

**THE SAUDI ARABIAN AMIANTIT COMPANY
AND SUBSIDIARIES
(A Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
AND LIMITED REVIEW REPORT**

**THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

	Page
Limited review report	2
Interim consolidated balance sheet	3
Interim consolidated income statement	4
Interim consolidated cash flows statement	5
Notes to the interim consolidated financial statements	6 - 12



LIMITED REVIEW REPORT

April 19, 2016

To the shareholders of The Saudi Arabian Amiantit Company.
(A Saudi Joint Stock Company)

Scope of review

We have reviewed the accompanying interim consolidated balance sheet of The Saudi Arabian Amiantit Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2016 and the interim consolidated statements of income and cash flows for the three-month period then ended, and the related notes which form an integral part of the interim consolidated financial statements. These interim consolidated financial statements are the responsibility of the Group's management and have been prepared by them and submitted to us together with all the information and explanations which we required.

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

Review conclusion

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 accounting standards generally accepted in Saudi Arabia.

Emphasis of matter

We draw attention to Note 8 to the accompanying interim consolidated financial statements. At March 31, 2016, one of the wholly owned subsidiaries of the Group was defending a claim filed by one of its sub-contractors on a project in Iraq. During the three-month period ended March 31, 2016, the appellate court in Iraq awarded its judgement in favor of the sub-contractor for compensation of costs incurred by the sub-contractor on the project. The Group management is actively pursuing this case and the subsidiary has filed an appeal against the judgement at the Court of Cassation in Iraq. Subsequent to March 31, 2016, the Court of Cassation in Iraq upheld the appeal and referred back the case to the appellate court for reassessment. Based on the reports from Group's own experts and lawyers, the Group management believes that they have recorded adequate provision against such claim and the ultimate outcome of the appeal process would not result in any additional financial impact on the accompanying interim consolidated financial statements.

PricewaterhouseCoopers

By: _____
Yaseen A. Abu Alkheer
License Number 375

PricewaterhouseCoopers, License No. 25,
Al Hugayet Tower, P.O. Box 467, Dhahran Airport 31932, Kingdom of Saudi Arabia
T: +966 (13) 849-6311, F: +966 (13) 849-6281, www.pwc.com/middle-east

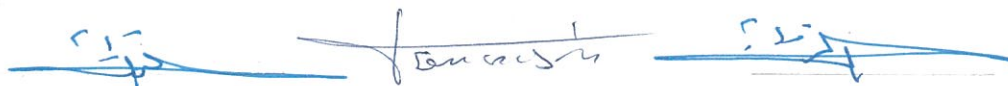
THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Interim consolidated balance sheet
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)	March 31, 2015 (Unaudited)
Assets				
Current assets				
Cash and cash equivalents		104,210	166,501	108,410
Accounts receivable	2	2,114,072	2,041,053	1,937,442
Inventories		1,225,504	1,276,130	1,225,281
Prepayments and other receivable		228,084	256,647	223,338
		<u>3,671,870</u>	<u>3,740,331</u>	<u>3,494,471</u>
Non-current assets				
Investment in associates		127,827	127,923	126,088
Property, plant and equipment		733,106	728,308	750,643
Intangible assets		13,358	13,251	13,455
Deferred income tax assets		8,358	8,067	8,088
Other non-current assets		28,330	26,628	62,715
		<u>910,979</u>	<u>904,177</u>	<u>960,989</u>
Total assets		<u>4,582,849</u>	<u>4,644,508</u>	<u>4,455,460</u>
Liabilities				
Current liabilities				
Short-term borrowings		1,298,909	1,618,177	1,827,481
Current maturity of long-term borrowings		114,976	18,560	7,549
Accounts payable		548,742	528,844	565,314
Accrued and other liabilities		335,126	320,899	323,473
Zakat and tax payable		95,525	90,889	87,131
		<u>2,393,278</u>	<u>2,577,369</u>	<u>2,810,948</u>
Non-current liabilities				
Long-term borrowings		562,218	426,728	44,193
Employee termination benefits		79,349	78,743	77,459
Warranty provisions		13,010	13,338	19,057
Other non-current liabilities		16,918	19,966	16,416
		<u>671,495</u>	<u>538,775</u>	<u>157,125</u>
Total liabilities		<u>3,064,773</u>	<u>3,116,144</u>	<u>2,968,073</u>
Equity				
Equity attributable to shareholders of the Company:				
Share capital		1,155,000	1,155,000	1,155,000
Statutory reserve		189,472	189,472	179,334
Retained earnings	5	304,900	332,190	266,811
Employees shares program and reserve		(31,914)	(31,914)	(31,012)
Currency translation adjustments		(170,342)	(181,349)	(156,882)
Total shareholders' equity		<u>1,447,116</u>	<u>1,463,399</u>	<u>1,413,251</u>
Non-controlling interests		70,960	64,965	74,136
Total equity		<u>1,518,076</u>	<u>1,528,364</u>	<u>1,487,387</u>
Total liabilities and equity		<u>4,582,849</u>	<u>4,644,508</u>	<u>4,455,460</u>

Contingencies and commitments

6

The accompanying notes from 1 to 6 form an integral part of these interim consolidated financial statements.





THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Interim consolidated income statement
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended	
		2016 (Unaudited)	2015 (Unaudited)
Sales	4	619,533	731,361
Cost of sales		(517,453)	(620,761)
Gross profit		102,080	110,600
Operating expenses			
Selling and marketing		(17,748)	(16,015)
General and administrative		(44,901)	(37,216)
Income from operations		39,431	57,369
Other expenses			
Share in net loss of associates		(2,107)	(510)
Financial charges, net		(27,581)	(18,949)
Other, net	3	(25,588)	(9,108)
(Loss) income before foreign income tax, zakat and non-controlling interests		(15,845)	28,802
Foreign income taxes		(1,756)	5
Zakat		(8,749)	(8,250)
(Loss) income before non-controlling interests		(26,350)	20,557
Non-controlling interests		(940)	5,301
Net (loss) income for the period		(27,290)	25,858
Earnings (loss) per share (Saudi Riyals):			
	2.24		
• Operating income for the period		0.35	0.51
• Net (loss) income for the period		(0.24)	0.23

The accompanying notes from 1 to 6 form an integral part of these interim consolidated financial statements.



[Handwritten signature in blue ink]

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Interim consolidated cash flows statement
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the three-month period ended	
	2016 <i>(Unaudited)</i>	2015 <i>(Unaudited)</i>
Cash flows from operating activities		
Net (loss) income for the period	(27,290)	25,858
<u>Adjustments for non-cash items</u>		
Depreciation, impairment, amortization and provisions	61,343	30,294
Share in net loss of associates	2,107	510
Deferred income tax charges	168	196
Income (loss) applicable to non-controlling interests	940	(5,301)
<u>Changes in working capital</u>		
Accounts receivable	(69,280)	(65,058)
Inventories	54,963	(79,539)
Prepayments and other receivable	1,313	(40,954)
Accounts payable	11,939	112,414
Accrued and other current liabilities	11,444	13,481
Employee termination benefits	523	(879)
Net cash generated from (utilized in) operating activities	<u>48,170</u>	<u>(8,978)</u>
Cash flows from investing activities		
Proceeds from disposal of an investment	-	30,000
Purchase of property, plant and equipment	(16,476)	(8,804)
Intangible assets and other	(1,305)	(924)
Net cash (utilized in) generated from investing activities	<u>(17,781)</u>	<u>20,272</u>
Cash flows from financing activities		
Change in short-term borrowings	(337,668)	3,092
Proceeds from long-term borrowings	247,724	2,345
Repayments of long-term borrowings	(1,252)	(1,660)
Changes in non-controlling interests and other non-current liabilities	(1,484)	(12,429)
Net cash utilized in financing activities	<u>(92,680)</u>	<u>(8,652)</u>
Net change in cash and cash equivalents	(62,291)	2,642
Cash and cash equivalents at beginning of period	166,501	105,768
Cash and cash equivalents at end of period	<u>104,210</u>	<u>108,410</u>



The accompanying notes from 1 to 6 form an integral part of these interim consolidated financial statements.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General Information

The Saudi Arabian Amiantit Company (the "Company" or "SAAC") and its subsidiaries (collectively referred to as the "Group") consist of the Company and its various Saudi Arabian and foreign subsidiaries. The Group is principally engaged in manufacturing and selling various types of pipes and related products, licensing of related technologies, and water management services including related consultancy, engineering and operations.

The Company is a joint stock company, registered in the Kingdom of Saudi Arabia, operating under Commercial Registration No. 2050002103 issued in Dammam on 17 Rabi'ul 1388 H (June 13, 1968). The registered address of the Company is P.O. Box 589, First Industrial Area, Dammam 31421, Kingdom of Saudi Arabia.

Certain subsidiaries consolidated in the accompanying interim consolidated financial statements are dependent on financial support from the Group. The Group management intends to provide adequate financial support to such subsidiaries enabling them to continue their operations and believes that these subsidiaries will generate positive cash flows in the future. Total assets of these subsidiaries amounted to Saudi Riyals 846.9 million as at March 31, 2016 (March 31, 2015: Saudi Riyals 777.1 million).

The accompanying interim consolidated financial statements were authorized for issue by the Company's Board of Directors on April 19, 2016.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

2.1 Basis of preparation

The accompanying interim consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in compliance with the Standard of Accounting for Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants. Significant accounting policies adopted by the Group for preparing such interim consolidated financial statements are consistent with the accounting policies described in the 2015 annual audited consolidated financial statements of the Group.

The accompanying interim consolidated financial statements include all adjustments comprising mainly of normal recurring accruals considered necessary by the Group's management to present a fair statement of the financial position, results of operations and cash flows. The interim results of the operations for the three-month period ended March 31, 2016 may not represent a proper indication for the annual results of operations. These interim consolidated financial statements and notes should be read in conjunction with the annual audited consolidated financial statements and the related notes for the year ended December 31, 2015.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management makes estimates and assumptions concerning the future which, by definition, seldom equal the related actual results.

2.3 Investments

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries is reported under "Intangible assets" in the consolidated balance sheet. Goodwill is tested annually for impairment and carried at cost, net of impairment losses, if any.

Inter-company transactions, balances and unrealized gains and losses on transactions between the Group companies are eliminated.

(b) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, which is adjusted subsequently for impairment loss, if any.

2.4 Segment reporting

(a) Business segment

A business segment is group of assets, operations or entities:

- (i) engaged in revenue producing activities;
- (ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) financial information is separately available.

(b) Geographical segment

A geographical segment is group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

2.5 Foreign currencies

(a) Reporting currency

These interim consolidated financial statements are presented in Saudi Riyals which is the reporting currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period-end exchange rates are recognized in the consolidated income statement.

(c) Group companies

Cumulative adjustments resulting from the translations of the financial statements of the foreign subsidiaries and associates into Saudi Riyals are reported as a separate component of equity.

Dividends received from subsidiaries and associates are translated at the exchange rate in effect at the transaction date.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments with maturities of three months or less from the purchase date.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

2.7 Accounts receivable

Accounts receivable are carried at original invoice amount less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

At March 31, 2016 approximately 21% (March 31, 2015: 25%) of accounts receivable were related to government projects.

2.8 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using weighted average method. The cost of finished products include the cost of raw materials, labor and production overheads.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, except construction in progress which is stated at cost. Land is not depreciated. Depreciation is charged to the consolidated income statement, using the straight-line method, to allocate the cost of the related assets to their estimated useful lives.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the consolidated income statement.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the consolidated income statement as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

2.10 Deferred charges

Costs that are not of benefit beyond the current period are charged to the consolidated income statement, while costs that will benefit future periods are capitalized. Deferred charges, reported under "Intangible assets" in the consolidated balance sheet, include certain indirect construction costs and pre-operating expenses which are amortized over periods which do not exceed seven years.

2.11 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date. 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 the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the consolidated income statement. Impairment losses recognized on goodwill are not reversible.

2.12 Borrowings

Borrowings are recognized at the proceeds received, net of transaction costs. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of those assets. Other borrowing costs are charged to the consolidated income statement.

2.13 Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Group.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

2.14 Provisions

Warranty provisions - The Group offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Warranty provisions and reversals are charged to "Cost of sales" in the consolidated income statement. Adjustments are made to the warranty provision considering the changes in recent trends, technological improvements and legal and constructive obligation of the Group.

Onerous contracts - Provision against onerous contracts are recognized when the Group expects that the costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. Such provisions are charged to "Cost of sales" in the consolidated income statement.

2.15 Zakat and tax

The Company is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax (the "DZIT"). Foreign shareholders in the consolidated Saudi Arabian subsidiaries are subject to income tax. Income tax provisions related to the foreign shareholders in such subsidiaries are charged to the non-controlling interests.

Provision for zakat for the Company and zakat related to the Company's ownership in the Saudi Arabian subsidiaries is charged to the consolidated income statement. Additional amounts payable, if any, at the finalization of assessments are accounted for when such amounts are determined.

The Company and its Saudi Arabian subsidiaries withhold tax on certain transactions with non-resident parties, including dividend payments to foreign shareholders of the Saudi Arabian subsidiaries, in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Foreign subsidiaries are subject to income tax in their respective countries of domicile which are charged to the consolidated income statement.

Deferred income tax are recognized on all major temporary differences between financial income and taxable income during the period in which such differences arise, and are adjusted when related temporary differences are reversed. Deferred income tax are determined using tax rates which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2.16 Employee termination benefits

Employee termination benefits required by the Saudi Labor and Workman Law are accrued by the Company and its Saudi Arabian subsidiaries and charged to the consolidated income statement.

The foreign subsidiaries provide currently for employee termination and other benefits as required under the laws of their respective countries of domicile.

2.17 Employees share ownership plan

The Group offers Employees Share Ownership Plan ("ESOP"), which provide service awards to certain levels of employees. These employees, subject to their subscription of ESOP and meeting the underlying conditions, are given the Company's shares.

The employees' service cost of share options granted to them under the ESOP is measured by reference to the fair value of the Company's shares on the date on which the options are granted. This cost is recognized as an expense over the period in which service conditions are fulfilled by the employees, ending on the date on which the relevant employees become fully entitled to the shares (the "vesting date"). The cumulative expense recognized, for the equity-settled transactions at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Company's best estimate of the number of shares that will ultimately vest. The charge for a period recorded in the consolidated income statement represents the movement in cumulative expense recognized as at the beginning and end of that period.

Shares purchased by the financial institution acting as trustee for the ESOP are carried at cost as a deduction from shareholders' equity until the options vest and the underlying shares are transferred to the employee on which date any difference between the employee service cost and the purchase cost of the shares is taken directly to retained earnings as an equity adjustment.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES

(A Saudi Joint Stock Company)

Notes to the interim consolidated financial statements

For the three-month period ended March 31, 2016 (Unaudited)

(All amounts in Saudi Riyals thousands unless otherwise stated)

2.18 Employees share option shares

Shares purchased by SAAC for employee share ownership plan are recorded at cost and presented as a deduction from equity as adjusted for any transaction costs, dividends and gains or losses on sale of such shares. Subsequent to the purchase, these shares are carried at the amount equal to the consideration paid.

These shares are acquired by the SAAC with the approval of the Capital Market Authority ("CMA") in Saudi Arabia, primarily for discharging its obligation under its employee share ownership plan.

2.19 Revenues

Revenues are recognized upon delivery of products or on the performance of services. Revenues on long-term contracts are recognized on the percentage of completion basis. Revenues are shown net of expenses primarily related to discounts, and after eliminating sales within the Group.

2.20 Selling, marketing and general and administrative expenses

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

2.21 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by shareholders of the Company.

2.22 Operating leases

Rental expense under operating leases is charged to the consolidated income statement over the period of the respective lease.

2.23 Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of their net income to a statutory reserve until such reserve equals 50% of share capital. Such transfer is made at the end of the fiscal year. The statutory reserve in the accompanying interim consolidated financial statements is the statutory reserve of the Company. This reserve currently is not available for distribution to the shareholders of the Company.

2.24 (Loss) earnings per share

(Loss) earnings per share for the three-month periods ended March 31, 2016 and March 31, 2015 have been computed by dividing the operating income and net income for the periods by weighted average number of 113,564,309 shares outstanding during such periods.

3 Other (expenses) income

	Three-month period ended March 31,	
	2016	2015
Impairment (losses) reversal against investments, net	(3,303)	1,767
Provision for settlement of claims and other assets (Note 6)	(28,400)	-
Foreign exchange gains (losses)	2,723	(11,517)
Miscellaneous income, net	3,392	642
	<u>(25,588)</u>	<u>(9,108)</u>

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

4 Segment Information

The Group operates principally in the following business segments:

- (i) Manufacturing and selling various types of pipes and development and licensing of related technologies; and
- (ii) Water management and related consultancy, engineering and operations.

Selected financial information as of March 31, 2016 and 2015 and for the three-month periods then ended, summarized by the above business segments, was as follows:

	Pipe manufacturing and technology	Water management	Total
2016			
Sales	581,993	37,540	619,533
Net income (loss)	11,771	(39,061)	(27,290)
Total assets	4,234,922	347,927	4,582,849
2015			
Sales	664,052	67,309	731,361
Net income (loss)	31,922	(6,064)	25,858
Total assets	3,981,869	473,591	4,455,460

The Group's operations are conducted in Saudi Arabia, Europe and certain other geographical areas. Selected financial information as of March 31, 2016 and 2015 and for the three-month periods then ended, summarized by geographic area, was as follows:

	Saudi Arabia	Europe and other countries	Total
2016			
Sales	424,934	194,599	619,533
Non-current assets:			
Property, plant and equipment	557,020	176,086	733,106
Other non-current assets	109,643	68,229	177,872
2015			
Sales	477,305	254,056	731,361
Non-current assets:			
Property, plant and equipment	567,909	182,734	750,643
Other non-current assets	138,556	71,790	210,346

5 Dividends

Subsequent to March 31, 2016 the Company's shareholders declared dividends amounting to Saudi Riyals 75.0 million (2015: Nil).

6 Contingencies and commitments

- (i) The Group was contingently liable for bank guarantees issued in the normal course of the business amounting Saudi Riyals 483.1 million at March 31, 2016. SAAC, collectively with other shareholders of associated companies, is also contingently liable for a corporate guarantees amounting to Saudi Riyals 202.4 million in relation to the borrowing facilities of related associated companies.

THE SAUDI ARABIAN AMIANTIT COMPANY AND SUBSIDIARIES
(A Saudi Joint Stock Company)
Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

- (ii) PWT Wasser- und Abwassertechnik GmbH (PWT), a wholly owned subsidiary of the Group, engaged in Engineering, Procurement and Construction ("EPC") contracts for water and sewage treatment plants, faced certain issues on its project in Iraq. PWT terminated the contract with one of its sub-contractors due to its non-performance of the required obligations under the contract. The sub-contractor has filed a claim against PWT with the competent court in Iraq for compensation of costs incurred prior to its termination. During the three-month period ended March 31, 2016, the appellate court in Iraq awarded its judgement in favor of the sub-contractor for compensation of costs amounting to Iraqi dinars 31.5 billion (Saudi Riyals 106 million).

PWT has filed an appeal against the court judgement in favor of the sub-contractor at the Court of Cassation in Iraq during the three-month period ended March 31, 2016. Subsequent to March 31, 2016, the Court of Cassation in Iraq upheld the Group's appeal and referred back the case to the appellate court for reassessment. The Group is continuously monitoring the situation and assessing the potential losses related to this case and other related receivable balances and has recorded an additional provision of Saudi Riyals 28.4 million during the three-month period ended March 31, 2016. The total provision against this claim amounted to Saudi Riyals 55.4 million at March 31, 2016. Based on the reports from the Group's own experts and lawyers, the Group management believes that adequate provision against such claim has been recorded and the ultimate outcome of the appeal process would not result in any additional financial impact on the accompanying interim consolidated financial statements.

- (iii) The capital expenditure contracted by the Group but not yet incurred till March 31, 2016 was approximately Saudi Riyals 21.5 million.