

# **PRESS RELEASE**

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**For the period ended June 30, 2016**

## **MPHC DECLARES 2016 HALF YEAR NET PROFIT OF QR 489.7 MILLION.**

- **Profits surged by 22% compared to the first half of 2015.**
- **Improved performance triggered by growth in sales volumes; impacted by decline in product prices.**
- **Robust liquidity position with closing cash held by the company at QR 700.7 million as of June 30, 2016 after distribution of QR 837.1 million during the period related to previous years' dividends.**
- **Tax refund of QR 45 million booked for the first half of 2016.**

**DOHA, QATAR** - 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 period ended June 30, 2016, with net profit of QR 489.7 million.

## **Financial Results**

MPHC reported a commendable net profit of QR 489.7 million for the period ended June 30, 2016 with earnings per share of QR 0.39, a surge in profits of QR 86.9 million or 22% compared to a net profit of QR 402.8 million with earnings per share of QR 0.32 in the first half of 2015. The year-on-year increase was due to buoyant sales volumes and an increase in other income in the midst of a challenging market.

The groups’ profit was also aided by recognition of a tax refund of QR 45 million during 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 under volatile market conditions.

The closing cash position after the first six months of operations and after distribution of previous years dividends of QR 837.1 million during the period, was a robust QR 700.7 million as at June 30, 2016. The total assets at June 30, 2016 was QR 13.9 billion, compared to QR 14.3 billion as at 31 December 2015.

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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, Ras Laffan 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

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