

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
AUDITORS' REPORT (LIMITED REVIEW)  
FOR THE THREE MONTH AND NINE MONTH PERIODS  
ENDED SEPTEMBER 30, 2011**

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND AUDITORS' REPORT**  
**(LIMITED REVIEW)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

<b>INDEX</b>	<b>PAGE</b>
Auditors' report (limited review)	1
Consolidated interim balance sheet	2
Consolidated interim statement of operations	3
Consolidated interim statement of cash flows	4
Notes to the consolidated interim financial statements	5 – 10

## AUDITORS' REPORT (LIMITED REVIEW) ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the stockholders of  
NAMA Chemicals Company  
Al-Jubail, Saudi Arabia

Deloitte & Touche  
Bakr Abulkhair & Co  
Public Accountants - License No. 96  
ABT Building, Al-Khobar  
P.O. Box 182  
Dammam 31411  
Kingdom of Saudi Arabia  
Tel: +966 (0) 3 887 3937  
Fax: +966 (0) 3 887 3931  
www.deloitte.com  
Head Office: Riyadh

### Scope of Review

We have reviewed the consolidated interim balance sheet of NAMA Chemicals Company (Saudi Joint Stock Company) and Subsidiaries as of September 30, 2011 and the related consolidated interim statements of operations for the three month and nine month periods then ended and consolidated cash flows for the nine months then ended, and notes 1 to 9 which form an integral part of these consolidated interim financial statements as prepared by the Company and presented to us with all the necessary information and explanations. These consolidated interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standard of auditing applicable to interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It 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 regarding the 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 consolidated interim financial statements for them to be in conformity with generally accepted accounting principles.

### Other Matters

As of September 30, 2011, property, plant and equipment of SR 1,389 million include costs of SR 947 million incurred by the Company on the development and construction of Epichlorhydrin factory, Chlor-alkali plant ("Hassad project) which were capitalized on December 31, 2010. Similarly, cost of projects under development of SR 399 million include costs of SR 255 million incurred for Calcium Chloride plant which is expected to be capitalized pending the resolution of certain technical matters. Management believes that above assets has the ability to provide the entity with economic future benefits and carrying value of these assets will be recovered through future cash flows from these plants. Accordingly, realization of such assets is dependent upon successful operations and future benefits of such projects.

Deloitte & Touche  
Bakr Abulkhair & Co.

Waleed Moh'd Sobahi  
License No. 378  
14 Dhual-Qa'dah, 1432  
October 12, 2011



**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED INTERIM BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2011**

	Note	2011 SR 000 (Un-audited)	2010 SR 000 (Un-audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		191,786	285,427
Time deposits		100,379	58,733
Trade receivable		180,314	164,312
Inventories		143,524	92,408
Prepayments and other debit balances		40,606	36,043
<b>Total current assets</b>		<b>656,609</b>	<b>636,923</b>
<b>Non-current assets</b>			
Available for sale investments		139,935	162,362
Cost of projects under development	3	399,021	1,339,927
Property, plant and equipment		1,388,716	309,813
Intangible assets		66,911	17,472
<b>Total non-current assets</b>		<b>1,994,583</b>	<b>1,829,574</b>
<b>TOTAL ASSETS</b>		<b>2,651,192</b>	<b>2,466,497</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short term borrowings		46,072	41,322
Current portion of long term debts		34,352	129,469
Accounts payable		117,765	110,604
Accrued expenses and other payables		78,301	57,349
<b>Total current liabilities</b>		<b>276,490</b>	<b>338,744</b>
<b>Non-current liabilities</b>			
Long-term debts		743,000	497,875
End-of-service indemnities		18,464	14,545
Interest rate swap		18,614	22,328
<b>Total non-current liabilities</b>		<b>780,078</b>	<b>534,748</b>
<b>Stockholders' equity</b>			
Share capital	1	1,285,200	1,285,200
Statutory reserve	4	273,382	273,382
Revaluation surplus		77,435	74,795
Foreign currency translation adjustments		(394)	(3,419)
Changes in cash flow hedge position		(18,614)	(22,328)
Accumulated losses		(22,385)	(14,625)
<b>Total stockholders' equity</b>		<b>1,594,624</b>	<b>1,593,005</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>2,651,192</b>	<b>2,466,497</b>

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

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED INTERIM STATEMENT OF OPERATIONS**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

	From July 1 to September 30		From January 1 to September 30	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>SR 000</b>	<b>SR 000</b>	<b>SR 000</b>	<b>SR 000</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Sales	162,993	154,593	584,474	446,724
Cost of sales	(159,830)	(123,845)	(523,453)	(364,869)
<b>Gross profit</b>	<b>3,163</b>	<b>30,748</b>	<b>61,021</b>	<b>81,855</b>
Selling and marketing expenses	(12,721)	(12,630)	(41,170)	(33,296)
General and administrative expenses	(9,160)	(4,157)	(25,892)	(12,316)
<b>(Loss) profit from operations</b>	<b>(18,718)</b>	<b>13,961</b>	<b>(6,041)</b>	<b>36,243</b>
Financial expenses	(4,982)	(1,212)	(13,754)	(4,088)
Investment income, net	317	790	11,144	2,780
Other (expenses) income, net	(3,019)	3,463	464	(2,765)
<b>Net (loss) income before zakat</b>	<b>(26,402)</b>	<b>17,002</b>	<b>(8,187)</b>	<b>32,170</b>
Zakat (note 5)	(2,864)	(4,214)	(8,592)	(6,721)
<b>NET (LOSS) INCOME</b>	<b>(29,266)</b>	<b>12,788</b>	<b>(16,779)</b>	<b>25,449</b>
<b>(Loss) earnings per share-note 6</b>				
(Loss) earnings per share from net (loss) income (in SR)	(0.2277)	0.0995	(0.1306)	0.1980
(Loss) earnings per share from continuing main operations (in SR)	(0.2067)	0.0664	(0.2209)	0.1979
(Loss) earnings per share from other operations (in SR)	(0.0210)	0.0331	0.0903	0.0001
Weighted average number of shares	128,520,000	128,520,000	128,520,000	128,520,000

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

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011**

	2011 SR 000 (Un-audited)	2010 SR 000 (Un-audited)
<b>OPERATING ACTIVITIES</b>		
Net (loss) income before zakat	(8,187)	32,170
Adjustments for:		
Depreciation	48,273	10,619
Gain on disposal of property, plant and equipment	-	(87)
Amortization	8,192	431
End-of-service indemnities	3,886	2,641
Surplus realized on available for sale investments	(10,276)	-
Changes in operating assets and liabilities:		
Trade receivable	(22,652)	(72,708)
Inventories	(58,268)	(16,306)
Prepayments and other debit balances	(10,108)	(1,402)
Accounts payable, accrued expenses and other payables	71,584	63,857
Cash from operations	22,444	19,215
End-of-service indemnities paid	(2,080)	(547)
Zakat paid	(11,456)	(7,288)
<b>Net cash from operating activities</b>	<b>8,908</b>	<b>11,380</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(136,755)	(26,424)
Proceeds from disposal of property, plant and equipment	-	87
Additions to cost of projects under development	(58,293)	(86,544)
Proceeds from sale of investment	35,343	-
Change in time deposits	(34,166)	242,760
Change in development bonds and Islamic bonds	-	157,126
Additions to intangible assets	(5,477)	(37)
<b>Net cash (used in) from investing activities</b>	<b>(199,348)</b>	<b>286,968</b>
<b>FINANCING ACTIVITIES</b>		
Change in short term borrowings	(18,054)	1,317
Long term debts obtained	444,205	72,725
Repayment of long term debts	(262,703)	(107,324)
<b>Net cash from (used in) financing activities</b>	<b>163,448</b>	<b>(33,282)</b>
<b>Net change in cash and cash equivalents</b>	<b>(26,992)</b>	<b>265,066</b>
Foreign exchange difference on foreign operations	3,104	(3,095)
Cash and cash equivalents, January 1	215,674	23,456
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<b>191,786</b>	<b>285,427</b>

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

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

---

**1. ORGANIZATION AND ACTIVITIES**

NAMA Chemicals Company ("the Company") ("NAMA") is a Saudi Joint Stock Company registered in Al-Jubail Industrial City under the commercial registration number 2055007420. The share capital of the Company amounts to SR 1,285.2 million divided into 128.520 million shares of SR 10 each.

The subsidiaries of NAMA are as follows:

Jubail Chemical Industries Co. ("JANA"), a Saudi limited liability company, a subsidiary company, owned 95% by NAMA and 5% by a subsidiary of NAMA.

Arabian Alkali Company ("SODA"), a Saudi limited liability company, with the Company's shareholding is 90% and the remaining 10% are registered in the name of JANA.

NAMA Industrial Investment Company, a Saudi limited liability company which is owned 95% by NAMA and 5% by SODA under the commercial registration number 2055008134.

NAMA Europa GMBH, a limited liability company incorporated in Switzerland. 99% of the shares of NAMA Europa are held by NAMA Industrial Investment Company and 1% by NAMA. The shareholding was notified in the commercial registry in Bern vide-CH-036.4.041.685-8.

The principal activities of NAMA and its subsidiaries ("the Group"), each of which operates under individual commercial registration, are to own, establish, operate and manage industrial projects in the petrochemical and chemical fields.

The Group incurs costs on projects under construction and development and subsequently establishes a separate company for each project that has its own commercial registration. Costs incurred by the Group are transferred to the separate company when it is established.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim consolidated financial statements have been prepared in accordance with the Standard for Interim Financial Information issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). Significant accounting policies adopted by the Group are summarized as follows:

**Accounting estimates**

Preparing consolidated interim financial statements requires management to use assumptions and estimates which have an impact over the consolidated interim balance sheet and consolidated interim statement of operations. The actual results may differ from these estimates.

**Accounting convention**

The consolidated interim financial statements are prepared under the historical cost convention, except for derivatives and investments in securities which are stated at fair value.

**Principles of consolidation**

The consolidated interim financial statements include the accounts of NAMA and its subsidiaries which are owned above 50% after eliminating significant inter-company balances and transactions between the Company and its subsidiaries for consolidation purposes.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

---

**Investments**

Investments in financial instruments are classified according to Group's intent with respect to these securities.

Investments in companies whose shares are not readily marketable and in which NAMA owns less than 20% of the share capital are accounted for at cost. Impairment in value is recorded in the period in which the impairment is determined and charged to the consolidated interim statement of operations. Dividends are recorded when received.

Investments in investments funds and marketable securities classified as available for sale are stated at market value. Changes in market value are credited or debited to the revaluation surplus included in stockholders' equity. The carrying amount of such investments is reduced to recognize any impairment in the value of the individual investment.

**Revenue recognition**

Sales are recognized upon delivery of goods to customers. Investment income is recognized on an accrual basis.

**Expenses**

Selling and distribution expenses principally comprise of costs incurred in the sale and distribution of the Group's products and services. All other expenses are classified as general and administrative expenses.

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

**Cash and cash equivalents**

Cash and cash equivalents comprise cash, demand deposits and highly liquid investments with original maturities of three months or less.

**Accounts receivable**

Accounts receivable are carried at their original amount less provision made for doubtful accounts. An allowance for doubtful accounts is established when there is significant doubt that the Group will be able to collect all amounts due according to the original terms of account receivable.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined, for finished goods, on a weighted average cost basis and includes cost of materials, labour and an appropriate proportion of direct overheads. All other inventories are valued on a weighted average cost basis.

**Derivative financial instruments**

Derivative financial instruments are initially recorded at cost and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the consolidated statement of operations as they arise.

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is already recognized in the balance sheet. The gain or loss from the change in the fair value of the hedging instrument is recognized immediately in the consolidated statement of operations. At the same time, the carrying amount of the hedged item is adjusted for the corresponding gain or loss since the inception of the hedge, which is also immediately recognized in the consolidated statement of operations.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a recognized asset or liability, an unrecognized firm commitment or a forecasted transaction. To the extent that the hedge is effective, the portion of the gain or loss on the hedging instrument is recognized initially directly in stockholders' equity. Subsequently, the amount is included in the consolidated statement of operations in the same period or periods during which the hedged item affects net profit or loss. For hedges of forecasted transactions, the gain or loss on the hedging instrument will adjust the recorded carrying amount of the acquired asset or liability.

**Intangible assets**

Intangible assets principally represent pre-operating costs, deferred charges, front-end fee and enterprise resource planning (ERP) solution program implementation costs. The pre-operating costs and ERP solution program implementation costs are amortized on the straight-line method over 5 to 7 years from date of commencement of commercial operations of the consolidated subsidiary. The front-end fees charged by Saudi Industrial Development Fund ("SIDF") and Bank Al Jazeera are amortized over the terms of the loans.

Deferred charges principally represent pre-operating costs incurred, prior to commencement of commercial operations of the projects. These charges were reduced by the revenue generated by the sale of products manufactured during the commissioning stage. Deferred charges are amortized on the straight-line method over seven years from the dates of commencement of commercial operations of the projects.

**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:

	<u>Years</u>
Buildings and improvements on lease land	20 - 40
Plant and machinery	5 - 30
Vehicles	4
Furniture, fixtures and office equipment	5 - 10

**Impairment**

As of each balance sheet date, the Group reviews the carrying amounts of their property, plant and equipment 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 Group 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.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

---

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized as income immediately.

**Borrowing costs**

Borrowing costs directly attributable to cost of projects under development are added to the cost of the project until such time as the project is ready for its intended use. Investment income earned on temporary investment of specific borrowings pending their expenditure on the project under construction is deducted from the borrowing costs eligible for capitalization.

**Foreign currency translation**

Transactions denominated in foreign currencies are translated into Saudi Riyals at exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into Saudi Riyals at exchange rates prevailing at the balance sheet date. Exchange gains or losses are credited or charged to the consolidated interim statement of operations.

The Company's books of accounts are maintained in Saudi Arabian Riyals. Assets and liabilities of foreign subsidiary are re-translated in Saudi Arabian Riyals at the exchange rate in effect at the date of consolidated interim balance sheet. The components of foreign subsidiary's equity accounts, except retained earnings are translated at the exchange rates in effect at the dates of the related items originated. The elements of foreign subsidiary's income statement are translated using the weighted average exchange rate for the period. Adjustments resulting from the translation of foreign subsidiary's financial statements into Saudi Arabian Riyals are reported as a separate component of equity attributable to stockholders of the Company in the consolidated interim financial statements.

**Provision for obligation**

A provision is recognized in the consolidated interim balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**End-of-service indemnities**

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

**Zakat**

NAMA and its subsidiaries are subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax ("DZIT"). The foreign subsidiary is subject to tax regulations in the country of incorporation. Zakat is recorded at the quarter end based on quarter end figures and any difference between the estimate and the actual is adjusted at the fourth quarter. Any difference between the estimate and final assessment is recorded when settled.

**Leasing**

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the operating lease.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

---

**3. COST OF PROJECTS UNDER DEVELOPMENT**

The balance of cost of projects under development as of September 30, 2011 mainly comprised the Calcium Chloride Plant, which is currently estimated at approximately US\$ 69 million. Management of the Company believes that these projects have the ability to provide the entity with economic benefits in future and expects to commence the commercial operations in the near future.

Cost of projects under development as of September 30, 2011 comprise construction costs under various agreements and directly attributable costs to bring the asset to the location and working condition necessary for it to be capable of operating in a manner intended by the management. Directly attributable costs include employee benefits, site preparation costs, installation costs, licensing fees, professional fees and borrowing costs. Borrowing cost capitalized during nine months period amounted to SR 4.32 million (2010: SR 15.92 million).

**4. STATUTORY RESERVE**

In accordance with its Articles of Association and the Regulations for Companies in the Kingdom of Saudi Arabia, NAMA allocates 10% of its net income each year to form a statutory reserve until such reserve equals 50% of its share capital. This reserve is not available for dividend distributions.

**5. ZAKAT**

The Company has yet to receive the final zakat assessments for the years from 2000 through 2010 as these are still under study by the DZIT.

**6. (LOSS) EARNINGS PER SHARE**

(Loss) earnings per share from net (loss) income after zakat is computed by dividing net (loss) income for the period by the weighted average number of shares outstanding during the period.

Earnings (loss) per share from the continuing main operations is computed by dividing operating income (loss) after finance charges and zakat for the period by the weighted average number of shares outstanding during the period.

Earnings (loss) per share from other operations are computed by dividing the total investment income and other income (expenses), net over the weighted average number of shares outstanding during the period.

**7. GENERAL**

As of September 30, 2011, property, plant and equipment of SR 1,389 million include costs of SR 947 million incurred by the Company on the development and construction of Epichlorhydrin factory, Chlor-alkali plant ("Hassad project") which were capitalized on December 31, 2010. Similarly, cost of projects under development of SR 399 million include costs of SR 255 million incurred for Calcium Chloride plant which is expected to be capitalized pending the resolution of certain technical matters. Management believes that above assets has the ability to provide the entity with economic future benefits and carrying value of these assets will be recovered through future cash flows from these plants. Accordingly, realization of such assets is dependent upon successful operations and future benefits of such projects.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011**

Also, cost of projects under development of SR 399 million include costs of SR 81 million incurred on expansion of Hassad project which is temporarily on hold pending the completion of Hassad Project. Management of the Company believes that the project has the ability to provide the entity with economic future benefits. Accordingly, realization of such costs is dependent upon successful commissioning, operations and future benefits of this project.

SODA has accumulated losses of SR 31.04 million as of September 30, 2011 which is in excess of 50% of the subsidiary's share capital of SR 50 million. The ability of the subsidiary to continue as a going concern is dependent upon continuing support from the stockholders and profitable future operations.

**8. COMMITMENTS AND CONTINGENCIES**

As of September 30, 2011, the Group has outstanding letters of credit and letters of guarantee of SR 54.09 million (2010: SR 154.45 million) issued in the normal course of business.

As of September 30, the Group had the following capital commitments:

	2011 SR 000	2010 SR 000
	(Un-audited)	(Un-audited)
Commitments for the acquisition of property, plant and equipment	<u>228,660</u>	<u>120,710</u>

**9. RESULTS OF INTERIM PERIOD**

The results of the interim period are not audited and therefore it may not give an accurate indicator of the annual operating results.