers, also compares each changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4 REVENUE

	2013 QR	2012 QR
Logistic operations	**369,666,909**	297,476,141
Freight forwarding income	**151,931,436**	148,711,489
Others	**5,661,023**	33,539,211
	527,259,368	479,726,841

5 DIRECT COSTS

	2013 QR	2012 QR
Freight forwarding charges	**113,275,712**	100,474,639
Staff costs	**81,915,031**	68,516,761
Depreciation (Note 8)	**53,253,977**	36,309,360
Logistic costs	**33,182,558**	44,274,007
Repairs and maintenance	**19,602,644**	17,035,641
Fuel	**12,874,269**	9,386,167
Material purchases	**5,875,101**	32,724,672
Water and electricity	**4,005,017**	4,921,989
Manpower subcontract charges	**2,619,999**	2,704,681
Insurance	**2,302,574**	1,849,520
Others	**7,165,384**	4,939,957
	336,072,266	323,137,394

6 GENERAL AND ADMINISTRATIVE EXPENSES

	2013 QR	2012 QR
Amortisation of intangible assets (Note 11)	**6,646,815**	6,646,815
Board of Directors remuneration and attendance fees	**5,799,085**	4,360,279
Rent	**3,782,087**	3,608,770
Depreciation (Note 8)	**3,458,640**	2,544,289
Communication and postage	**2,762,813**	2,865,025
Repairs and maintenance	**1,882,999**	1,329,750
Legal and professional fees	**1,281,627**	1,554,191
Employee benefits	**1,227,537**	1,343,108
Advertisement	**1,219,413**	1,305,107
Travelling expenses	**1,128,770**	1,333,294
License and registration fees	**529,887**	1,391,798
Printing and stationery	**294,647**	321,235
Government fees and expenses	**195,308**	102,146
Water and electricity	**186,535**	531,741
Other expenses	**4,429,192**	4,347,832
	34,825,355	**33,585,380**

7 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	2013	2012
Net profit for the year attributable to owners of the parent (QR)	**101,625,528**	84,922,341
Weighted average number of shares	**47,560,975**	47,560,975
Basic and diluted earnings per share (QR)	**2.14**	1.79

The weighted average numbers of shares have been calculated as follows:

	2013	2012 (Restated)
Qualifying shares at the beginning of the period	**39,634,146**	39,634,146
Bonus shares issued during the year (Note 17)	**7,926,829**	7,926,829
Balance at end of the year	**47,560,975**	47,560,975

Note:
During the year, the Company issued bonus shares (refer Note 17). Therefore, the earnings per share that was previously reported as at 31 December 2012 have been restated for the effects of this transaction.

8 PROPERTY, PLANT AND EQUIPMENT

	Buildings QR	Office equipment QR	Furniture & fixtures QR	Warehouse equipment QR	Motor vehicles QR	Tools & equipment QR	Total QR
Cost:							
At 1 January 2013	546,586,272	25,473,343	12,052,944	54,656,570	139,738,029	1,195,415	779,702,573
Additions	2,382,918	3,755,915	2,063,712	14,974,556	10,429,151	634,392	34,240,644
Disposals	—	—	—	—	(1,092,887)	—	(1,092,887)
Transfers (Note 9)	329,497,129	—	—	—	—	—	329,497,129
At 31 December 2013	878,466,319	29,229,258	14,116,656	69,631,126	149,074,293	1,829,807	1,142,347,459
Depreciation:							
At 1 January 2013	43,618,007	11,225,896	6,054,806	22,899,249	70,663,816	388,927	154,850,701
Charge for the year	28,858,193	5,269,520	2,581,624	4,697,451	14,971,631	334,198	56,712,617
Disposals/transfers	—	—	—	—	(640,526)	—	(640,526)
At 31 December 2013	72,476,200	16,495,416	8,636,430	27,596,700	84,994,921	723,125	210,922,792
Net carrying amounts:							
At 31 December 2013	**805,990,119**	**12,733,842**	**5,480,226**	**42,034,426**	**64,079,372**	**1,106,682**	**931,424,667**

The depreciation charge has been allocated in the consolidated statement of income as follows:

	2013 QR	2012 QR
Direct costs	**53,253,977**	36,309,360
General and administration expenses	**3,458,640**	2,544,289
	56,712,617	38,853,649

Note:
Warehouse equipments have been pledged against certain loans and borrowings (Note 18).

8 PROPERTY, PLANT AND EQUIPMENT (Contd.)

	Buildings QR	Office equipment QR	Furniture & fixtures QR	Warehouse equipment QR	Motor vehicles QR	Tools & equipment QR	Total QR
Cost:							
At 1 January 2012	249,459,876	11,941,465	7,021,470	46,217,461	136,590,139	1,000,180	452,230,591
Additions	24,970,294	9,099,509	3,330,317	8,313,133	3,336,390	195,235	49,244,878
Disposals	—	—	—	—	(188,500)	—	(188,500)
Transfers (Note 9)	272,156,102	4,432,369	1,701,157	125,976	—	—	278,415,604
At 31 December 2012	546,586,272	25,473,343	12,052,944	54,656,570	139,738,029	1,195,415	779,702,573
Depreciation:							
At 1 January 2012	28,782,912	7,678,339	4,234,936	18,719,275	56,576,655	93,871	116,085,988
Charge for the year	14,835,095	3,547,557	1,819,870	4,179,974	14,176,097	295,056	38,853,649
Disposals/transfers	—	—	—	—	(88,936)	—	(88,936)
At 31 December 2012	43,618,007	11,225,896	6,054,806	22,899,249	70,663,816	388,927	154,850,701
Net carrying amounts:							
At 31 December 2012	502,968,265	14,247,447	5,998,138	31,757,321	69,074,213	806,488	624,851,872

9 PROJECTS IN PROGRESS

	2013 QR	2012 QR
At 1 January	**351,880,586**	330,298,753
Additions	**257,063,079**	299,997,437
Net transfer to property, plant and equipment (Note 8)	**(329,497,129)**	(278,415,604)
Transfer to investment properties (Note 10)	**(23,300,000)**	—
	256,146,536	351,880,586

Projects in progress comprise the cost of assets acquired and under construction that are not available for use as at the end of the reporting period. These assets comprise mainly of constructions in Logistic Village Qatar Phase 4, Kharaama substation work and construction of warehouse at Mesaieed, upon completion, these will be used for providing logistics services and will be reclassified accordingly.

The amount of borrowing costs capitalised during the year ended 31 December 2013 were QR 12.5 Million (2012: QR 14.2 Million). The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 5.1% which is the effective interest rate of the specific borrowing.

Land and building under constructions have been pledged against certain loans and borrowings (Note 18)

10 INVESTMENT PROPERTIES

	2013 QR	2012 QR
At 1 January	**99,427,795**	95,376,595
Transfer from project in progress	**23,300,000**	—
Net gain from fair value adjustment	**9,243,767**	4,051,200
At 31 December	**131,971,562**	99,427,795

Notes:

(i) Investment properties are stated at fair value, which has been determined based on valuations performed by Al Haque Rental and Real Estate, an accredited independent court approved valuation specialist located in Doha, State of Qatar. The above investment properties are located in the State of Qatar.

(ii) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosures for investment properties have been provided in Note 25.

Notes to the Consolidated
Financial Statements At 31 December 2013

11 INTANGIBLE ASSETS

	Goodwill QR	Customer contracts and related customer relationships QR	Brand name QR	Total QR
Cost:				
At 1 January 2013 and				
31 December 2013	98,315,463	10,231,500	52,780,500	161,327,463
Amortisation:				
At 1 January 2013	—	2,737,530	10,556,100	13,293,630
Amortisation during the year	—	1,368,765	5,278,050	6,646,815
At 31 December 2013	—	4,106,295	15,834,150	19,940,445
Net book value:				
At 31 December 2013	**98,315,463**	**6,125,205**	**36,946,350**	**141,387,018**

Note:
Customer contracts and the related customer relationships and brand names represent intangible assets acquired through business combination in 2011. The brand name is assessed to have 10 years of useful life. As at 31 December 2013, these assets were tested for impairment, no impairments were required.

	Goodwill QR	Customer contracts and related customer relationships QR	Brand name QR	Total QR
Cost:				
At 1 January 2012 and				
31 December 2012	98,315,463	10,231,500	52,780,500	161,327,463
Amortisation:				
At 1 January 2012	—	1,368,765	5,278,050	6,646,815
Amortisation during the year	—	1,368,765	5,278,050	6,646,815
At 31 December 2012	—	2,737,530	10,556,100	13,293,630
Net book value:				
At 31 December 2012	98,315,463	7,493,970	42,224,400	148,033,833

12 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIFE

The Group has identified the following business activities as cash generating units:

- Logistics
- Freight Forwarding operations

The Group has also determined that the above constitute the cash-generating units for testing the impairment of goodwill and intangible asset with indefinite life.

Accordingly, the goodwill acquired through business combinations has been allocated to the cash generating units as follows:

12 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIFE (Contd.)

	Carrying amount of the goodwill	
	2013	2012
	QR	QR
Cash generating units:		
Logistics	**53,090,350**	53,090,350
Freight Forwarding operations	**45,225,113**	45,225,113
Total	**98,315,463**	98,315,463

The recoverable amount of all cash generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operates. As a result of this exercise, At 31 December 2013, no impairments were noted. (2012: Nil).

Key assumptions used in value in use calculations

	Logistics		**Freight forwarding operations**	
	2013	2012	**2013**	2012
Compound annual volume growth	12.44%	14.15%	11.80%	14.15%
Long term growth rate	3.00%	3.00%	3.00%	3.00%
Discount rate	11.00%	16.00%	14.45%	16.00%

Management determined compound annual volume growth rate for each cash generating units covering over the five-year forecast period to be a key assumption. The volume of sales in each period is the main driver for revenue and costs. The compound annual volume growth rate is based on past performance and management's expectations of market development. The long term growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant operating segments.

13 TRADE AND OTHER RECEIVABLES

	2013	2012
	QR	QR
Trade receivables	**102,615,679**	138,768,890
Advances to suppliers	**54,899,458**	40,288,880
Accrued revenue	**34,974,302**	24,055,905
Prepayments	**34,694,007**	21,114,188
Other receivables	**7,764,148**	4,194,048
	234,947,594	228,421,911

At 31 December, financial assets at nominal value of QR 13,020,843 (2012: QR 6,904,675) were impaired.

	2013	2012
	QR	QR
At 1 January	**6,904,675**	4,023,274
Charge for the year	**6,116,168**	2,881,401
At 31 December	**13,020,843**	6,904,675

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13 TRADE AND OTHER RECEIVABLES (Contd.)

At 31 December, the ageing of unimpaired financial assets is as follows:

			Past due but not impaired			
	Total QR	Neither past due nor impaired QR	0-30 days QR	31-60 Days QR	61-90 Days QR	>90 days QR
2013	**102,615,679**	**23,390,456**	**13,657,546**	**23,426,946**	**15,807,536**	**26,333,195**
2012	138,768,890	61,655,658	17,908,892	9,302,138	7,173,491	42,728,711

14 CASH AND CASH EQUIVALENTS

	2013 QR	2012 QR
Bank balances and cash	**174,804,478**	116,969,115
	174,804,478	116,969,115

Term deposits with an original maturity of less than 90 days are made for varying periods depending on the immediate cash requirements of the Group with original maturity dates of less than three months and the profit rates at commercial market rates.

15 SHARE CAPITAL

	2013 QR	2012 QR
Authorised, issued and paid up capital		
At 1 January	**396,341,460**	396,341,460
Issue of bonus shares	**79,268,290**	—
At 31 December	**475,609,750**	396,341,460

	2013 QR	2012 QR
Authorised, issued and paid up capital	Number of shares	
At 1 January	**39,634,146**	39,634,146
Issue of bonus shares	**7,926,829**	—
At 31 December	**47,560,975**	39,634,146

16 LEGAL RESERVE

In accordance with the Qatar Commercial Companies Law No. 5 of 2002, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued capital. During the year, the Company has transferred QR 10,162,553 to the legal reserve.

The reserve is not normally available for distribution, except in the circumstances stipulated by the above mentioned law.

17 DIVIDENDS PAID

At the Annual General Assembly held on 5 March 2013, the shareholders approved the issuance of one share for every 5 shares held which amounted to 7,926,829 shares with a value of QR 79,268,290 for the year ended 31 December 2012. (For the year ended 31 December 2011: QR 1.5 per share amounting to QR 59.4 million was declared and paid as cash dividend during 2012).

18 LOANS AND BORROWINGS

	2013 QR	2012 QR
LVQ term loans (i)	**853,426,202**	650,550,913
Other project loans (ii)	**8,218,780**	11,122,880
Other term loans (iii)	**75,320,478**	95,031,060
	936,965,460	756,704,853

	2013 QR	2012 QR
Allocated in the consolidated statement of financial position as:		
Current portion	**165,397,714**	89,452,819
Non-current portion	**771,567,746**	667,252,034
	936,965,460	756,704,853

Notes:

(i) A term loan facility of QR 947 Million was obtained from a local bank to finance the construction and development of Logistic Village ("LVQ") located in Street # 52 of Industrial Area. The repayment on this facility began in April 2012. The term loan facility carries financing charges at commercial rates.

The above loan is secured against Company's land and building under construction, and assignment of all revenues from the project to the loan account with the lender.

(ii) These term loans have been taken from local financial institutions to finance the other capital projects of the Company. These loans carry financing costs at commercial rates. The loans are secured against warehouse equipment and other project related property.

(iii) Term Loans amounting to QR 73 Million have been obtained from local financial institutions to finance other capital projects of the Company. The repayment on this facility began in November 2013. These loans carry financing costs at commercial rates and are secured against Company's revenue. This facility has been secured based on corporate guarantee of the Company and assignment of revenue proceeds to the account with the lender.

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19 EMPLOYEES END OF SERVICE BENEFITS

Movements in the employees' end of service benefits provision are as follows:

	2013 **QR**	2012 QR
Provision at 1 January	**11,379,504**	7,939,438
Provided during the year	**4,483,756**	4,383,515
End of service benefits paid	**(2,604,963)**	(943,449)
Provision at 31 December	**13,258,297**	11,379,504

20 TRADE PAYABLES AND ACCRUALS

	2013 **QR**	2012 QR
Trade payables	**12,208,481**	11,950,224
Accrued expenses	**50,054,560**	39,044,780
Other payables	**32,383,338**	26,166,169
Provision for contribution to Social and Sports Development Fund (a)	**2,540,638**	2,022,106
	97,187,017	79,183,279

Note: (a)
Pursuant to Law No. 13 of 2008, the Group made an appropriation of QR 2.5 Million (2012: QR 2 Million) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the years ended 31 December 2013 and 2012. The amount shown above represents the accrual made in respect of 2013 net profits and the share for 2012 profits has been remitted to the Directorate of Public Revenue and Taxes during the year.

21 RELATED PARTY DISCLOSURES

These represent transactions with the major shareholders, board of directors, senior management of the Group and the companies of which they are the principal owners. The transactions with related parties consist principally of sales, purchases and other services. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties included in the statement of comprehensive income are as follows:

	2013 **QR**	2012 QR
Revenue	**5,041,963**	10,240,022
Purchase of services	**45,251,834**	39,834,147

Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	2013 **QR**	2012 QR
Trade receivables	**611,595**	855,686
Trade payables	**6,744,514**	5,643,694

21 RELATED PARTY DISCLOSURES (Contd.)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2013, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2012: QR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel

The remuneration of key management personnel during the year were as follows:

	2013 QR	2012 QR
Short-term benefits	**8,897,931**	10,372,386
Employees' end of service benefits	**27,652**	129,416
	8,925,583	10,501,802

22 COMMITMENTS AND CONTINGENT LIABILITIES

	2013 QR	2012 QR
Contingent liabilities		
Letters of guarantee	**14,135,777**	11,920,551
Performance bonds	**30,962,891**	24,592,620
	45,098,668	36,513,171

The Group has entered into capital commitments relating to certain related construction contracts and purchase of vehicles amounting to QR 186 Million as at 31 December 2013 (2012: QR 154 Million).Future minimum rentals payable under non-cancellable operating leases at 31 December were as follows;

	2013 QR	2012 QR
Within one year	**2,389,740**	2,244,162
After one year but not more than five years	**7,785,568**	7,760,608
More than five years	**17,230,107**	17,908,426
	27,405,415	27,913,196

23 SEGMENT INFORMATION

For management purposes, the Group is divided into three operating segments which are based on business lines, as follows:

- Logistic operations segment includes storage, handling, packing and transportation;
- Freight forwarding segment includes freight services through land, air and sea;
- Others includes trading;

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23 SEGMENT INFORMATION (Contd.)

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The following table presents revenue and profit information regarding the Group's operating segment for the year ended 31 December 2013 and 2012, respectively.

Year ended 31 December 2013	Logistic operations QR	Freight forwarding QR	Others QR	Unallocated QR	Total QR
Segment revenue	**369,666,909**	**151,931,436**	**5,661,023**	**—**	**527,259,368**
Depreciation	**56,035,258**	**409,485**	**267,874**	**—**	**56,712,617**
Segment profit	**92,444,742**	**2,305,528**	**(6,273,827)**	**10,074,910**	**98,551,353**

Year ended 31 December 2012	Logistic operations QR	Freight forwarding QR	Others QR	Unallocated QR	Total QR
Segment revenue	297,476,141	148,711,489	33,539,211	—	479,726,841
Depreciation	38,397,351	380,234	76,064	—	38,853,649
Segment profit	71,920,292	12,900,009	(8,240,999)	4,304,949	80,884,251

The following table presents segment assets of the Group's operating segments as at 31 December:

	Logistic operations QR	Freight forwarding QR	Others QR	Unallocated QR	Total QR
Segment assets					
At 31 December 2013	1,497,888,851	143,682,398	15,931,589	221,971,562	1,879,474,400
At 31 December 2012	1,337,585,428	116,078,044	26,542,080	99,427,795	1,579,633,347

Geographic segments

The Group provides 99% of its services in the State of Qatar.

24 FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise loans and borrowings, retention payable and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and bank balances which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that changes in market prices, such as interest and profit rates will affect the Group's profit, or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

24 FINANCIAL RISK MANAGEMENT (Contd.)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of accounts receivable and bank balances.

With respect to credit risk arising from the financial assets of the Group, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2013	2012
	QR	QR
Bank balances	**172,811,510**	116,157,377
Trade receivables	**102,615,679**	138,768,890
Other receivables	**7,764,148**	4,194,048
	283,191,337	259,120,315

The Group continues to render services to more than 823(2012: 955) customers with its largest 5 customers accounting for 30% (2012: 34%) of trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. The Group has a rigorous policy of credit screening prior to providing services on credit.

The Group reduces the exposure of credit risk arising from other financial assets by maintaining bank accounts with reputed banks and providing services only to the creditworthy counter parties.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

	1 to 12 months	**1 to 5 years**	**Over 5 years**	**Total**
	QR	**QR**	**QR**	**QR**
At 31 December 2013				
Loans and borrowings	**184,473,285**	**915,033,092**	**100,657,305**	**1,200,163,682**
Trade payables	**12,208,481**	—	—	**12,208,481**
Accrued expenses	**50,054,560**	—	—	**50,054,560**
Other payables	**32,383,338**	—	—	**32,383,338**
Retention payable	**21,046,520**	**7,807,302**	—	**28,853,822**
	300,166,184	**922,840,394**	**100,657,305**	**1,323,663,883**
At 31 December 2012				
Loans and borrowings	113,702,597	688,522,689	160,588,707	962,813,993
Trade payables	11,950,224	—	—	11,950,224
Accrued expenses	39,044,780	—	—	39,044,780
Other payables	26,166,169	—	—	26,166,169
Retention payable	18,760,171	6,406,451	—	25,166,622
	209,623,941	694,929,140	160,588,707	1,065,141,788

24 FINANCIAL RISK MANAGEMENT (Contd.)

Capital management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital base, which the Group defines as the share capital, on a continuous basis.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year end 31 December 2013 and 31 December 2012. Capital comprises share capital of QR 475 Million (2012: QR 396 Million).

Operational risk

As a precaution in managing exposure to business continuity risk arising from potential losses or damages to customer goods; an amount of QR 385 Million (2012: QR 393 Million) worth of customer goods has been covered through insurance coverage. Also the Group limits its liability towards any losses by way of contractual agreements entered with respective customers.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amounts		Fair values	
	2013	2012	**2013**	2012
	QR	QR	**QR**	QR
Financial assets				
Bank balances (excluding cash)	**172,811,510**	116,157,377	**172,811,510**	116,157,377
Trade and other receivables	**247,968,437**	235,326,586	**247,968,437**	235,326,586
Financial liabilities				
Payables and other liabilities	**97,187,017**	79,183,279	**97,187,017**	79,183,279
Loans and borrowings	**936,965,460**	756,704,853	**936,965,460**	756,704,853

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

- Bank balances, receivables and payables and other liabilities and loans and borrowings approximate their carrying amounts largely due to the short-term maturities/repricing of these instruments.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2013:

			Fair value measurement using		
	Date of valuation	Total QR'000	Quoted prices in active markets Level 1 QR'000	Significant observable inputs Level 2 QR'000	Significant unobservable inputs Level 3 QR'000
Assets measured at fair value:					
Investment properties (Note 10):	31/12/2013	**131,971**	—	131,971	—

There have been no transfers between Level 1 and Level 2 during the year.

26 SIGNIFICANT ESTIMATES AND JUDGEMENTS

Use of estimates

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Fair value of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2013 for investment properties. For investment properties, The independent evaluator uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

If an independent valuation is carried out at the intermediate period, the management determines the year end valuation by applying appropriate discounting rate on the intermediate valuation based on the market situations, estimated yield and expected future cash flows. Thus the management believes it's a more transparent and accurate valuation
The key assumptions used to determine the fair value of the properties are provided in Notes 10.

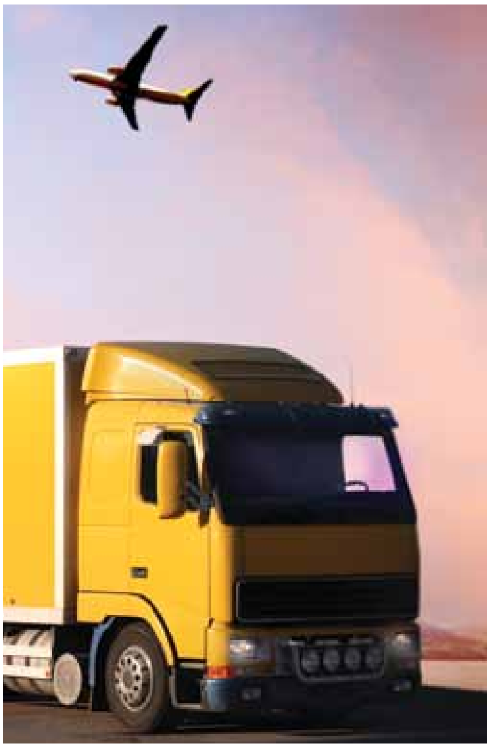
Goodwill
The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 12).

27 COMPARATIVE INFORMATION

Certain prior year amounts have been reclassified in order to conform to the current year presentation. Such reclassification did not affect previously reported net profit or total equity.


lasting
Customer Satisfaction
has been a result of
our INTELLIGENT
networking
and a constructive
dialogue at all levels





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