

# **PRESS RELEASE**

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**For the period ended 30 June 2018**

## **MPHC DECLARES 2018 HALF YEAR NET PROFIT OF QR 666 MILLION**

- **Profits significantly up by 42% compared to previous year.**
- **Strong liquidity position with closing cash of circa QR 1.2 billion as at 30 June 2018.**
- **Tax refund of QR 64 million booked for the half year.**

**DOHA, QATAR - 06/08/2018:** Mesaieed Petrochemical Holding Company (“MPHC” or “the group”; QE: MPHC), a subsidiary of Qatar Petroleum and one of the region’s premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products, announced its financial results for the half year ended 30 June 2018 with net profit of QR 666 million.

## **Financial Results**

MPHC reported a net profit of QR 666 million for the half year ended 30 June 2018 with earnings per share of QR 0.53, outperforming the net profit of QR 469 million and earnings per share of QR 0.37 during the corresponding period of the previous year by QR 197 million or 42%. The increase in profit was driven by improved selling prices by 13% and increased sales volumes by 6%, as the previous year witnessed planned turnaround in one of the group companies’ plants. The group’s profit for the period was also aided by the recognition of a tax refund of approximately QR 64 million for the period. The group continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. This contracting arrangement is an important value driver for the group’s profitability in a challenging market condition.

The closing cash position after the first six months of operations was a robust QR 1.2 billion as at 30 June 2018. The total assets at 30 June, 2018 was QR 14.6 billion, compared to QR 14.8 billion as at 31 December 2017.

As compared to the previous quarter, the net profit was down by QR 47 million or 13% due to the planned annual maintenance shutdown in one of the group companies’ plants.

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## GENERAL NOTES

Mesaieed Petrochemical Holding Company's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Mesaieed Petrochemical Holding Company's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

## DEFINITIONS

Cash Realisation Ratio:  $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$  • Debt to Equity:  $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$  • Dividend Yield:  $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$  • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow:  $\text{Cash Flow From Operations} - \text{Total CAPEX}$  • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio:  $\text{Total Cash Dividend} / \text{Net Profit} \times 100$  • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation:  $\text{Production Volume} / \text{Rated Capacity} \times 100$  • VCM: Vinyl Chloride Monomer

## ABOUT MPHC

Mesaieed Petrochemical Holding Company Q.S.C. ("MPHC") was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of Qatar Petroleum's previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar. The main activity of MPHC is to act as a holding company: (i) Q-Chem is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. ("CPCIQH") (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHC (49%), CPCIQH (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, RasLaffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QP (12.9%).

## CONTACT DETAILS

Telephone Number (974) 4013-2080

Fax Number (974) 4013-9750