

**SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS'
REVIEW REPORT
FOR THE THREE MONTH AND
NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012**

**SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
ACCOUNTANTS' REVIEW REPORT
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the shareholders
Saudi Airlines Catering Company
Jeddah, Saudi Arabia

Scope of Review

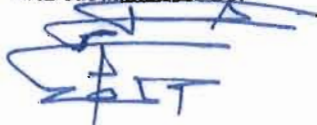
We have reviewed the interim balance sheet of SAUDI AIRLINES CATERING COMPANY (a Saudi Joint Stock Company) (the "Company") as of September 30, 2012 and the related interim statements of income for the three month and nine month periods then ended and shareholders' equity and cash flows for the nine month period then ended, and notes 1 to 11 which form an integral part of these interim financial statements as prepared by the Company and presented to us with all the necessary information and explanations. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the Standard of Review on Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants. A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Review Results

Based on our review, we are not aware of any material modifications that should be made to the interim financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

Deloitte & Touche
Bakr Abulkhair & Co.



Al-Mutahhar Y. Hamiduddin
License No. 296
24 Dhual-Qa'dah, 1433
October 10, 2012


SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM BALANCE SHEET
AS OF SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

	Note	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)
ASSETS			
Current assets			
Cash and cash equivalents		591,188,502	658,174,132
Accounts receivable – trade		73,727,690	59,282,901
Due from related parties	4	656,732,157	499,497,464
Inventories		70,115,579	66,965,168
Prepaid expenses and other receivables		34,464,728	25,650,873
Total current assets		1,426,228,656	1,309,570,538
Non-current assets			
Property, plant and equipment		113,575,786	96,714,191
Total non-current assets		113,575,786	96,714,191
TOTAL ASSETS		1,539,804,442	1,406,284,729
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable – trade		119,605,885	98,077,308
Dividends payable	5	1,006,764	-
Accrued expenses and other liabilities		264,435,168	252,102,437
Total current liabilities		385,047,817	350,179,745
Non-current liabilities			
End-of-service indemnities		104,147,034	94,987,996
Total non-current liabilities		104,147,034	94,987,996
Shareholders' equity			
Share capital	1	820,000,000	820,000,000
Statutory reserve	9	84,038,986	34,791,230
Retained earnings		146,570,605	106,325,758
Total shareholders' equity		1,050,609,591	961,116,988
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,539,804,442	1,406,284,729


Chief Financial Officer


Chief Executive Officer

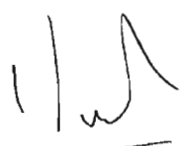

Authorized Board of Directors' Member


The accompanying notes form an integral part of these unaudited interim financial statements

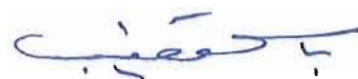
SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

		Three month period from July 1 to September 30		Nine month period from January 1 to September 30	
		2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
Note					
Revenues:					
In-flight catering revenue		346,997,216	318,067,884	964,060,976	841,638,049
Sky sales revenue		44,622,030	39,686,571	130,146,316	108,353,813
Business lounge revenue		12,008,574	10,052,480	37,666,125	29,894,052
Non-airlines revenue		13,940,348	9,813,249	48,419,473	30,438,415
Other revenues		24,881,049	13,002,201	60,212,595	39,630,983
Total revenues	8	442,449,217	390,622,385	1,240,505,485	1,049,955,312
Cost of revenues					
Cost of materials and goods		190,977,402	157,089,671	501,147,134	396,613,153
Personnel costs		40,517,271	39,805,453	124,655,777	122,133,674
Rent and maintenance of production units		16,161,646	17,904,003	52,306,434	45,569,097
Depreciation		3,676,333	3,450,907	11,283,652	10,364,829
Other costs		34,412,597	22,928,500	76,171,023	63,798,375
Total cost of revenues		285,745,249	241,178,534	765,564,020	638,479,128
Gross profit		156,703,968	149,443,851	474,941,465	411,476,184
General and administrative expenses		23,831,380	28,727,317	94,958,278	100,926,587
Operating income		132,872,588	120,716,534	379,983,187	310,549,597
Other revenues and expense, net		1,307,335	405,934	3,241,711	759,501
NET INCOME	8	134,179,923	121,122,468	383,224,898	311,309,098
Earnings per share from net income	6	1.64	1.48	4.67	3.80


Chief Financial Officer


Chief Executive Officer

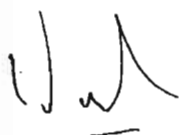

Authorized Board of Directors' Member

The accompanying notes form an integral part of these unaudited interim financial statements

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)


	Note	Share capital	Statutory reserve	Retained earnings	General reserve	Total
January 1, 2011	1	100,767,000	50,383,500	658,791,392	13,718,428	823,660,320
Increase in share capital	1	719,233,000	(46,723,180)	(658,791,392)	(13,718,428)	-
Net income for the period		-	-	311,309,098	-	311,309,098
Transfer to statutory reserve	9	-	31,130,910	(31,130,910)	-	-
Zakat and income tax	3	-	-	(28,852,430)	-	(28,852,430)
Dividends		-	-	(145,000,000)	-	(145,000,000)
September 30, 2011		820,000,000	34,791,230	106,325,758	-	961,116,988
Balance, January 1, 2012		820,000,000	45,716,496	115,285,981	-	981,002,477
Net income for the period		-	-	383,224,898	-	383,224,898
Transfer to statutory reserve	9	-	38,322,490	(38,322,490)	-	-
Zakat and income tax	3	-	-	(34,617,784)	-	(34,617,784)
Dividends	5	-	-	(279,000,000)	-	(279,000,000)
September 30, 2012		820,000,000	84,038,986	146,570,605	-	1,050,609,591



Chief Financial Officer



Chief Executive Officer



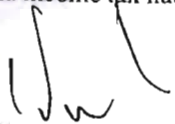
Authorized Board of Directors' Member


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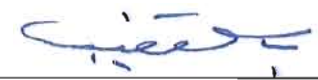
SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

	2012 (Unaudited)	2011 (Unaudited)
OPERATING ACTIVITIES		
Net income	383,224,898	311,309,098
Adjustments for:		
Depreciation	13,037,559	12,063,811
Allowance for doubtful debts	8,027,694	11,634,821
Allowance for slow moving inventories	772,771	613,995
(Gain)/loss from sale of property, plant and equipment	(32,021)	149,789
Provision for end-of-service indemnities	16,458,447	14,292,019
Changes in operating assets and liabilities:		
Accounts receivable - trade	(34,445,531)	(17,021,763)
Due from related parties	(140,106,999)	(250,179,913)
Inventories	(5,348,233)	(15,059,711)
Prepaid expenses and other receivables	(4,299,287)	(1,350,892)
Accounts payable - trade	4,024,278	8,621,066
Accrued expenses and other liabilities	31,817,400	41,934,234
Cash generated from operations	273,130,976	117,006,554
End-of-service indemnities paid	(6,937,633)	(4,179,504)
Net cash from operating activities	266,193,343	112,827,050
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,045,093)	(41,645,144)
Proceeds from sale of property, plant and equipment	233,594	-
Net cash used in investing activities	(16,811,499)	(41,645,144)
FINANCING ACTIVITIES		
Zakat and income tax paid	(35,253,024)	(28,831,801)
Dividends paid	(277,993,236)	(145,000,000)
Net cash used in financing activities	(313,246,260)	(173,831,801)
Net change in cash and cash equivalents	(63,864,416)	(102,649,895)
Cash and cash equivalents, January 1	655,052,918	760,824,027
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	591,188,502	658,174,132
Additional disclosure for non-cash transactions		
Capital increase from retained earnings, general reserve and statutory reserve	-	719,233,000
Allowance for doubtful debts transferred from accounts receivable-trade to prepaid expenses and other receivables	-	1,603,372
Bad debts written-off	5,180,243	-
Inventory written-off	153,695	-
Unpaid dividends	1,006,764	-
Zakat and income tax liabilities debited to retained earnings	34,617,784	28,852,430


Chief Financial Officer


Chief Executive Officer


Authorized Board of Directors' Member

The accompanying notes form an integral part of these unaudited interim financial statements

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES

Saudi Airlines Catering Company ("the Company") was registered as a Saudi limited liability company on 20 Muharram 1429 (January 29, 2008) under commercial registration number 4030175741. The share capital of the Company, amounting to SR 100,767,000, was divided into 1,007,670 shares of SR 100 each. The Company was established as a wholly owned subsidiary of Saudi Arabian Airlines Corporation ("Saudia") whose contribution to the share capital was made up of SR 500,000 cash and SR 100,267,000 of net assets of its catering division transferred effective on January 1, 2008.

On April 22, 2008, Saudia sold 493,758 shares representing 49% of the total share capital of the Company to the Strategic Catering Company Limited. The formalities of the transaction were completed on 19 Rajab, 1429 (July 22, 2008).

On December 26, 2010 the shareholders resolved to amend the Articles of Association to reflect the sale of 3% of Saudia's shares in the Company to Saudi Airlines Company Limited, Saudia Private Aviation Company Limited and Saudia Real Estate and Development Company Limited which are wholly owned subsidiaries of Saudia. Furthermore, the shareholders decided to convert the Company from a limited liability company to a closed joint stock company and divide the capital of the Company which amounted to SR 100,767,000 into 10,076,700 ordinary shares of SR 10 each instead of 1,007,670 shares of SR 100 each. The Company obtained the approval of the Minister of Commerce and Industry for the above sale and conversion on 29/1/1432 (January 4, 2011) and obtained the amended Commercial Registration on 10/3/1432 (February 13, 2011).

Accordingly the share capital of the Company became as follows:

	Shares	Value
Strategic Catering Company Limited	4,937,583	49,375,830
Saudi Arabian Airlines Corporation	4,836,816	48,368,160
Saudi Airlines Company Limited	100,767	1,007,670
Saudia Private Aviation Company Limited	100,767	1,007,670
Saudia Real Estate and Development Company Limited	100,767	1,007,670
	<u>10,076,700</u>	<u>100,767,000</u>

On March 19, 2011 the shareholders resolved to increase the share capital by SR 719,233,000 by transferring SR 658,791,392 from the retained earnings, SR 13,718,428 from general reserve and SR 46,723,180 from statutory reserve. Consequently, the current shareholding of the Company after these changes became as follows:

	Shares	Value
Strategic Catering Company Limited	40,180,000	401,800,000
Saudi Arabian Airlines Corporation	39,360,000	393,600,000
Saudi Airlines Company Limited	820,000	8,200,000
Saudia Private Aviation Company Limited	820,000	8,200,000
Saudia Real Estate and Development Company Limited	820,000	8,200,000
	<u>82,000,000</u>	<u>820,000,000</u>

The Company finalized the related formalities and obtained the amended commercial registration on 26 Jamad'I, 1432 (April 30, 2011).

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During the period from 28 Rajab, 1433 (June 18, 2012) to 4 Shaban, 1433 (June 24, 2012), the Company has sold 24.6 million shares through an initial public offering representing 30% of the Company's share capital at SR 54 per share including the nominal value amounting to SR 10 per share and an issue premium of SR 44 per share. Thus, the Company has converted into a public joint stock company and commenced trading on the Tadawul in the Kingdom of Saudi Arabia on July 9, 2012. Following the sale of shares, the Company is owned as follows:

	Shares	Value
Saudi Arabian Airlines Corporation	29,274,000	292,740,000
Strategic Catering Company Limited	28,126,000	281,260,000
Public shareholders	24,600,000	246,000,000
	<u>82,000,000</u>	<u>820,000,000</u>

The Company is in the process of obtaining the amended bye-laws and commercial registration reflecting the public offering.

The main objectives of the Company are provision of cooked and non-cooked food to private and public sectors, provision of sky sales, operation and management of duty free zones in Saudi Arabian airports and operation and management of restaurants and groceries at airports.

The Company mainly provides catering services to Saudi Arabian Airlines and other foreign airlines in the airports of Jeddah, Riyadh, Dammam and Madinah in Saudi Arabia and to Saudia's flights operating from Cairo International Airport.

On August 2, 2012, the board of directors resolved to establish a limited liability company with a share capital of SR 30 million to be mainly owned and controlled by the Company. The new established company will be under the name of Saudi Airlines Catering Services ("SAC Services") and will include "business and industry" catering activity which is currently part of the Company's operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim unaudited financial statements have been prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia. The accounting policies adopted by the Company for the preparation of these interim unaudited financial statements are consistent with those used for the preparation of the annual financial statements.

These interim unaudited financial statements have been prepared for the period from January 1, 2012 to September 30, 2012 with comparative figures from January 1, 2011 to September 30, 2011, and may not represent accurate indications of the results of the annual activities.

The following is a summary of significant accounting policies applied by the Company:

Use of estimates

The preparation of interim unaudited financial statements in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 ultimately may differ from those estimates.

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

Revenue recognition

Revenues are recognized when goods are delivered and services are rendered to customers and are stated net of discounts.

Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under accounting standards generally accepted in the Kingdom of Saudi Arabia. Allocations between general and administrative expenses and cost of revenues, when required, are made on a consistent basis.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a weighted average cost basis. An allowance is also established for items deemed to be slow moving or obsolete.

Financial assets and financial liabilities

The Company's financial assets comprise cash and cash equivalents, accounts receivable-trade and due from related parties. These financial assets are stated at their nominal values as reduced by an appropriate allowance for estimated irrecoverable amounts.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include accounts payable-trade and dividends payable and are stated at their nominal values.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Certain categories of financial assets, such as accounts receivable-trade, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced through the use of an allowance account with a corresponding charge to the statement of income. When a financial asset is not considered recoverable, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to the statement of income.

SAUDI AIRLINES CATERING COMPANY
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. The estimated useful lives of the principal classes of assets are as follows:

Buildings	20 years
Leasehold improvements	5-20 years
Equipment	3-7 years
Motor vehicles	7-10 years

Impairment of non-current assets

At each balance sheet date, the Company assesses whether there are any indications, whether internal or external, of impairment in the value of non-current assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

A non-current asset is considered impaired if its carrying amount is higher than its recoverable amount. To determine impairment, the Company compares the non-current asset's carrying amount with the undiscounted estimated cash flow from the asset's use. If the carrying amount exceeds the undiscounted cash flow from the asset, the Company estimates the present value of the estimated future cash flows from the asset. The excess of the carrying amount over the present value of the estimated future cash flows from the assets is considered an impairment loss.

An impairment loss is recognized immediately in the statement of income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior years. A reversal of an impairment loss is recognized immediately in the statement of income.

Foreign currency transactions

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the interim financial statements based on the employees' length of service.

Zakat and income tax

The Company is subject to the Regulations of the Directorate of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat and income tax are provided on an accruals basis. The zakat charge is computed on the zakat base. Income tax is computed on adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

SAUDI AIRLINES CATERING COMPANY
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental payables under operating lease are charged to income on a straight-line basis over the term of the operating lease.

Segmental analysis

An operating segment is a component of the Company that is engaged in business activities from which it earns revenues and incurs expenses and about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. For management purposes, the Company is organized into business units based on their products and services and has two reportable operating segments as follows:

- Catering, which includes business lounges, non-airlines and others;
- Sky sales.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the accompanying interim financial statements.

3. ZAKAT AND INCOME TAX

The Company has charged directly to its retained earnings the zakat and income tax liabilities for the period amounting to SR 34,617,784 (2011: SR 28,852,430).

The Company has submitted its zakat and income tax declarations for the years 2009, 2010 and 2011. The Company has paid the amounts due according to the declarations which are currently under review by the DZIT.

RELATED PARTY TRANSACTIONS

<u>Name</u>	<u>Relationship</u>
Saudi Arabian Airlines Corporation ("Saudia")	Shareholder
Newrest Group Holding S.L.	One of the ultimate shareholders
Saudi Airlines Cargo Company	Affiliate
Saudi Ground Services Company	Affiliate
Board of Directors	Connected persons

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

The significant transactions and the related approximate amounts for the nine month period ended September 30 are as follows:

	2012 (Unaudited)	2011 (Unaudited)
Catering and other services rendered to Saudia	859,206,000	646,468,000
Services and other expenses charged by Saudia	5,171,000	8,480,000
Net services charged and expenses re-allocated to Saudi Ground Services Company	24,622,000	17,555,000
Net services rendered to/charged by Saudi Airlines Cargo Company	12,041,000	10,693,000
Management fees	9,000,000	9,000,000
Board of directors' fees and expenses	1,423,000	1,447,000

Due from related parties as of September 30 are comprised of the following:

	2012 (Unaudited)	2011 (Unaudited)
Saudi Arabian Airlines Corporation ("Saudia") (net of allowance for doubtful debts of SR 10,192,616 and SR 15,162,905 in 2011)	612,133,647	395,806,703
Saudi Ground Services Company (net of allowance for doubtful debts of SR nil and SR 4,092,722 in 2011)	23,948,289	86,499,825
Saudi Airlines Cargo Company	20,650,221	17,190,936
	<u>656,732,157</u>	<u>499,497,464</u>

Catering and other services rendered to Saudi Arabian Airlines Corporation during the period represent 69% (2011: 62%) of total revenues of the Company.

DIVIDENDS

On 2nd August 2012, the Board of Directors resolved to distribute interim dividends during the period amounting to SR 164 million, which is equivalent to SR 2 per share, from the Company's interim profit.

In their annual general meeting on March 7, 2012, the shareholders ratified the interim dividends distributed during the year ended December 31, 2011 amounting to SR 225 million from the retained earnings and also approved the additional distribution of SR 115 million from the Company's retained earnings as of December 31, 2011 which has been paid during the nine month period ended September 30, 2012.

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
 (Expressed in Saudi Riyals)

EARNINGS PER SHARE

	Period from July 1 to September 30		Period from January 1 to September 30	
	2012	2011	2012	2011
<i>EPS from net income</i>				
Net income	134,179,923	121,122,468	383,224,898	311,309,098
Weighted average number of shares	82,000,000	82,000,000	82,000,000	82,000,000
Earnings per share	1.64	1.48	4.67	3.80
<i>EPS from continuing operations</i>				
Operating income	132,872,588	120,716,534	379,983,187	310,549,597
Weighted average number of shares	82,000,000	82,000,000	82,000,000	82,000,000
Earnings per share	1.62	1.47	4.63	3.79
<i>EPS from non-operating operations</i>				
Non-operating income	1,307,335	405,934	3,241,711	759,501
Weighted average number of shares	82,000,000	82,000,000	82,000,000	82,000,000
Earnings per share	0.02	0.01	0.04	0.01

COMMITMENTS AND CONTINGENCIES

As of September 30, the Company had the following commitments and contingencies:

	2012 (Unaudited)	2011 (Unaudited)
Commitments for future capital commitments	33,018,679	17,204,610

SEGMENTAL INFORMATION

Segment information is related to the activities of the Company as a basis for the preparation of its own financial information.

The assets, liabilities and the results of operations of the segments include items related directly to a certain segment and items which could be distributed on the segments on a consistent basis. The Company's activities consist of the following business segments:

1. Catering including business lounges, non-airlines and others
2. Sky sales

SAUDI AIRLINES CATERING COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012
(Expressed in Saudi Riyals)

The Company's assets, liabilities and results of operations as of and for the nine month period ended September 30, 2012 and 2011 by business segments are detailed below:

	Catering	Sky sales	Total
2012 (Unaudited)			
Assets	1,425,657,311	114,147,131	1,539,804,442
Liabilities	438,784,074	50,410,777	489,194,851
Sales and revenues	1,110,359,169	130,146,316	1,240,505,485
Net income	342,099,635	41,125,263	383,224,898
2011 (Unaudited)			
Assets	1,380,854,065	25,430,664	1,406,284,729
Liabilities	408,369,072	36,798,669	445,167,741
Sales and revenues	941,601,499	108,353,813	1,049,955,312
Net income	283,546,752	27,762,346	311,309,098

9. STATUTORY RESERVE

In accordance with Regulations for Companies in the Kingdom of Saudi Arabia and the Company's Bye-laws, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 50% of the share capital. This reserve is not available for dividend distribution. The Company has appropriated the required statutory reserve for the period ended September 30, 2012 based on the interim unaudited financial statements. Such reserve will be adjusted based on the final annual statutory financial statements.

10. FAIR VALUES

The fair value of the Company's financial assets and liabilities approximate their carrying amounts.

11. COMPARATIVE FIGURES

Certain figures for 2011 have been reclassified to conform to the presentation in the current period.