



**a Saudi Joint Stock Company**

**Financial Statements for the  
Year Ended December 31, 2004**

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
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## **INDEPENDENT AUDITORS' REPORT**

**To the shareholders  
Saudi Telecom Company  
Riyadh, Saudi Arabia**

We have audited the accompanying balance sheet of Saudi Telecom Company (a Saudi joint stock company) ("the Company") as of December 31, 2004 and the statements of income, shareholders' equity and cash flows for the year then ended, and the notes which form an integral part of these financial statements. These financial statements, which were prepared by the Company in accordance with the articles of the Regulations for Companies and presented to us with all the necessary information and explanations which we required, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 29 to the financial statements, the Company did not disclose in its financial statements the segmental information, as required by generally accepted accounting standards in the Kingdom of Saudi Arabia.

In our opinion, except for what has been discussed in the preceding paragraph, the above mentioned financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Company as of December 31, 2004 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia appropriate to the circumstances of the Company; and
- Comply, in all material respects, with the requirements of the Regulations for Companies and the Company's Articles of Association as these relate to the preparation and presentation of these financial statements.

**Al Juraid & Company**

Sami B. Al Sarraj  
Registration No. 165

**Deloitte & Touche  
Bakr Abulkhair & Co.**

Bakr A. Abulkhair  
Registration No. 101

Dhu'l – Hijja 23, 1425  
February 2, 2005

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Balance Sheet as of December 31, 2004**

	<u>Notes</u>	<u>2004</u> <u>SR'000</u>	<u>2003</u> <u>SR'000</u>
<b><u>ASSETS</u></b>			
<b>Current assets:</b>			
Cash and cash equivalents	3	5,013,705	3,281,115
Short-term investments	4	1,735,000	2,107,000
Accounts receivable, net	5	3,133,562	3,015,054
Inventories, net	6	217,650	303,839
Prepayments and other current assets	7	<u>196,551</u>	<u>176,630</u>
<b>Total current assets</b>		<b>10,296,468</b>	<b>8,883,638</b>
<b>Non-current assets:</b>			
Property, plant and equipment, net	8	30,781,642	31,906,679
Investments accounted for under the equity method	9	802,018	799,676
Other investments	10	155,682	79,696
Other non-current assets		<u>82,017</u>	<u>102,521</u>
<b>Total non-current assets</b>		<b>31,821,359</b>	<b>32,888,572</b>
<b>Total assets</b>		<b><u>42,117,827</u></b>	<b><u>41,772,210</u></b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>Current liabilities:</b>			
Accounts payable	11	2,728,601	2,943,362
Dividends payable	12	47,778	17,248
Other payables	13	2,878,935	2,721,719
Accrued expenses	14	1,580,116	2,258,506
Deferred revenue - current		<u>1,323,811</u>	<u>1,481,533</u>
<b>Total current liabilities</b>		<b>8,559,241</b>	<b>9,422,368</b>
<b>Non-current liabilities:</b>			
Deferred revenue		1,006,600	1,379,251
Employees' end of service benefits	15	<u>1,643,410</u>	<u>1,575,953</u>
<b>Total non-current liabilities</b>		<b>2,650,010</b>	<b>2,955,204</b>
<b>Total liabilities</b>		<b>11,209,251</b>	<b>12,377,572</b>
<b>Shareholders' equity:</b>			
Authorized, issued and outstanding shares:			
300,000,000 shares, par value SR 50 per share	16	15,000,000	15,000,000
Statutory reserve	17	3,293,882	2,362,449
Retained earnings	12	12,618,036	12,035,141
Unrealized loss on other investments	10	<u>(3,342)</u>	<u>(2,952)</u>
<b>Total shareholders' equity</b>		<b>30,908,576</b>	<b>29,394,638</b>
<b>Total liabilities and shareholders' equity</b>		<b><u>42,117,827</u></b>	<b><u>41,772,210</u></b>

The accompanying notes 1 to 33 form an integral part of these financial statements.

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Statement of Income for the Year Ended December 31, 2004**  
**(Saudi Riyals in thousands)**

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
<b>Operating Revenues</b>			
Wireless		20,911,997	17,743,945
Wireline		<u>9,586,666</u>	<u>9,548,073</u>
Total operating revenues	18	<u>30,498,663</u>	<u>27,292,018</u>
<b>Operating Expenses</b>			
Government charges	19	(6,159,567)	(5,548,401)
Access charges		(2,119,774)	(1,823,441)
Employee costs	20	(3,809,779)	(3,673,235)
Depreciation	8	(4,261,391)	(3,812,966)
Administrative and marketing expenses	21	(2,088,212)	(1,519,862)
Repairs and maintenance		<u>(1,580,214)</u>	<u>(1,626,844)</u>
Total operating expenses		<u>(20,018,937)</u>	<u>(18,004,749)</u>
<b>Operating Income</b>		<u>10,479,726</u>	<u>9,287,269</u>
<b>Other Income and Expenses</b>			
Cost of manpower improvement program	22	(580,008)	(700,000)
Commissions	3 , 4	63,368	43,649
Earnings of investments accounted for under the equity method		31,161	51,923
Other, net	23	<u>(427,163)</u>	<u>68,582</u>
Other income and expenses, net		<u>(912,642)</u>	<u>(535,846)</u>
<b>Net Income before Zakat</b>		9,567,084	8,751,423
Provision for Zakat	24	<u>(252,756)</u>	<u>(226,161)</u>
<b>Net Income</b>		<u><b>9,314,328</b></u>	<u><b>8,525,262</b></u>
<b>Earnings per share in Saudi Riyals</b>		<u><b>31.05</b></u>	<u><b>28.42</b></u>

The accompanying notes 1 to 33 form an integral part of these financial statements.

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Statement of Cash Flows for the Year Ended December 31, 2004**  
**(Saudi Riyals in thousands)**

	<u><b>2004</b></u>	<u><b>2003</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	9,314,328	8,525,262
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,261,391	3,812,966
Doubtful debts expense, net of recovered amounts	565,387	258,598
Losses on disposal of property, plant and equipment	466,849	25,315
Earnings from investments accounted for under the equity method	(31,161)	(51,923)
Gains on sale of other investments	(3,073)	(27,095)
Changes in:		
Accounts receivable	(683,895)	2,174,256
Inventories	86,189	106,816
Prepayments and other current assets	(18,546)	(50,250)
Other non-current assets	20,504	(16,455)
Accounts payable	(214,761)	(3,989,073)
Other payables	157,216	603,876
Accrued expenses	(531,937)	285,238
Deferred revenue	(530,373)	(403,280)
Employees' end of service benefits	<u>67,457</u>	<u>193,383</u>
<b>Net cash provided by operating activities</b>	<u><b>12,925,575</b></u>	<u><b>11,447,634</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(3,749,656)	(4,672,768)
TEP6 close out adjustment, net	-	946,052
Short-term investments	372,000	(2,107,000)
Dividends received from investments accounted for under the equity method	28,819	21,881
Maturity of government bonds	-	13,691
Receipts from sale proceeds of other investments	25,322	55,844
Acquisition of other investments	<u>(100,000)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u><b>(3,423,515)</b></u>	<u><b>(5,742,300)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(7,769,470)	(3,132,752)
Proceeds from borrowings	1,800,000	350,000
Repayments of borrowings	<u>(1,800,000)</u>	<u>(1,583,333)</u>
<b>Net cash used in financing activities</b>	<u><b>(7,769,470)</b></u>	<u><b>(4,366,085)</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,732,590	1,339,249
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>3,281,115</b></u>	<u><b>1,941,866</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>5,013,705</b></u>	<u><b>3,281,115</b></u>

The accompanying notes 1 to 33 form an integral part of these financial statements.

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Statement of Changes in Shareholders' Equity for the Year Ended December 31, 2004**  
**(Saudi Riyals in thousands)**

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	<u>Notes</u>	<u>Common Shares</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Unrealized (Loss) / Gain on Other Investments</u>	<u>Total Shareholders' Equity</u>
<b>Balance at December 31, 2002</b>		<b>15,000,000</b>	<b>1,509,923</b>	<b>7,512,405</b>	<b>(12,,998)</b>	<b>24,009,330</b>
Net income		-	-	8,525,262	-	8,525,262
Dividends	12	-	-	(3,150,000)	-	(3,150,000)
Transfer to statutory reserve	17	-	852,526	(852,526)	-	-
Unrealized gain on other investments	10	-	-	-	10,046	10,046
<b>Balance at December 31, 2003</b>		<b>15,000,000</b>	<b>2,362,449</b>	<b>12,035,141</b>	<b>(2,952)</b>	<b>29,394,638</b>
Net income		-	-	9,314,328	-	9,314,328
Dividends	12	-	-	(7,800,000)	-	(7,800,000)
Transfer to statutory reserve	17	-	931,433	(931,433)	-	-
Unrealized loss on other investments	10	-	-	-	(390)	(390)
<b>Balance at December 31, 2004</b>		<b>15,000,000</b>	<b>3,293,882</b>	<b>12,618,036</b>	<b>(3,342)</b>	<b>30,908,576</b>

The accompanying notes 1 to 33 form an integral part of these financial statements.

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Notes to the Financial Statements for the Year Ended December 31, 2004**

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**1 GENERAL**

Saudi Telecom Company (the “Company”) was established as a Saudi Joint Stock Company pursuant to Royal Decree No. M/ 35, dated 24 Dhul Hijja 1418 H (April 21, 1998) which authorized the transfer of the telegraph and telephone division of the MoPTT (hereinafter referred to as “Telecom Division”) with its various components and technical and administrative facilities to the Company, and in accordance with the Council of Ministers’ Resolution No. 213 dated 23 Dhul Hijja 1418 H (April 20, 1998) the Company’s Articles of Association (the “Articles”) were approved. The Company was wholly owned by the Government of the Kingdom of Saudi Arabia (the “Government”). Pursuant to the Council of Ministers’ Resolution No. 171 dated 2 Rajab 1423 H (September 9, 2002), the Government sold 30% of its shares (refer to Note 16).

The Company commenced its operations as the provider of telecommunications services throughout the Kingdom of Saudi Arabia (the “Kingdom”) on 6 Muharram 1419 H (May 2, 1998), and received its commercial registration number 101050269 as a Saudi Joint Stock Company on 4 Rabi Awal 1419 H (June 29, 1998). The Company’s head office is located in Riyadh.

The Company provides a range of telecommunications services which includes mobile, fixed local, national and international telephone services, telex, telegraph, data transmission, leased lines, public telephones, public network and radio paging services.

The Company is the sole entity engaged in the provision of telecommunications services within, to and from the Kingdom. In accordance with the Council of Ministers’ Resolution No. 171, referred-to above, it has been approved that the telecommunications sector be opened for competition by partially liberalizing the mobile and fixed line services. During 2003, the Communications and Information Technology Commission issued licenses for Very Small Aperture Terminals (V-SAT), and also issued licenses, during 2004, for the provision of data and mobile services.

**2 SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements are prepared in accordance with accounting standards generally accepted in the Kingdom. The significant accounting policies are summarized below:

**a) Period of the financial statements**

According to the Company’s Articles, the Company’s financial year begins on January 1 and ends on December 31.

**b) Revenue recognition**

Revenue is recognized when services are rendered based on the access to, or usage of, the exchange network and facilities. Usage revenues are based upon minutes of traffic processed, applying rates approved by the Communications and Information Technology Commission.

- Charges billed in advance are deferred and recognized over the period in which the services are rendered.
- Unbilled revenue is recognized in the period to which it relates.
- Revenue is recognized upon collection when collectability is highly uncertain.
- Non-refundable up-front activation fees received from subscribers are deferred and recognized over the estimated service lives of the subscribers.
- Wireless revenues are composed mainly of mobile, international roaming and pager services, while wireline revenues are composed mainly of fixed lines, international settlements, leased circuits, data and internet services.



**Saudi Telecom Company**  
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**Notes to the Financial Statements for the Year Ended December 31, 2004**

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**c) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances with banks and all highly liquid investments with a maturity of 90 days or less when purchased. Cash and cash equivalents are stated at cost.

**d) Accounts receivable**

Accounts receivable are shown at their net realizable values, which represent billings and unbilled usage revenues net of allowances for doubtful accounts.

**e) Allowance for doubtful debts**

The Company reviews its accounts receivable for the purpose of creating the required allowances against doubtful debts. When creating the allowance, consideration is given to the type of service rendered (mobile, land line, telex, international settlements, ...etc), age of the receivable, the Company's previous experience in debt collection and the general economic situation.

**f) Inventories**

- Inventories, which are principally cables, spare parts and consumables, are stated at weighted average cost, net of allowances. Inventory items that are considered an integral part of the network assets, such as emergency spares which cannot be removed from the exchange, are recorded within property, plant and equipment. Inventory items held by contractors responsible for upgrading and expanding the network are recorded within 'capital work-in-progress'.
- The Company creates an allowance for obsolete and slow-moving inventories, based on a study of the movement of the major inventory categories. When such an exercise is impractical, the allowance will be based on groups or categories of inventory items, taking into consideration the items which may require significant reductions in their values.

**g) Property, plant and equipment and depreciation**

1. Prior to May 2, 1998, the Telecom Division did not maintain sufficiently detailed historical information to record property, plant and equipment based on historical cost. Consequently all property, plant and equipment transferred by the Telecom Division on May 2, 1998 has been included in these financial statements at a valuation which was performed by the Company with the assistance of independent international and local valuation experts. The principal bases used for valuation are as follows:

- Land	Appraised value
- Buildings, plant and equipment	Depreciated replacement cost
2. Other than what is mentioned in (1) above, property, plant and equipment acquired by the Company are recorded at historical cost.
3. Cost of the network comprises all expenditures up to the customer connection point, including contractors' charges, direct material, labor, and commission costs, if appropriate, up to the date the relevant assets are placed in service.
4. Property, plant and equipment, excluding land, are depreciated on a straight line basis over the following estimated useful lives:

**Saudi Telecom Company**  
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**Notes to the Financial Statements for the Year Ended December 31, 2004**

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	<u>Years</u>
Buildings	22 – 30
Telecommunications plant and equipment	5 – 25
Other assets	5

5. Repairs and maintenance costs are expensed as incurred, except to the extent that they increase productivity or extend the useful life of an asset, in which cases they are capitalized.
6. The Company reviews periodically its property, plant and equipment to determine whether any of the assets are permanently impaired, whenever events or changes in circumstances indicate that. The amount of impairment will be recognized in the statement of income for the period when such determination is made, and property, plant and equipment is reported net.
7. Gains and losses resulting from the disposal/ sale of property, plant and equipment are determined by comparing the proceeds with the book values of disposed-of/ sold assets, and the gains or losses are recorded in the statement of income.

**h) Software Costs**

- Costs of operating systems and application software purchased from vendors are capitalized if they meet the capitalization criteria, which include productivity enhancement or a noticeable increase in the useful life of the asset. These costs are amortized over the estimated period of the provided benefits.
- Internally developed operating systems software costs are capitalized if they meet the capitalization criteria, which include the dedication of a defined internal work group to develop the software and the possibility to readily identify related costs. These costs are amortized over the estimated period of the provided benefits.
- Internally developed application software costs are recognized as expense as incurred, and where the costs of operating systems software cannot be identified separately from the associated hardware costs, then the operating systems software costs are recorded as part of the hardware.
- Subsequent additions, modifications or upgrades of software programs, whether operating or application packages, are expensed as incurred.
- Software training and data-conversion costs are expensed as incurred.

**i) Investments accounted for under the equity method**

The Company accounts for investments in entities in which it has a significant influence under the equity method. Under the equity method, the Company records the investment at acquisition cost, which is adjusted subsequently by the Company's share in the income (loss) of the investee, the investee's distributed dividends and any changes in the investee's equity, to reflect the Company's relative share in the investee's net assets. These investments are presented in the balance sheet as non-current assets, and the Company's relative share in the income (loss) of the investee is presented in the statement of income.

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**Notes to the Financial Statements for the Year Ended December 31, 2004**

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**j) Other investments**

- Available for sale marketable securities are carried at fair value, which is based on market value when available. However, if fair value cannot be determined, due to non-availability of an active exchange market or other indexes through which market value can reasonably be determined, cost will be considered as the alternative fair value. Unrealized gains and losses are shown as a separate component within shareholders' equity in the balance sheet and in the statement of changes in shareholders' equity. Losses resulting from permanent declines in fair values below costs are recorded in the statement of income for the period in which the declines occur.
- Investments held to maturity are recorded at cost and adjusted for amortization of premiums and accretion of discounts, if any. Losses resulting from permanent declines in fair values below costs are recorded in the statement of income for the period in which the declines occur.
- Gains and losses resulting from sales of available for sale securities are recorded in the period of sale, and previously recorded unrealized gains and losses are reversed.

**k) Zakat**

The Company calculates and reports the zakat provision in its financial statements in accordance with Zakat rules and principles, and the instructions of the Department of Zakat and Income Taxes. Adjustments arising from final zakat assessments are recorded in the year in which such assessments are approved.

**l) Employees' end of service benefits**

The provision for employees' end of service benefits represents amounts due and payable to the employees upon the termination of their contracts, in accordance with the terms and conditions of the Saudi Labor and Workman Law. The provision is calculated on the basis of vested benefits to which the employees are entitled should they leave at the balance sheet date, using the employees' final salaries and allowances and years of service in the Company. It was calculated in 2003 on the same basis.

**m) Foreign currency transactions**

- The Company maintains its financial records in Saudi Riyals and records foreign currency transactions at the appropriate rate of exchange prevailing at the date of the transaction.
- Balances of monetary assets and liabilities denominated in foreign currencies of specific amounts are translated using rates of exchange prevailing at the balance sheet date.
- Gains and losses arising on the settlement of foreign currency transactions, and unrealized gains and losses resulting from the translation to Riyals of foreign currency denominated monetary balances are recorded in the statement of income.

**n) Government charges**

Government charges are the costs incurred for the right to operate the Kingdom's telecommunications services, including use of the frequency spectrum. Government charges are accrued in the relevant periods.

**o) Access charges**

Access charges represent the costs to connect to foreign carriers' networks for calls made by the Company's subscribers. Access charges are recognized in the periods of relevant calls.

**Saudi Telecom Company**  
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**Notes to the Financial Statements for the Year Ended December 31, 2004**

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**p) Administrative and marketing expenses**

Administrative and marketing expenses are expensed as incurred when it is not possible to determine the relevant benefiting periods. Otherwise, they will be charged to the relevant periods.

**q) Earnings per share**

Earnings per share are calculated by dividing net income for the financial period by the weighted average number of shares outstanding during the period.

**3 CASH AND CASH EQUIVALENTS**

Surplus cash arising during the year is invested in short-term deposit accounts. The average rate of commission during 2004 on deposit accounts maturing in less than 90 days was 2.1% (2003: 1.8%). Total commission earned during the year on these accounts was SR 35.6 million (2003: SR 32.8 million). Commission earned on current accounts was SR 4.4 million (2003: SR 4.2 million).

Cash and cash equivalents at the end of the year include balances of collection accounts at various banks. As per agreements with the banks those balances are to be transferred to the Company's main account on the fourth day of the subsequent month.

At the end of the year, cash and cash equivalents consisted of the following:

(Thousands of Saudi Riyals)				
			<b><u>2004</u></b>	<b><u>2003</u></b>
Collection accounts			2,381,874	2,447,985
Short-term deposits			2,421,000	768,000
Disbursement accounts			<u>210,831</u>	<u>65,130</u>
			<b><u>5,013,705</u></b>	<b><u>3,281,115</u></b>

**4 SHORT-TERM INVESTMENTS**

A portion of surplus cash is invested in short-term deposits with maturity periods greater than 90 days. The average rate of commission on these deposits was 2.2% (2003: 2.3%). Total commission earned during the year on these deposits amounted to SR 23.4 million (2003: SR 6.2 million).

**5 ACCOUNTS RECEIVABLE, NET**

(a) Accounts receivable on December 31 consisted of the following:

(Thousands of Saudi Riyals)				
			<b><u>2004</u></b>	<b><u>2003</u></b>
Billed receivables			2,686,628	2,887,117
Unbilled receivables			<u>1,324,901</u>	<u>884,399</u>
			4,011,529	3,771,516
Allowance for doubtful debts			<u>(877,967)</u>	<u>(756,462)</u>
			<b><u>3,133,562</u></b>	<b><u>3,015,054</u></b>

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**Notes to the Financial Statements for the Year Ended December 31, 2004**

Movement in the allowance for doubtful debts during the year was as follows:

	<u>2004</u>	<u>2003</u>
(Thousands of Saudi Riyals)		
Balance at January 1	756,462	1,512,095
Additions	<u>653,152</u>	<u>345,855</u>
	1,409,614	1,857,950
Bad debts written-off	<u>(531,647)</u>	<u>(1,101,488)</u>
Balance at December 31	<u>877,967</u>	<u>756,462</u>

- (b) Since inception, the Company recognizes revenues from services rendered to particular subscribers upon collection where collectability is highly uncertain. The Company is currently pursuing the concerned parties on the collection of those revenues. Total uncollected revenues from these subscribers in 2004 amounted to SR 179 million (2003: SR 224 million), with an annual average of SR 241 million for the four years preceding 2003.
- (c) The Company has agreements with foreign network operators whereby amounts receivable from and payable to the same foreign network operator are subject to the right of set-off. At December 31, 2004 and 2003, the net amounts included in accounts receivable and accounts payable were as follows:

	<u>2004</u>	<u>2003</u>
(Thousands of Saudi Riyals)		
International accounts receivable, net	<u>627,354</u>	<u>550,817</u>
International accounts payable, net	<u>755,894</u>	<u>892,544</u>

- (d) Effective during the second quarter of 2003, and in accordance with paragraph 7 of the Council of Ministers' Resolution No. 171 referred to in Note (1), the Company settles the amounts due to the Government as government charges against accumulated receivable balances due from Government for usage of the Company's telecom services.

## **6 INVENTORIES, NET**

Movement in inventories during the year was as follows:

	<u>2004</u>	<u>2003</u>
(Thousands of Saudi Riyals)		
Balance at January 1	324,042	433,131
Additions	388,251	310,959
Usage	<u>(481,820)</u>	<u>(420,048)</u>
	230,473	324,042
Inventory allowance	<u>(12,823)</u>	<u>(20,203)</u>
Balance at December 31	<u>217,650</u>	<u>303,839</u>

**Saudi Telecom Company**  
**(a Saudi Joint Stock Company)**  
**Notes to the Financial Statements for the Year Ended December 31, 2004**

**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

Prepayments and other current assets consisted of the following:

(Thousands of Saudi Riyals)

	<u>2004</u>	<u>2003</u>
Advances to suppliers	36,158	69,137
Deferred costs	41,005	43,096
Prepaid rent	31,120	28,641
Prepaid insurance	21,495	22,491
Other	<u>66,773</u>	<u>13,265</u>
	<u>196,551</u>	<u>176,630</u>

**8 PROPERTY, PLANT AND EQUIPMENT, NET**

(Thousands of Saudi Riyals)	<u>Land and Buildings</u>	<u>Telecommunications Plant and Equipment</u>	<u>Other Assets</u>	<u>Capital Work In Progress</u>	<u>2004</u>	<u>2003</u>
<b>Gross book value</b>						
At beginning of the year	9,060,113	44,151,423	1,126,447	2,252,155	56,590,138	53,426,740
TEP6 close out adjustment	-	-	-	-	-	(990,420)
Additions	90,908	1,452,813	96,395	2,109,540	3,749,656	4,672,768
Transfers	259,943	1,980,217	528	(2,240,688)	-	-
Disposals	<u>(9,958)</u>	<u>(2,946,822)</u>	<u>(214,885)</u>	<u>-</u>	<u>(3,171,665)</u>	<u>(518,950)</u>
At end of the year	<u>9,401,006</u>	<u>44,637,631</u>	<u>1,008,485</u>	<u>2,121,007</u>	<u>57,168,129</u>	<u>56,590,138</u>
<b>Accumulated depreciation</b>						
At beginning of the year	3,514,715	20,335,006	833,738	-	24,683,459	21,408,496
TEP6 close out adjustment	-	-	-	-	-	(44,368)
Charge for the year	215,106	3,918,087	128,198	-	4,261,391	3,812,966
Disposals	<u>-</u>	<u>(2,343,477)</u>	<u>(214,886)</u>	<u>-</u>	<u>(2,558,363)</u>	<u>(493,635)</u>
At end of the year	<u>3,729,821</u>	<u>21,909,616</u>	<u>747,050</u>	<u>-</u>	<u>26,386,487</u>	<u>24,683,459</u>
<b>Net book value</b>	<u>5,671,185</u>	<u>22,728,015</u>	<u>261,435</u>	<u>2,121,007</u>	<u>30,781,642</u>	<u>31,906,679</u>

- (a) Land and buildings shown above include land of SR 2,299 million as of December 31, 2004 (2003: SR 2,312 million).
- (b) In accordance with the Royal Decree referred to in Note (1), ownership of assets had been transferred to the Company as of May 2, 1998. However, the transfer of legal ownership of certain land is still in progress. On December 31, 2004 the value of land for which legal ownership has been transferred into the Company' name amounted to SR 1,373 million. Ownership transfer of the remaining land with a value of SR 926 million is in progress.
- (c) During 2003, the Company capitalized loan commissions totaling SR 19.3 million into property, plant and equipment at a commission rate of 3.12%.

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- (d) The Telecommunications Expansion Project 6 (TEP6) close out adjustment represents the effect of the agreement reached with the project's contractor during December, 2003 to close out all matters relating to this project and settle the contractor's entitlements retained by the Company.
- (e) As a result of providing the network with more advanced technologies, the Company during the fourth quarter of 2003 revised some of the estimated useful lives of the telecommunications plant and equipment which resulted in additional depreciation expense of about SR 455 million for 2004 (2003: about SR 474 million).

**9 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD**

Investments accounted for under the equity method of accounting consist of the following:

(Thousands of Saudi Riyals)

	<u>Ownership</u>	<u>2004</u>	<u>2003</u>
Arab Satellite Communications Organization ("Arabsat")	36.66%	766,089	768,485
Arab Submarine Cables Company Ltd	41.43%	<u>35,929</u>	<u>31,191</u>
		<u>802,018</u>	<u>799,676</u>

**Arabsat**

This organization was established during April 1976 by member states of the Arab League. Arabsat offers a number of services to member states, as well as to all public and private sectors within its coverage area, principally the Middle East.

Current services offered include regional telephony (voice, data, fax and telex), television broadcasting, regional radio broadcasting, restoration services and leasing of capacity on an annual or monthly basis.

**Arab Submarine Cables Company Ltd.**

Arab Submarine Cables Company Ltd. has been formed for the purpose of construction, lease, management and operation of a submarine cable connecting the Kingdom and the Republic of Sudan for telecommunications between them and any other countries. The operational activities of the Arab Submarine Cables Company Ltd. commenced during June 2003.

**10 OTHER INVESTMENTS**

- (a) Other investments consist of the following:

(Thousands of Saudi Riyals)

	<u>2004</u>	<u>2003</u>
Available for sale – at market value:		
Investment in Newskies	-	24,014
Investment in New ICO	<u>33</u>	<u>33</u>
	<u>33</u>	<u>24,047</u>
Available for sale – at cost:		
Investment in Intelsat Ltd	<u>55,649</u>	<u>55,649</u>
Held to maturity:		
Notes	<u>100,000</u>	-
Total other investments	<u>155,682</u>	<u>79,696</u>

- (b) The balance of unrealized holding losses relating to investments valued at market value was SR 3.3 million at December 31, 2004 (2003: SR 2.9 million).

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- (c) Notes issued by a local bank were acquired during 2004 for SR 100 million. The notes have a maturity of seven years, callable after five years, and with floating commission rates.
- (d) During the fourth quarter 2004, the Company sold its investment in Newskies for SR 26.7 million, which resulted in a gain of SR 3.1 million.
- (e) In December 2003, the Company sold its investment in Inmarsat for SR 55.8 million, which resulted in a gain of SR 27 million.
- (f) During 1999, the Government issued bonds to the Company in exchange for amounts due for telecommunication services provided. The bonds were issued at face value with commission rates ranging from 6.29% to 7.12% and maturities through August 2003. Repayments of principal and commission were received every six months throughout the life of these bonds. Total commission earned on these bonds for 2003 from the beginning of the year to maturity in August 2003 amounted to SR 0.4 million.

## **11 ACCOUNTS PAYABLE**

- (a) Accounts payable consist of the following:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Government charges	1,515,074	832,448
Capital	155,226	827,467
Trade	302,407	390,903
International settlements	<u>755,894</u>	<u>892,544</u>
	<u><b>2,728,601</b></u>	<u><b>2,943,362</b></u>

- (b) The Company settled the amounts due to the Government for government charges against accumulated receivable balances due from the Government, and also certain accounts payable balances are set-off against accounts receivable balances related to international settlements. (Refer to Note 5).

## **12 DIVIDENDS**

Dividends were approved during 2004 and 2003 as follows:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
SR 14.00 per share for the second half of 2003	4,200,000	-
SR 12.00 per share for the first half of 2004	3,600,000	-
SR 2.50 per share for 2002	-	750,000
SR 8.00 per share for the first half of 2003	<u>-</u>	<u>2,400,000</u>
	<u><b>7,800,000</b></u>	<u><b>3,150,000</b></u>

The Board of Directors, in their meeting of 25 Dhul Hijja 1425 H (February 5, 2005), proposed the distribution of dividends of SR 14.00 per share for the second half of 2004, resulting in a total dividend for 2004 of SR 26.00 per share.



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**13 OTHER PAYABLES**

Other payables consist of the following:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Supplier retentions	941,658	645,960
Manpower improvement program (refer to Note 22)	580,446	700,256
Settlement of seconded employees' entitlements	615,650	699,136
Provision for Zakat (refer to Note 24)	233,640	226,017
Incentives and rewards	234,673	240,136
Refundable subscribers' guarantee deposits	69,325	56,760
Other	<u>203,543</u>	<u>153,454</u>
	<u><b>2,878,935</b></u>	<u><b>2,721,719</b></u>

The Company recognized in the statement of income for 2001 an estimated amount which represents 50% of the total due for the settlement of the MoPTT seconded employees' pension entitlements, in accordance with the Council of Ministers' Resolution No. 75 dated 5 Rabi Awal 1422 H (May 28, 2001).

The Council of Ministers' Resolution No. 198 dated 18 Rajab 1424 H (September 15, 2003) approved the system of exchanging benefits between the Civil and Military Pension System and the Social Security System. The above mentioned estimated liability will be reconciled, when the concerned parties finally decide, on the basis of the actual number of employees who choose either to terminate their services or settle their pension entitlements.

**14 ACCRUED EXPENSES**

Accrued expenses consist of the following:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Capital	432,102	1,174,499
Trade	423,772	319,776
Employee accruals	567,997	600,803
Other	<u>156,245</u>	<u>163,428</u>
	<u><b>1,580,116</b></u>	<u><b>2,258,506</b></u>

**15 EMPLOYEES' END OF SERVICE BENEFITS**

The movement in employees' end of service benefits during the year was as follows:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Balance at January 1	1,575,953	1,382,570
Charged during the year	290,650	222,063
Settlements made during the year	<u>(223,193)</u>	<u>(28,680)</u>
Balance at December 31	<u><b>1,643,410</b></u>	<u><b>1,575,953</b></u>

The provision is calculated on the basis of vested benefits to which the employees are entitled should they leave at the balance sheet date, using the employees' final salaries and allowances and years of service in the Company.

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**16 SHARE CAPITAL**

The Company's capital amounting to SR 15,000,000,000 is fully paid and divided into 300,000,000 shares at par value of SR 50 each. The Council of Ministers' Resolution No. 171 dated 2 Rajab 1423 H (September 9, 2002) approved offering part of the Company's shares to public subscription according to the terms and rules of such resolution, and delegated the authority to the Public Investment Fund to implement the controls and procedures required to sell the shares in coordination with the concerned parties. 90,000,000 of the Company's shares were offered for public subscription of which 60,000,000 shares were appropriated for Saudi nationals, 15,000,000 shares to the General Directorate for Retirement Pension and 15,000,000 shares to the General Organization for Social Insurance. The offered share price was SR 170 with total sales proceeds of SR 15,300,000,000 which were deposited to the Public Investment Fund account. The subscription period commenced on 13 Shawwal 1423 H (December 17, 2002) and ended on 3 Dhul Quada 1423 H (January 6, 2003).

**17 STATUTORY RESERVE**

The Company appropriates 10% of annual net income as statutory reserve until such reserve equals 50% of issued share capital. This reserve is not available for distribution to the Company's shareholders. During 2004, the Company appropriated an amount of SR 931.4 million (2003: SR 852.5 million). On December 31, 2004 the balance of statutory reserve was SR 3,294 million (2003: SR 2,362 million) representing 22% of share capital (2003: 16%).

**18 OPERATING REVENUES**

Operating revenues consist of the following:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Usage charges	23,229,230	20,306,070
Subscription fees	5,099,491	4,738,706
Activation fees	680,293	822,553
Other	<u>1,489,649</u>	<u>1,424,689</u>
	<u><b>30,498,663</b></u>	<u><b>27,292,018</b></u>

**19 GOVERNMENT CHARGES**

The Company is charged by the Government for the right to operate as the Kingdom-wide provider of telecommunications services, on the basis of net revenue. Net revenue is defined as total operating revenues less access charges as reflected in the statement of income. The Government charges were calculated as follows:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Commercial provisioning	5,675,778	5,093,715
License fees	283,789	254,686
Frequency spectrum	<u>200,000</u>	<u>200,000</u>
	<u><b>6,159,567</b></u>	<u><b>5,548,401</b></u>

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The following illustrates the basis on which the Government charge is calculated:

(a) Commercial Provisioning

For 2003 and 2004; 20% of net revenue (as defined above).

For 2005 and thereafter; 15% of net revenue (as defined above), in accordance with the amendment per the Council of Ministers' Resolution No. 155 dated 10 Jumada Awal 1425 H (June 28, 2004).

(b) License Fees

License fees were determined as 1% of net revenue (as defined above).

(c) Frequency Spectrum

This is a fixed charge of SR 200 million per annum, which was applied for 2004. However, the Council of Ministers' Resolution No. 200 dated 7/7/1425 H approved the spectrum pricing policy, to be implemented after 90 days from the date of publication in the official newspaper, which corresponded to 25 Dhul Quada 1425 H (January 6, 2005). The new method of calculating the charge depends on various factors, the most important of which being the locations and widths of required frequencies, distances covered and technologies applied.

**20 EMPLOYEE COSTS**

Employee costs consist of the following:

(Thousands of Saudi Riyals)

	<u>2004</u>	<u>2003</u>
Salaries and allowances	2,821,176	2,774,926
Incentives and rewards	230,527	246,998
Social security	234,382	227,131
End of service benefits	290,650	222,063
Medical insurance	160,608	145,386
Other	<u>72,436</u>	<u>56,731</u>
	<u>3,809,779</u>	<u>3,673,235</u>

**21 ADMINISTRATIVE AND MARKETING EXPENSES**

Administrative and marketing expenses consist of the following:

(Thousands of Saudi Riyals)

	<u>2004</u>	<u>2003</u>
Doubtful debts expense	653,152	345,855
Bad debts recovered	(87,765)	(87,257)
Sales commissions and advertising expenses	661,124	499,656
Consultancy	164,902	117,924
Printing of telephone cards and stationery	155,786	173,005
Utilities	144,955	130,342
Rent of equipment, property and motor vehicles	113,325	79,651
Safety expenses	74,826	38,745
Training	57,424	59,254
Other	<u>150,483</u>	<u>162,687</u>
	<u>2,088,212</u>	<u>1,519,862</u>

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**22 COST OF MANPOWER IMPROVEMENT PROGRAM**

The amount shown in the statement of income for 2004 represents the cost of implementing the fourth phase of the Company's manpower improvement program which was initiated during 2001. The number of employees covered by the fourth phase of this program was 954. The following schedule shows the cost of each of the four phases:

(Thousands of Saudi Riyals)	<u>Implementation Date</u>	<u>Cost</u>
First phase	2001	600,208
Second Phase	2002	1,070,000
Third phase	2003	700,000
Fourth phase	2004	<u>580,008</u>
Total		<u>2,950,216</u>

**23 OTHER INCOME AND EXPENSES, NET**

Other income and expenses consist of the following:

(Thousands of Saudi Riyals)	<u>2004</u>	<u>2003</u>
Miscellaneous income	115,230	30,906
Gains on sale of other investments	3,073	27,095
Losses on disposal of property, plant and equipment (Note 8)	(466,849)	(25,315)
Other, net	<u>(78,617)</u>	<u>35,896</u>
	<u>(427,163)</u>	<u>68,582</u>

**24 ZAKAT**

**(a) Zakat base**

(Thousands of Saudi Riyals)	<u>2004</u>	<u>2003</u>
Share capital – beginning of the year	<u>15,000,000</u>	<u>15,000,000</u>
Additions:		
Retained earnings – beginning of the year	12,035,141	7,512,405
Statutory reserve – beginning of the year	2,362,449	1,509,923
Provisions – beginning of the year	2,742,063	3,177,923
Adjusted net income	<u>9,338,851</u>	<u>9,046,415</u>
Total additions	<u>26,478,504</u>	<u>21,246,666</u>
Deductions:		
Net property, plant & equipment and capital work in progress (limited to shareholders' equity before Zakat)	(30,781,642)	(31,906,679)
Dividends paid	(7,769,470)	(3,132,752)
Investments	(957,700)	(879,372)
Non-current deferred costs	<u>(82,017)</u>	<u>(102,521)</u>
Total deductions	<u>(39,590,829)</u>	<u>(36,021,324)</u>
Zakat base	<u>1,887,675</u>	<u>225,342</u>

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Since the Zakat base is less than the adjusted net income, the Zakat rate of 2.5% is applied to adjusted net income to determine the Zakat charge.

**(b) Zakat provision**

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Balance at January 1	226,017	92,354
Amounts paid during the year	(245,133)	(92,498)
Charge for the year	<u>252,756</u>	<u>226,161</u>
Balance at December 31	<u>233,640</u>	<u>226,017</u>

Final zakat assessments have been approved for the years since inception through 2002. The final zakat assessment for 2003 has not yet been approved.

**25 BORROWINGS**

During the fourth quarter 2003, the Company made an early settlement of all outstanding loan balances.

Commissions incurred on borrowings during 2003 have been capitalized into property, plant and equipment, as explained in Note (8-c) above.

The Company has renewable short-term facilities with three local banks, with varying maturities spreading to August 31, 2005, and commission rates equivalent to the Saudi Inter-bank Offered Rate (SIBOR) plus 0.45% - 0.55% per annum.

The movement in borrowings during the year was as follows:

(Thousands of Saudi Riyals)

	<u><b>2004</b></u>	<u><b>2003</b></u>
Balance at January 1	-	1,233,333
Drawings during the year	1,800,000	350,000
Repayments during the year	<u>(1,800,000)</u>	<u>(1,583,333)</u>
Balance at December 31	<u>=====</u>	<u>=====</u>

**26 RELATED PARTY TRANSACTIONS**

**Government agencies**

The Company provides various voice, data and other services to the Government.

Revenues and expenses related to Government agencies in 2004 (including Government charges discussed in Note 19 above) amounted to SR 928 million and SR 6,363 million, respectively (2003: SR 676 million and SR 5,719 million, respectively).

Amounts payable to Government agencies at December 31, 2004 totaled SR 1,634 million (2003: SR 967 million). Amounts receivable from Government agencies at December 31, 2004 and 2003 are not material due to the settlement referred to in Note (5-d).

**Investments accounted for under the equity method**

During the year, the Company incurred charges of approximately SR 19 million in favour of Arabsat with respect to satellite utilization (2003: SR 35 million), while expenses incurred in favour of the Arab Submarine Cables Co. approximated SR 7 million.

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**27 COMMITMENTS AND CONTINGENCIES**

**Commitments**

- (a) The Company enters into commitments during the ordinary course of business for major capital expenditures, primarily in connection with its network expansion programs. Outstanding capital expenditure commitments approximated SR 2,420 million on December 31, 2004 (2003: SR 1,927 million).
- (b) Land and buildings are leased, for use in the Company's operations, under operating lease commitments expiring at various future dates. During 2004, total rent expense under operating leases amounted to SR 90 million (2003: SR 69 million).

**Contingencies**

The Company, in the normal course of business, is subject to proceedings, lawsuits and other claims. However, these matters are not expected to have a material impact neither on the Company's financial position nor on the results of its operations as reflected in the financial statements.

**28 FINANCIAL INSTRUMENTS**

**Fair value**

The carrying values of all financial instruments approximate their fair values at December 31, 2004 and 2003, as discussed below:

- For cash and cash equivalents, accounts receivable and payable and other receivables and payables, fair value is deemed to approximate their carrying amount due to their short-term nature.
- For marketable equity instruments, fair value is based on quoted market prices.
- For Government bonds and borrowings, fair value is based on discounted cash flows.

The Company does not utilize derivative financial instruments to manage foreign currency exchange and commission rate risks due to factors explained below.

**Commission rate risk**

This comprises different risks related to the effect of changes in commission rates on the Company's financial position and cash flows. The Company did not have material assets or liabilities with floating commission rates on December 31, 2004. The Company manages its cash flows by controlling the timing between cash inflows and outflows. Surplus cash is invested to increase the Company's commission income through holding balances in short-term and long-term bank deposits, but the related commission rate risk is not considered to be significant. Consequently, the Company has not used derivative financial instruments to mitigate exposure to commission rate risk.

**Currency risk**

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign currency exchange rates, and believes that the Company is not exposed to significant currency risk since the Company's functional currency is the Saudi Riyal, in which the Company transacts, which is currently fixed, within a narrow margin, against the U.S. dollar.

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**Credit risk**

It is the risk that other parties will fail to discharge their obligations and cause the Company to incur a financial loss. Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash balances and accounts receivable. The Company deposits its cash balances with a number of major high credit rated financial institutions and has a policy of limiting its balances deposited with each institution. The Company does not believe that there is a significant risk of non-performance by these financial institutions. The Company does not consider itself exposed to a concentration of credit risk with respect to accounts receivable due to its diverse customer base (residential, professional, large business and public entities) operating in various industries and located in many regions.

**Liquidity risk**

It is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity is managed by periodically ensuring its availability in amounts sufficient to meet any future commitments. The Company does not consider itself exposed to significant risks in relation to liquidity.

The Company believes that it is not exposed to any significant risks in relation to the aforementioned.

**29 SEGMENT INFORMATION**

The objective of the Segment Reporting standard promulgated by the Saudi Organization for Certified Public Accountants is to disclose detailed information about each of the main operating segments, and hence its non-application does not affect the overall results of the Company's operations. The Company has commenced identifying and restructuring its operating segments in ways that accomplish the best efficiency levels within the scope of the developments in organizing the telecommunications sector by the Communications and Information Technology Commission, which have recently accelerated resulting in important changes in the identification and segregation of telecom services segments. The latest development was segregating the data and V-SAT as separate services having their own regulations.

The Company has achieved a level of progress in this regard despite the long time usually required for the completion of these types of operations and the resulting significant systems changes, due to the complexity of telecom services, particularly the interconnections between these services, which constitute an important part of the requirements to identify revenues, expenses and assets of each segment to properly evaluate its performance.

**30 REDUCTION IN SERVICE RATES**

In October 2004, the Company announced comprehensive varying rate reductions for mobile, fixed line, internet and leased circuits services, and by the end of the year it announced further reductions in the rates of international calls.

**31 LICENSE**

Within the scope of regulating the telecommunications sector, the Communications and Information Technology Commission issued in December 2003 a license to the Company to provide telecommunications services. The Company has raised its objections to the concerned parties on what it considers affecting some of its rights.

**32 RECLASSIFICATION**

Certain of the 2003 comparative figures have been adjusted to conform with the classifications used in 2004.

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**33 INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

Following are the quarterly income statements:

(Thousands of Saudi Riyals)	<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Total operating revenues	7,321,043	6,705,510	7,564,963	6,302,836	7,852,766	7,044,526	7,759,891	7,239,146
Total operating expenses	(4,794,619)	(4,452,470)	(4,910,092)	(4,412,127)	(5,197,681)	(4,651,059)	(5,116,545)	(4,489,093)
<b>Operating income</b>	<b>2,526,424</b>	<b>2,253,040</b>	<b>2,654,871</b>	<b>1,890,709</b>	<b>2,655,085</b>	<b>2,393,467</b>	<b>2,643,346</b>	<b>2,750,053</b>
<b>Other income and expenses</b>								
Cost of manpower improvement program	(37,500)	-	(37,500)	-	(37,500)	-	(467,508)	(700,000)
Commissions	17,100	4,995	8,974	12,135	11,531	12,024	25,763	14,495
Earnings of investments accounted for under the equity method	19,102	30,791	15,170	(8,451)	23,358	14,307	(26,469)	15,276
Other, net	19,280	23,299	71,123	45,146	(58,104)	40,057	(459,462)	(39,920)
<b>Net income before zakat</b>	<b>2,544,406</b>	<b>2,312,125</b>	<b>2,712,638</b>	<b>1,939,539</b>	<b>2,594,370</b>	<b>2,459,855</b>	<b>1,715,670</b>	<b>2,039,904</b>
Provision for zakat	(41,772)	(52,974)	(74,334)	(50,779)	(68,127)	(62,632)	(68,523)	(59,776)
<b>Net income</b>	<b>2,502,634</b>	<b>2,259,151</b>	<b>2,638,304</b>	<b>1,888,760</b>	<b>2,526,243</b>	<b>2,397,223</b>	<b>1,647,147</b>	<b>1,980,128</b>
Earnings per share in Saudi Riyals	8.34	7.53	8.79	6.30	8.42	7.99	5.49	6.60