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 AND SIX MONTH PERIODS ENDED JUNE 30, 2009

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(A SAUDI JOINT STOCK COMPANY)

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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 June 30, 2009, and the related interim consolidated statements of income for the three month and six month periods ended June 30, 2009 and the interim consolidated statement of cash flows for the six month period then ended. These interim consolidated financial statements are the responsibility of the Company's management and were presented to us with all the information and explanation which we required.

We conducted our review in accordance with the standard of the 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.

Bakr A. Abulkhair
License No. 101

Rajab 22, 1430
July 15, 2009

ASTRA INDUSTRIAL GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED BALANCE SHEET (Unaudited)
AS OF JUNE 30, 2009

	Note	2009 SR	2008 SR
ASSETS			
Current assets			
Cash and cash equivalents		**582,690,179**	18,045,343
Investment in Saudi government development bonds		**-**	80,451,579
Accounts receivable, net		**461,022,580**	374,647,629
Inventories, net		**354,565,744**	354,581,118
Prepaid expenses and other assets		**53,801,149**	61,807,776
Due from related parties		**89,195,445**	122,876,087
Total current assets		**1,541,275,097**	1,012,409,532
Non-current assets			
Investments in unconsolidated subsidiaries and associated companies		**5,620,988**	5,846,538
Intangible assets, net		**1,694,758**	-
Property, plant and equipment, net		**212,442,836**	211,791,665
Total non-current assets		**219,758,582**	217,638,203
TOTAL ASSETS		**1,761,033,679**	1,230,047,735
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Due to banks	3	**-**	45,751,318
Notes payable		**18,575,224**	10,772,070
Accounts payable		**105,447,995**	97,889,493
Due to related parties		**4,218,570**	34,556,439
Advances received from customers on contracts		**10,580,972**	7,144,411
Accrued expenses and other liabilities		**79,131,753**	63,888,573
Provision for zakat and income tax		**17,949,702**	10,610,327
Total current liabilities		**235,904,216**	270,612,631
Non-current liabilities			
End-of-service indemnities		**42,073,893**	34,829,152
Total liabilities		**277,978,109**	305,441,783
Shareholders' equity			
Share capital	1	**741,176,470**	630,000,000
Share premium	1	**332,015,885**	-
Statutory reserve	4	**64,144,783**	46,193,332
Retained earnings		**345,718,432**	248,412,620
Total shareholders' equity		**1,483,055,570**	924,605,952
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**1,761,033,679**	1,230,047,735

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 AND SIX MONTH PERIODS ENDED JUNE 30, 2009

	Note	Three months ended June 30		Six months ended June 30	
		2009	2008	**2009**	2008
		SR	SR	**SR**	SR
Sales		**274,724,803**	239,565,864	**521,274,581**	473,746,951
Cost of sales		**(161,791,092)**	(132,998,456)	**(295,586,348)**	(258,246,706)
Gross profit		**112,933,711**	106,567,408	**225,688,233**	215,500,245
Selling and distribution expenses		**(55,281,645)**	(45,002,280)	**(102,692,081)**	(79,905,000)
General and administrative expenses		**(13,103,105)**	(12,137,967)	**(28,590,541)**	(26,479,675)
Research and development expenses		**(1,184,527)**	(1,401,666)	**(3,482,054)**	(2,682,984)
Operating income		**43,364,434**	48,025,495	**90,923,557**	106,432,586
Share in net income (losses) of unconsolidated subsidiaries and associated companies		**(121,641)**	232,778	**(1,163,144)**	465,557
Finance charges	3	**(135,556)**	(1,063,362)	**(250,765)**	(1,919,655)
Other (expenses) revenues, net		**7,630,190**	(466,725)	**10,448,654**	1,257,107
Net income for the period		**50,737,427**	46,728,186	**99,958,302**	106,235,595
Earnings per share:	6				
From operating income for the period		**0,59**	0,76	**1,23**	1,69
From net income for the period		**0,68**	0,74	**1,35**	1,69

ASTRA INDUSTRIAL GROUP COMPANY
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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2009

	2009 SR	2008 SR
OPERATING ACTIVITIES		
Net income for the period	**99,958,302**	106,235,595
Adjustments:		
Depreciation	**11,590,987**	10,242,623
Amortization	**110,332**	-
Share in net losses of unconsolidated subsidiaries and associated companies	**1,163,144**	(465,557)
End-of-service indemnities, net	**1,774,486**	3,218,871
Changes in operating assets and liabilities:		
Accounts receivable, net	**(47,478,790)**	(31,385,170)
Inventories, net	**22,550,412**	(55,950,973)
Prepaid expenses and other assets	**(7,934,850)**	(3,478,465)
Due from related parties	**37,951,902**	(42,506,989)
Notes payable	**2,502,225**	(351,408)
Accounts payable	**(4,129,295)**	(5,869,097)
Due to related parties	**(3,458,010)**	10,201,512
Advances received from customers on contracts	**919,150**	(799,632)
Accrued expenses and other liabilities	**8,047,601**	(49,121)
Zakat paid	**(19,384,507)**	(18,640,939)
Net cash from (used in) operating activities	**104,183,089**	(29,598,750)
INVESTING ACTIVITIES		
Proceeds from Saudi government development bonds	**-**	439,737
Investments in unconsolidated subsidiaries and associated companies	**(4,774,404)**	(2,044,328)
Purchases of property, plant and equipment	**(5,825,164)**	(16,101,652)
Proceeds from sale of property and equipment	**1,316,327**	6,538,988
Intangible assets	**(56,125)**	-
Net cash used in investing activities	**(9,339,366)**	(11,167,255)
FINANCING ACTIVITIES		
Due to banks	**-**	13,334,764
Dividends distributed	**(37,058,823)**	-
Minority interest	**-**	2,850,803
Net cash (used in) from financing activities	**(37,058,823)**	16,185,567
Net change in cash and cash equivalents	**57,784,900**	(24,580,438)
Cash and cash equivalents, January 1	**524,905,279**	42,625,781
CASH AND CASH EQUIVALENTS, JUNE 30	**582,690,179**	18,045,343
Non-cash item:		
Provision for zakat and income tax charged to retained earnings	**18,000,000**	9,198,420

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 selling of 30% of the Company's shares for the public sector of which was through 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 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 as of June 30, 2009 net of related subscription expenses amounting to SR 23,748,819, therefore the new shareholding became; Saudi founding shareholders 58.89% of the share capital, non-Saudi founding shareholders 11,11% and 30% of the share capital was held by the public as of June 30, 2009.

The Company's objectives as per its commercial registration are the construction, management, operating and investing in industrial facilities which are subject to obtaining approval from Saudi Arabian General Investment Authority ("SAGIA") on each project to be newly established and retail and wholesale trading of ready made clothes, bed covers, comforters, towels, blankets, fertilizers, forages, insecticides, irrigation systems, agricultural machinery and equipment, green houses, agricultural and livestock products and planting contracts, landscaping and maintenance of gardens and green spaces and water and sewage works.

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.

- Construction of metal based 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.
- 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, 2008. 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, 2008:

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

Basis of interim consolidated 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, which are 95% directly owned by the Company and 5% through cross ownership among the Subsidiaries are as follows:

- Tabuk Pharmaceutical Manufacturing Company ("TPMC") and its following owned foreign subsidiaries which have been consolidated during the six month period ended June 30, 2009:
  - STE AIGERO SAOUDIENNE DE MEDICAMENTS ("SAS Pharma"), a limited liability company under conversion registered in Algeria.
  - Tabuk Pharmaceutical – Turkey Limited Liability Company registered in Turkey
- Astra Polymer Compounding Company Limited ("Polymer")
- International Building Systems Factory Company Limited ("IBSF")
- Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals ("AstraChem") and its following wholly owned foreign subsidiaries, which have been consolidated during the six month period ended June 30, 2009:
  - AstraChem Saudia, a limited liability company registered in Algeria.
  - AstraChem Morocco, a limited liability company registered in Morocco.
  - Aggis International Limited, a limited liability company registered in British Virgin Islands.
  - AstraChem Turkey, a limited liability company registered in Turkey.
- Arabian Company for Comforters and Pillows ("ACCP")

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, cash at banks and high liquid short-term Murabaha with original maturities of three months or less.

Investment in Saudi government development bonds
Investment in Saudi government development bonds represent investments held to maturity and are stated at cost adjusted by the amount of amortized premium or discount. Revenue is recognized on an accrual basis.

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

Revenue on projects, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the project activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a project.

Expenses
Selling, distribution and general and administrative expenses include direct and indirect costs not specifically part of cost of sales and projects /direct costs as required under generally accepted accounting standards. Allocations between general and administrative expenses and cost of sales and projects /direct costs, 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, are accounted for on a consolidation basis.

Investment 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.

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. 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 (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) 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
Operating lease payments are recognized as an expense in the interim consolidated statement of income on a straight basis over the term of lease.

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 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. DUE TO BANKS

The Subsidiaries had credit facilities in the form of short-term Murabaha from local banks to finance their working capital requirements. These facilities bear commission in accordance with prevailing prices in the market and are guaranteed by the founding shareholders' guarantees. These facilities were fully repaid during 2008.

4. STATUTORY RESERVE

In accordance with Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 50% of the share capital. This reserve is not available for dividend distribution.

5. DIVIDENDS DISTRIBUTION

The General Assembly approved in its meeting held on Rabi Al Awal 16, 1430H (corresponding to April 12, 2009) the Company's Board of Directors' recommendation to distribute dividends amounting to SR 37,058,823 for the year ended December 31, 2008 of SR 0.5 for each outstanding share.

6. 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 of outstanding number of shares at the end of period.

7. CONTINGENT LIABILITIES AND COMMITMENT

At June 30, 2009, the Company had the following outstanding contingent liabilities and commitments as follows:

	2009 **SR**	2008 SR
Letters of guarantee	**62,103,144**	58,951,186
Letters of credit	**85,322,319**	79,957,851

8. SEGMENT INFORMATION

The Company and its subsidiaries operate in four separate industry segments, pharmaceuticals, specialty Chemicals, Engineering and Constructions and other (which includes the holding company). The principal markets for these segments are in the Kingdom of Saudi Arabia, Arabian Gulf Countries, Middle East and North Africa. Set out below is selected financial information for the business segments:

	Pharmaceuticals SR	**Specialty Chemicals SR**	**Engineering and Constructions SR**	**Holding Company and Other SR**	**Total SR**
For the six month period ended June 30, 2009					
Sales and projects revenue:					
− Local	**148,154,769**	**100,545,996**	**83,617,603**	**33,313,340**	**365,631,708**
− Export	**67,556,507**	**58,489,159**	**29,492,247**	**104,960**	**155,642,873**
Total sales	**215,711,276**	**159,035,155**	**113,109,850**	**33,418,300**	**521,274,581**
Gross profit	**136,860,751**	**52,403,600**	**27,549,106**	**8,874,776**	**225,688,233**
Income (loss) from operations	**42,121,896**	**30,632,331**	**20,272,121**	**(2,102,791)**	**90,923,557**
Net income	**38,731,923**	**31,115,038**	**20,354,685**	**9,756,656**	**99,958,302**
Amortization	**110,332**	**-**	**-**	**-**	**110,332**
Depreciation	**5,714,391**	**3,182,608**	**1,853,487**	**840,501**	**11,590,987**
Property, plant and equipment	**103,842,677**	**61,268,213**	**34,431,529**	**12,900,417**	**212,442,836**
Capital expenditures	**1,376,795**	**2,837,821**	**1,249,615**	**360,933**	**5,825,164**

	Pharmaceuticals SR	Specialty Chemicals SR	Engineering and Constructions SR	Holding Company and Other SR	Total SR
For the six month period ended June 30, 2008					
Sales and projects revenue:					
– Local	118,665,692	109,052,515	57,510,633	32,136,857	317,365,697
– Export	56,342,652	61,653,680	38,340,473	44,449	156,381,254
Total sales	175,008,344	170,706,195	95,851,106	32,181,306	473,746,951
Gross profit	124,249,324	55,737,170	26,223,711	9,290,040	215,500,245
Income from operations	51,800,966	34,167,133	18,841,677	1,622,810	106,432,586
Net income	47,524,013	34,988,625	19,140,090	4,582,867	106,235,595
Depreciation	5,364,997	2,431,339	1,744,250	702,037	10,242,623
Property, plant and equipment	103,646,069	62,757,443	30,403,157	14,984,996	211,791,665
Capital expenditures	11,117,212	2,564,628	1,729,930	689,882	16,101,652

9. FINANCIAL INSTRUMENTS

Fair value

The carrying values for cash and cash equivalents, accounts receivable, inventories, accounts payable and other assets and liabilities are deemed to approximate their carrying amounts due to their short-term nature.

Commission rate risk

This comprises various risks related to the effect of changes in commission rates on the Company's financial position and cash flows. 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 Murabaha, but the related commission rate risk is not considered to be significant. So the Company did not use derivative financial instruments to minimize the effect of changes in commission rates risks.

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. The Company also transacts in other foreign currencies at market rates without using derivative financial instruments to minimize the effect of foreign currency exchanges risks.

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 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 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.