ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

INDEX	PAGE

Deloitte.

Deloitte & Touche
Bakr Abulkhair & Co.
Public Accountants
P.O. Box 442, Jeddah 21411
Kingdom of Saudi Arabia

Tel: +966 (2) 6572725
Fax: +966 (2) 6572722
www.deloitte.com
Head Office: Riyadh

AUDITORS' REVIEW REPORT

To the shareholders
Astra Industrial Group Company
Riyadh, Saudi Arabia

Scope of Review

We have reviewed the accompanying interim consolidated balance sheet of Astra Industrial Group Company, (a Saudi joint stock company) as of March 31, 2010, and the related interim consolidated statements of income and cash flows for the three month period ended March 31, 2010 and notes 1 to 15 which form an integral part of these interim consolidated financial statements. These interim consolidated financial statements are the responsibility of the Company's management and were presented to us with all the information and explanations which we required.

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

Review Results

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

Deloitte & Touche
Bakr Abulkhair & Co.

Al-Mutahhar Y. Hamiduddin
License No. 296

Rabi Al-Thani 29, 1431
April 14, 2010

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED BALANCE SHEET (Unaudited)
AS OF MARCH 31, 2010

	Note	2010 SR	2009 SR
ASSETS			
Current assets			
Cash and cash equivalents		**50,103,504**	570,997,056
Short-term Murabaha investments		**761,581,271**	-
Accounts receivable, net		**496,778,037**	427,145,443
Inventories, net		**395,358,049**	364,045,990
Prepaid expenses and other assets		**96,300,696**	45,446,428
Due from related parties		**94,989,657**	99,873,025
		1,895,111,214	1,507,507,942
Assets classified as held for sale	4	**82,044,100**	-
Total current assets		**1,977,155,314**	1,507,507,942
Non-current assets			
Investments in unconsolidated subsidiaries and associated companies		**2,586,768**	3,520,538
Property, plant and equipment, net		**600,666,154**	215,655,108
Goodwill arising on acquisition of a subsidiary	3	**18,848,057**	-
Intangible assets, net		**2,069,477**	1,603,955
Total non-current assets		**624,170,456**	220,779,601
TOTAL ASSETS		**2,601,325,770**	1,728,287,543
LIABILITIES AND EQUITY			
Current liabilities			
Short-term tawaroq loan	6	**70,000,000**	-
Current portion of long-term loans	7	**81,862,745**	-
Notes payable		**14,926,569**	18,302,840
Accounts payable		**143,780,068**	75,207,125
Due to related parties		**2,226,661**	7,405,057
Advances received from customers on contracts		**11,083,001**	6,424,039
Accrued expenses and other liabilities		**98,292,160**	72,814,809
Dividends payable	9	**92,647,059**	-
Provision for zakat and income tax		**41,892,936**	26,334,209
		556,711,199	206,488,079
Liabilities directly associated with assets classified as held for sale	4	**13,189,144**	-
Total current liabilities		**569,900,343**	206,488,079
Non-current liabilities			
Long-term loans	7	**328,213,352**	-
Due to related parties		**68,510,279**	-
End-of-service indemnities		**45,186,505**	41,422,498
Total non-current liabilities		**441,910,136**	41,422,498
Total liabilities		**1,011,810,479**	247,910,577

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

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED BALANCE SHEET (Unaudited) (Continued)
AS OF MARCH 31, 2010

	Note	2010 SR	2009 SR
Equity			
Shareholders' equity			
Share capital	1	**741,176,470**	741,176,470
Statutory reserve	8	**406,568,677**	391,086,925
Retained earnings		**378,647,491**	348,113,571
Total shareholders' equity		**1,526,392,638**	1,480,376,966
Minority interest		**63,122,653**	-
Total equity		**1,589,515,291**	1,480,376,966
TOTAL LIABILITIES AND EQUITY		**2,601,325,770**	1,728,287,543

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

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED STATEMENT OF INCOME (Unaudited)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

	Note	**March 31, 2010 SR**	March 31, 2009 SR
Sales		**276,322,473**	231,270,425
Cost of sales		**(149,389,913)**	(122,532,293)
Gross profit		**126,932,560**	108,738,132
Selling and distribution expenses		**(58,241,659)**	(47,249,336)
General and administrative expenses		**(22,376,097)**	(13,568,998)
Research and development expenses		**(2,078,168)**	(2,297,527)
Operating income		**44,236,636**	45,622,271
Share in net losses of unconsolidated subsidiaries and associates		**(219,746)**	(1,041,503)
Finance charges	6 & 7	**(831,184)**	(115,209)
Other income, net	10	**10,557,395**	2,816,389
Income from continuing operations		**53,743,101**	47,281,948
Income from discontinued operations	5	**2,684,192**	1,938,927
Income before minority interest		**56,427,293**	49,220,875
Minority interest share in net loss of a subsidiary		**1,463,342**	-
Net income for the period		**57,890,635**	49,220,875
Earnings per share:	11		
From operating income for the period		**0.60**	0.62
From net income for the period		**0.78**	0.66

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

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

	2010 SR	2009 SR
OPERATING ACTIVITIES		
Net income for the period	**57,890,635**	49,220,875
Adjustments:		
Depreciation	**8,146,376**	5,843,088
Amortization	**187,096**	145,010
Minority interest share in net losses of a subsidiary	**(1,463,342)**	-
Share in net losses of unconsolidated subsidiaries and associated companies	**219,746**	1,041,503
End-of-service indemnities, net	**2,223,525**	1,123,091
Changes in operating assets and liabilities:		
Accounts receivable, net	**(81,278,955)**	(13,601,653)
Inventories, net	**(42,391,025)**	13,070,166
Prepaid expenses and other assets	**(41,665,067)**	419,871
Due from related parties	**1,318,044**	27,274,322
Notes payable	**(34,123)**	2,229,841
Accounts payable	**34,168,453**	(34,370,165)
Due to related parties	**(46,255,520)**	(271,523)
Advances received from customers on contracts	**4,997,251**	(3,237,783)
Accrued expenses and other liabilities	**(6,304,652)**	1,730,657
Net cash (used in) provided from operating activities	**(110,241,558)**	50,617,300
INVESTING ACTIVITIES		
Investments in short-term Murabaha	**(388,374,759)**	-
Investments in unconsolidated subsidiaries and associates	**(556,445)**	(2,552,313)
Purchases of property, plant and equipment	**(13,167,806)**	(1,973,210)
Transfer/disposal, sale of property, plant and equipment, net	**247,057**	-
Intangible assets	**1,196,107**	-
Net cash (used in) investing activities	**(400,655,846)**	(4,525,523)
FINANCING ACTIVITIES		
Proceeds from short-term tawaroq loan	**70,000,000**	-
Proceeds from long-term loans	**410,076,097**	-
Net cash provided from financing activities	**480,076,097**	-
Net change in cash and cash equivalents	**(30,821,307)**	46,091,777
Cash and cash equivalents, January 1	**88,857,422**	524,905,279
Cash and cash equivalents for Arabian Company for Comforts and Pillows as of March 31 (Note 4)	**(7,932,611)**	-
CASH AND CASH EQUIVALENTS, MARCH 31	**50,103,504**	570,997,056
Non-cash items:		
Provision for zakat and income tax charged to retained earnings	**662,692**	7,000,000
Net assets for Arabian Company for Comforts and Pillows (Note 4)	**60,922,345**	-
Dividends payable (Note 9)	**92,647,059**	-

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

1. ORGANIZATION AND ACTIVITIES

Astra Industrial Group Company ("the Company"), is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010069607 dated Muharram 9, 1409 H (corresponding to August 22, 1988).

The shares of Astra Industrial Group Company were listed in the Saudi Stock Market ("Tadawul") on August 18, 2008 through subscription of 30% of the Company's shares to the public. This resulted in increasing the Company's share capital from SR 630,000,000 to SR 741,176,470 by issuing 11,117,647 new ordinary shares at par value of SR 10 and share premium of SR 32 per share for each ordinary share, based on a valuation agreed on between the concerned parties. The share premium balance, which resulted from the issuance of new ordinary shares referred to above amounted to SR 332,015,885 which is closed in statutory reserve account (Note 8) net of related subscription expenses amounting to SR 23,748,819. Consequently, the new shareholding of the Company became as follows:

	Percentage of holding	
Shareholders	**2009**	2008
Saudi founding shareholders	**58.89%**	58.89%
Non-Saudi founding shareholders	**11.11%**	11.11%
Public	**30%**	30%

The Company's main objectives, as per the commercial registration, include the establishment, management, operating and investment in industrial entities, (subject to obtaining the Saudi Arabian General Investment Authority ("SAGIA") approval on each project to be established). The activities also include wholesale and retail trading of fertilizers, insecticides, irrigation systems, agriculture machinery and equipment, green houses, agriculture and livestock products, readymade clothes, comforters, towels, blankets, and others. In addition the Company's operations include planting contracts, landscaping, maintenance of gardens and green spaces, water and sewage works, and mining for industrial purposes.

The principal activities of the Subsidiaries are as follows:

- Production, marketing and distribution of medicine and pharmaceutical products inside the kingdom of Saudi Arabia and abroad.
- Production of polymer compounds, plastic additives, color concentrates and other plastic products.
- Metal based construction of industrial buildings and building frames.
- Production of compounded fertilizers and agriculture pesticides and the wholesale and retail trading of fertilizers, forages and insecticides. Also, execution of agricultural contracting projects.
- Production of steel palets and rebar.
- Manufacturing of bonded polyester fibers, bed covers, comforters, pillows and towels.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim consolidated financial statements have been prepared in accordance with the standard of Interim Financial Statements issued by the Saudi Organization for Certified Public Accountants. The significant accounting policies adopted by the Company in preparing its interim consolidated financial statements, summarized below, are in conformity with those described in the annual audited consolidated financial statements for the year ended December 31, 2009. The interim consolidated financial statements and the accompanying notes should be read with the annual consolidated financial statements and the related notes for the year ended December 31, 2009.

Interim results

The results of operations for the interim period may not give an accurate indication of the annual operations results.

Basis of consolidation of interim financial statements

The accompanying interim consolidated financial statements include the interim financial statements of the Company and its Subsidiaries, as adjusted by the elimination of significant inter-company balances and transactions, as well as gains (losses) arising from transactions with the Subsidiaries. An investee company is classified as a subsidiary based on the degree of effective control exercised by the Company compared to other shareholders, from the date on which control is transferred to the Company.

The Subsidiaries of the Company and the related shareholding percentages are given below:

Name of Subsidiary	Country of incorporation	Percentage of holding Direct	Indirect	Total SR
➢ Tabuk Pharmaceutical Manufacturing Company ("TPMC"). This Company has the following subsidiaries:	Saudi Arabia	95	5	100
- Tabuk Ilac Ticaret Ltd. Sirketi (Tabouk Turkey)	Turkey	100	-	100
- STE AIGERO SAOUDIENNE DE MEDICAMENTS (" SAS Pharma"). The Company accounts for 100% of the equity interest in SAS Pharma as management believes that the minority shareholder will not bear its share in the losses of the subsidiary.	Algeria	80	-	80
- Tabuk Pharmaceutical Research Company.	Jordan	100	-	100
➢ Astra Polymer Compounding Company Limited ("Polymer")	Saudi Arabia	95	5	100
➢ International Building Systems Factory Company Limited ("IBSF")	Saudi Arabia	95	5	100

Name of Subsidiary	Country of incorporation	Percentage of holding Direct	Indirect	Total SR
➢ Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals ("AstraChem"). The company has the following foreign subsidiaries,	Saudi Arabia	95	5	100
- AstraChem Saudia	Algeria	100	-	100
- AstraChem Morocco	Morocco	100	-	100
- Aggis International Limited	British Virgin Islands	100	-	100
- AstraChem Turkey	Turkey	100	-	100
- Astrachem Syria - incorporated in 2009	Syria	100	-	100
- Astrachem Tashqand - incorporated in 2009	Uzbekistan	100	-	100
➢ Arabian Company for Comforters and Pillows ("ACCP")	Saudi Arabia	95	5	100
➢ Al-Tanmiya Company for Steel Manufacturing. The company has the following fully owned subsidiary	Jordan	51	-	51
- Al Inma'a Company *	Iraq	51	-	51

* Effective ownership percentage

Accounting convention

The interim consolidated financial statements are prepared under the historical cost convention except for investments in unconsolidated subsidiaries and associated companies which are recorded at equity method.

Use of estimates in the preparation of interim consolidated financial statements

The preparation of interim consolidated financial statements in conformity with generally accepted accounting standards requires the use of estimates and assumptions that affect the reported amounts of consolidated assets and liabilities and disclosure of consolidated contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of consolidated revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances at banks and high liquid short-term Murabaha with original maturities of three months or less from the original date of acquisition.

Murabaha investments

Murabaha investments are short-term investments at banks with maturity dates more than 90 days and less than one year. Murabaha investments are recognized at cost with earnings being recognized on accrual basis as part of the other income.

Sales and revenues recognition

Sales are recognized upon delivery of goods and services to customers and are stated net of trade or quantity discounts.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's goods. All other expenses are classified as general and administrative expenses.

Selling, distribution and general and administrative expenses include direct and indirect costs not specifically part of cost of sales as required under generally accepted accounting standards. Allocations between selling, distribution general and administrative expenses and cost of sales, when required, are made on a consistent basis.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined for finished goods and work in process on a weighted average cost basis and includes cost of material, labor and appropriate proportion of direct overheads. All other inventories are valued on a weighted average cost basis.

Appropriate provision is made for obsolete and slow moving inventories, if required.

Investments in subsidiaries and associated companies

Subsidiaries are those in which the Company has a long term investment comprising an interest of not less than 50% in the share capital or over which it excises practical control, and are accounted for on a consolidation basis.

Investments in unconsolidated subsidiaries which are not considered as material to the interim consolidated financial statements are accounted for using the equity method of accounting.

Associated company is a company in which the Company has a long term investment comprising an interest between 20% and 50% of the voting capital and over which it exercises significant influence are accounted for using the equity method of accounting, under which the investment is stated initially at cost and adjusted thereafter for the post acquisition change in the Company's share of the net assets of the investee. The Company's share in the associated companies' net income or loss is included in the interim consolidated statement of income.

Intangible assets

Intangible assets represent pre-operating expenses, purchase of products registration license and are amortized on a straight-line basis over a period of 5 years from the commencement of commercial production.

Goodwill

Goodwill arising from investment in subsidiaries, represents the excess of the cost of acquisition over the Company's interests in the fair value of the net assets of the subsidiaries at the date of acquisition. The carrying amount of the goodwill is reviewed periodically to determine whether there is any indication of impairment. If any such indication exists the carrying amount of goodwill is reduced to the estimated recoverable amount. Goodwill after initial recognition is measured at cost less accumulated impairment losses, if any.

Non-current assets (disposal groups) held for sale

Non-current assets (disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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. Property includes projects under construction which are recorded at cost, in addition to finance charges capitalized on long term projects, in accordance with accounting principles. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	%
Buildings	3-10
Leasehold improvements	10-25
Plant, machinery and equipment	8-20
Furniture, fixtures and office equipment	10-33
Vehicles	25

Impairment

The Company periodically reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit), except for goodwill, is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Operating lease
Leases are classified as operating lease whenever the terms of the lease do not transfer substantially all of the risks and rewards of ownership to the lessee. Rentals payable under operating leases are charged to income on a straight line basis over the term of the operating lease.

Research and development costs
Research and development costs are charged to the interim consolidated statement of income in the period in which they are incurred.

Foreign currency translation
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 interim consolidated 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 interim consolidated statement of income.

For consolidation purposes, the financial statements of foreign operations are translated into Saudi Riyals using the exchange rate at the interim consolidated balance sheet date, for assets and liabilities, and the average exchange rates for revenues and expenses. Components of equity, other than retained earnings, are translated at the rates prevailing at the date of their occurrence. Resulted adjustments from translation of the interim consolidated financial statements in foreign currencies, if material, are recorded as a separate component of shareholders' equity.

End-of-service indemnities
End-of-service indemnities, required by Saudi Arabian labor law, are provided in the interim consolidated 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.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for income tax is computed in accordance with tax regulations as applicable in the respective countries, if required.

3. ACQUISITION OF SUBSIDIARIES AND RELATED GOODWILL

On October 31, 2009, the Company acquired 51% of Al Tanmiya Company for Steel Manufacturing – Jordan, through purchasing the share of Al-Masira Company (an affiliate) for an amount of SR 88 million. The Company also absorbed a portion of loans granted from Al Masira to Al Tanmiya through payment of SR 140 million to Al Masira Company, accordingly the gross amount paid amounted to SR 228 million.

The fair value, which approximate the book value of net assets acquired and the goodwill arising on acquisition of subsidiary is as follows:

	Al Tanmiya Company for Steel Manufacturing
	SR
Inventories, net	**31,579,503**
Prepayments and other assets	**45,867,232**
Property, plant and equipment, net	**331,884,472**
Trade payable	**(72,602,741)**
Accrued expenses and other liabilities	**(40,041,090)**
End-of-service indemnities	**(104,329)**
Long-term loans	**(161,040,021)**
Net assets as of date of acquisition	**135,543,026**
Minority interest	**(66,416,083)**
Company's share of subsidiary's net assets	**69,126,943**
Total consideration paid	**87,975,000**
Goodwill	**18,848,057**

The main objectives of Al Tanmiya Company are steel manufacturing, import and export, working as trade agents, incorporation, contribution, and acquisition of other companies to achieve its purposes. The assets of Al Tanmiya are principally made of an owned manufacturing steel factory existing in Al Basra City in Iraq. As a result of the acquisition, the total assets existing in Iraq, outside the Kingdom of Saudi Arabia, represent 18% of the total consolidated assets. The Company's share of those assets amount to 9% of the total assets presented in the interim consolidated balance sheet according to its ownership percentage of the subsidiary.

4 ASSETS CLASSIFIED AS HELD FOR SALE

During February 2010, the board of directors approved the offer received for the sale of a subsidiary, Arabian Company for Comforters and Pillows (ACCP). The sale was further approved by the General Assembly in its meeting held on March 30, 2010. Accordingly, the assets and liabilities related to this subsidiary have been classified and accounted for at March 31, 2010 as a disposal group held for sale. The Group expects to complete the sale by June 30, 2010.

The major classes of assets and liabilities of the subsidiary as of March 31, 2010 are as follows:

	March 31, 2010
	SR
Assets classified as held for sale	
Cash and cash equivalents	7,932,611
Accounts receivable, net	28,075,548
Inventories, net	32,661,003
Prepaid expenses and other assets	2,342,258
Property and equipment, net	11,032,680
Total assets	82,044,100
Liabilities associated with assets classified as held for sale	
Notes payable	2,596,326
Accounts payable	1,159,424
Accrued expenses and other liabilities	1,837,763
Provision for zakat and income tax	2,486,357
End-of-service indemnities	5,109,274
Total liabilities	13,189,144
Net assets classified as held for sale	68,854,956
Cash and cash equivalents	(7,932,611)
Net assets classified as held for sale (Net of cash and cash equivalents)	60,922,345

5 DISCONTINUED OPERATIONS

As mentioned in Note 4 the Company is in process of disposing one of its subsidiaries. The subsidiary is classified as a disposal group and accordingly the operations and cash flows related to the subsidiary are classified under discontinued operations.

Following is an analysis of income and cash flows from discontinued operations:

A. Analysis of income for the period from discontinued operations:

The results of the discontinued operations included in the interim statement of income are set out below. The comparative income from discontinued operations have been re-presented to include these operations as discontinued in the current period.

	March 31, 2010 SR	March 31, 2009 SR
Income for the period from discontinued operations		
Sales	**16,104,256**	15,279,353
Cost of goods sold	**(11,616,561)**	(11,262,963)
Gross profit	**4,487,695**	4,016,390
Expenses	**(1,818,833)**	(2,079,538)
Other income	**15,330**	2,075
Income for the period from discontinued operations	**2,684,192**	1,938,927

II. Analysis of cash flows for the period from discontinued operations:

The cash flows of the discontinued operations included in the interim statement of cash flows are set out below. The comparative cash flows from discontinued operations have been re-presented to include these operations as discontinued in the current period.

	March 31, 2010 SR	March 31, 2009 SR
Cash flows from discontinued operations		
Net cash provided from operating activities	**546,227**	11,486,767
Net cash used in investing activities	**(10,426)**	(375,160)
Net cash used in financing activities	-	(7,744,355)
Net change in cash	**535,801**	3,367,252

EPS from discontinued operations for the period ended March 31, 2010 amounted to SR 0.04 (March 31, 2009: SR 0.03).

6. SHORT-TERM TAWAROQ LOAN

The Company has a bank facilities agreement in the form of short-term Tawaroq loan with a local bank for SR 300 million to finance the Company's future acquisition transactions of which SR 70 million was utilized as of March 31, 2010. The loan bears finance charges at moving commission rates.

7. LONG-TERM LOANS

Long term loans as of March 31 consists of the following:

	2010 SR	2009 SR
Long-term loans	**410,076,097**	-
Current portion	**(81,862,745)**	-
Non-current portion	**328,213,352**	-

The Company and its subsidiaries have long-term Murabaha agreement with a local bank for SR 275 million to finance working capital requirements. The loans bear finance charges at moving commission rates. The Murabaha loans referred to above are secured by the holding company and its subsidiaries. The outstanding balance of the loan is scheduled for repayment in equal quarterly installments, the first installment due on July 31, 2010 and the last installment due on July 31, 2014.

The Company has Islamic finance agreement with a local bank including long-term tawaroq loan for SR 100 million. The loan bears finance charges at moving commission rates. The loans are secured by the holding company and its subsidiaries. The outstanding balance of the loan is scheduled for repayment in equal quarterly installment, the first installment was due on March 31, 2010, and the last installment due on December 31, 2012.

One of the subsidiaries has long-term loan agreement with a foreign commercial bank for SR 43 million, the first installment from the loan due within 2 years from the interim consolidated balance sheet date.

The loan agreements referred to above includes financial covenants relating to liquidity ratio, debts to equity ratio, debt service coverage ratio and stated total shareholders' equity, which the company was in compliance with as of March 31, 2010.

8. STATUTORY RESERVE

In accordance with Regulations for Companies in Saudi Arabia and the Company's bylaw, the Company established a statutory reserve by the appropriation of 10% of net income. The Company general assembly has the right to stop the appropriation when the reserve equals 50% of the share capital. This reserve is not available for dividend distribution.

The statutory reserve include the following balances:

	2010 SR	2009 SR
Statutory reserve	74,552,792	59,071,040
Share premium	332,015,885	332,015,885
	406,568,677	391,086,925

9. DIVIDENDS DISTRIBUTION

The General Assembly approved in its meeting held on Rabi Al Thani 14, 1431H (corresponding to March 30, 2010) the Company's Board of Directors' recommendation to distribute cash dividends amounting to SR 92,647,059 for the year ended December 31, 2009 of SR 1.25 for each outstanding share.

10. OTHER INCOME

Other revenues mainly consists of short-term Murabaha investments revenues in local and foreign banks.

11. EARNINGS PER SHARE

Earnings per share from operating income and from net income for the period is calculated by dividing operating income and net income for the period by the weighted average outstanding number of shares at the end of period. The number of outstanding shares as of March 31, 2010 and 2009 amounted to 74,117,647 shares.

12. CONTINGENT LIABILITIES AND COMMITMENT

At March 31, 2010, the Company had the following outstanding contingent liabilities and commitments as follows:

	2010 **SR**	2009 SR
Letters of guarantee	**57,837,972**	30,467,031
Letters of credit	**70,101,824**	57,250,369

13. SEGMENT INFORMATION

The Company and its subsidiaries operate in four separate industry segments, including Pharmaceuticals, Specialty Chemicals, Steel Industries and other (which includes the holding company). The principal markets for these segments are in the Kingdom of Saudi Arabia, GCC Countries, Middle East and North Africa. Set out below is selected financial information for the business segments:

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) (Continued)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

	Pharmaceuticals	Specialty Chemicals	Steel Industries	Holding Company and Other	Total
	SR	SR	SR	SR	SR
For the three months ended March 31, 2010					
Sales and projects revenue:					
Local	81,221,901	61,961,050	39,711,786	-	182,894,737
Export	40,687,614	35,003,886	17,736,236	-	93,427,736
Total sales	121,909,515	96,964,936	57,448,022	-	276,322,473
Gross profit	82,885,959	29,387,358	14,659,243	-	126,932,560
Income (loss) from operations	24,201,124	16,927,607	7,471,925	(4,364,020)	44,236,636
Income from continuing operations	23,812,809	17,083,038	7,456,278	5,390,976	53,743,101
Income from discontinued operations	-	-	-	2,684,192	2,684,192
Amortization	187,096	-	-	-	187,096
Depreciation	2,933,012	3,858,196	982,066	373,096	8,146,370
Property, plant and equipment	99,143,714	59,630,103	441,073,811	818,526	600,666,154
Capital expenditures	1,077,460	1,805,974	10,255,063	29,309	13,167,806

	Pharmaceuticals	Specialty Chemicals	Engineering and Constructions	Holding Company and Other	Total
	SR	SR	SR	SR	SR
For the three months ended March 31, 2009					
Sales and projects revenue:					
Local	69,580,004	50,307,495	49,270,565	-	169,158,064
Export	35,576,417	17,140,142	9,395,802	-	62,112,361
Total sales	105,156,421	67,447,637	58,666,367	-	231,270,425
Gross profit	72,264,476	22,997,503	13,476,153	-	108,738,132
Income from operations	24,015,226	14,019,689	9,859,834	(2,272,478)	45,622,271
Income from continuing operations	21,278,995	14,372,191	9,958,161	1,672,601	47,281,948
Income from discontinued operations		-	-	1,938,927	1,938,927
Amortization	145,010	-	-	-	145,010
Depreciation	2,865,631	1,709,991	928,157	339,309	5,843,088
Property, plant and equipment	106,416,665	61,721,178	34,373,776	13,143,489	215,655,108
Capital expenditures	1,102,024	522,880	245,493	102,813	1,973,210

14 FINANCIAL INSTRUMENTS

Fair value
This is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The fair value for cash and cash equivalents, short-term investments, accounts receivable, inventory, trade payable and other financial assets and liabilities are not materially different from their carrying values.

Commission rate risk
This is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company invests surplus cash to increase the Company's commission income through holding balances in short term Murabaha. Management does not believe that the Company is exposed to significant 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, and which is currently fixed, within a narrow margin, against the U.S. dollar. The Company also transacts in other foreign currencies where management believes that foreign exchange risk is not significant.

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, short-term investments and accounts receivable. The Company deposits its cash balances with a number of major high credits 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 customers base.

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 by 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.

15 COMPARATIVE FIGURES

Certain figures for the comparative period have been reclassified to conform with the current period presentation.