

Qatar Fertiliser Company (S.A.Q.)
Consolidated Financial Statements
For the year ended 31 December 2007

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Independent auditors' report

To
The Shareholders
Qatar Fertiliser Company (S.A.Q)
Doha
State of Qatar.

Report on the financial statements

We have audited the accompanying consolidated financial statements of Qatar Fertiliser Company S.A.Q ("the Company") and its subsidiary (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the directors for the financial statements

The Directors of the Group are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of 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 our 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, we 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 principles used and the reasonableness of accounting estimates made by management, 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.

(Report of the auditors – continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In addition, in our opinion, the Group has maintained proper accounting records and the consolidated financial statements are in agreement therewith and a physical count of inventories was carried out in accordance with established principles. We are not aware of any violations of the provision of Qatar Commercial Companies Law No 5 of 2002, to the extent applicable, or the terms of Articles of Association of the Company and its subsidiary having occurred during the year which might have had a material effect on the business of the Group or its financial position as of 31 December 2007. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

13 February 2008
Doha
State of Qatar

Kevin Weston
KPMG
Qatar Auditors' Registry No. 244