

# **PRESS RELEASE**

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**For the quarter ended March 31, 2017**

## **MPHC DECLARES 2017 FIRST QUARTER NET PROFIT OF QR 212.3 MILLION.**

- **Profits remained at the same level as previous year.**
- **Performance exceeds the group's budget by over 42%.**
- **Strong liquidity position with closing cash of QR 722 million held by the company as at 31 March, 2017 after distribution of previous years' dividends of QR 698 million.**
- **Tax refund of QR 18 million booked for the first quarter of 2017.**

**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 first quarter ended March 31, 2017, with a net profit of QR 212.3 million.

## **Financial Results**

MPHC reported a net profit of QR 212.3 million for the quarter ended March 31, 2017 with earnings per share of QR 0.17 and profit remaining flat on Q1 2016. Reduced sales volumes on periodic turnaround in some of the group companies’ plants is offset by the increase in selling prices. As compared to the previous quarter, the net profit is down by QR 66.2 million or 24% primarily due to the decrease in sales volumes arising from the turnaround in some of the group companies’ plants. The Q1 2017 financial performance exceeded the group’s budget expectations by over 42%.

The groups’ profit for the quarter was also aided by recognition of a tax refund of approximately QR 18 million for the quarter. 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 profitability in a challenging market condition.

The closing cash position after the first three months of operations and after distribution of previous years’ dividends of QR 697.9 million, was a robust QR 721.8 million as at March 31, 2017. The total assets at March 31, 2017 was QR 13.9 billion, compared to QR 14.4 billion as at 31 December 2016.

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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%).

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