

**Saudi Industrial Investment Group  
and Its Subsidiaries  
(A Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2011**

SAUDI INDUSTRIAL INVESTMENT GROUP AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2011

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<b>INDEX</b>	<b>PAGE</b>
Auditors' limited review report	1
Interim consolidated balance sheet	2
Interim consolidated statement of income	3
Interim consolidated statement of cash flows	4
Interim consolidated statement of changes in shareholders' equity	5
Notes to the interim consolidated financial statements	6

## REVIEW REPORT

To the shareholders of Saudi Industrial Investment Group  
(A Saudi Joint Stock Company)

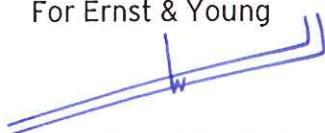
### Scope of review

We have reviewed the accompanying interim consolidated balance sheet of Saudi Industrial Investment Group - a Saudi Joint Stock Company - (the "Company") and its subsidiaries (the "Group") as at 31 December 2011, the related interim consolidated statement of income for the three-month period and the year ended 31 December 2011, and interim consolidated statements of cash flows and changes in shareholders' equity for the year then ended. 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 on Review of Interim Financial Reporting issued by the Saudi Organisation for Certified Public Accountants (SOCPA). A limited review 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.

### 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 the Kingdom of Saudi Arabia.

For Ernst & Young



Fahad M. Al-Toaimi  
Certified Public Accountant  
Registration No. 354



Riyadh: 23 Safar 1433H  
(17 January 2012)

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET

As at 31 December 2011

(Amounts in SR '000)

	Notes	2011 (Unaudited)	2010 (Audited)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,514,552	3,769,195
Accounts receivable, prepayments and other assets		743,361	573,588
Inventories		356,156	255,814
<b>TOTAL CURRENT ASSETS</b>		<b>4,614,069</b>	<b>4,598,597</b>
<b>NON-CURRENT ASSETS</b>			
Projects under construction	4	18,254,680	16,196,300
Deferred charges, net		185,955	241,020
Property, plant and equipment, net		2,547,670	2,638,381
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,988,305</b>	<b>19,075,701</b>
<b>TOTAL ASSETS</b>		<b>25,602,374</b>	<b>23,674,298</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable, accruals and other liabilities		689,013	624,281
Zakat provision	5	130,544	109,302
Current portion of term loans	6	172,809	161,740
<b>TOTAL CURRENT LIABILITIES</b>		<b>992,366</b>	<b>895,323</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term accounts payable		237,927	259,459
Term loans	6	14,350,548	12,762,944
Subordinated loan from the non-controlling partner	7	14,859	14,859
Employees' terminal benefits		33,623	26,959
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,636,957</b>	<b>13,064,221</b>
<b>TOTAL LIABILITIES</b>		<b>15,629,323</b>	<b>13,959,544</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	4,500,000	4,500,000
Statutory reserve		255,527	255,527
Retained earnings		1,227,174	925,519
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>5,982,701</b>	<b>5,681,046</b>
Non-controlling interest		3,990,350	4,033,708
<b>TOTAL EQUITY</b>		<b>9,973,051</b>	<b>9,714,754</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,602,374</b>	<b>23,674,298</b>

The attached notes 1 to 15 form part of these interim consolidated financial statements.

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period and the year ended 31 December 2011

(Amounts in SR '000)

	Notes	For the three month period ended 31 December		For the year ended 31 December	
		2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Audited)
Sales		915,660	1,094,418	4,500,777	3,265,625
Cost of sales		(847,457)	(887,169)	(3,718,518)	(2,621,614)
<b>GROSS PROFIT</b>		<b>68,203</b>	<b>207,249</b>	<b>782,259</b>	<b>644,011</b>
Selling, general and administration expenses		(53,528)	(30,951)	(193,284)	(143,354)
<b>INCOME FROM MAIN OPERATIONS</b>		<b>14,675</b>	<b>176,298</b>	<b>588,975</b>	<b>500,657</b>
Other income (losses)		5,064	24,356	19,912	21,134
Financial charges		(4,224)	(6,649)	(17,227)	(21,397)
<b>INCOME BEFORE NON-CONTROLLING INTEREST AND ZAKAT</b>		<b>15,515</b>	<b>194,005</b>	<b>591,660</b>	<b>500,394</b>
Non-controlling interest share in net loss of the subsidiaries		23,778	(29,372)	44,076	13,906
<b>INCOME BEFORE ZAKAT</b>		<b>39,293</b>	<b>164,633</b>	<b>635,736</b>	<b>514,300</b>
Zakat	5	(34,595)	23,710	(107,281)	(109,690)
<b>NET INCOME</b>		<b>4,698</b>	<b>188,343</b>	<b>528,455</b>	<b>404,610</b>
<b>EARNINGS PER SHARE (SR)</b>	9	<b>0.03</b>	<b>0.39</b>	<b>1.31</b>	<b>1.11</b>
Attributable to the income from main operations					
Attributable to the net income		<b>0.01</b>	<b>0.42</b>	<b>1.17</b>	<b>0.90</b>

The attached notes 1 to 15 form part of these interim consolidated financial statements.



Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

(Amounts in SR '000)

	<i>2011</i> <i>(Unaudited)</i>	<i>2010</i> <i>(audited)</i>
<b>OPERATING ACTIVITIES</b>		
Income before zakat	635,736	514,300
Adjustments for:		
Depreciation and amortization	220,358	200,011
Employees' terminal benefits, net	6,664	6,722
Gain from sale of property, plant and equipment	(81)	(154)
Non-controlling interest share in net loss of the subsidiaries	(44,076)	(13,906)
	<u>818,601</u>	<u>706,973</u>
Changes in operating assets and liabilities:		
Accounts receivable, prepayments and others assets	(169,774)	5,227
Inventories	(100,342)	(51,795)
Accounts payable, accrued liabilities and other liabilities	39,477	(665,564)
Zakat paid	(86,039)	(90,419)
<b>Net cash from (used in) operating activities</b>	<u>501,923</u>	<u>(95,578)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(94,914)	(5,778)
Proceeds from sale of property, plant and equipment	794	49,914
Proceeds from matured governmental bonds	-	33,032
Deferred charges	(27,340)	(144,915)
Projects under construction	(2,011,420)	(4,783,777)
<b>Net cash used in investing activities</b>	<u>(2,132,880)</u>	<u>(4,851,524)</u>
<b>FINANCING ACTIVITIES</b>		
Term loans, net	1,598,673	3,786,974
Dividends paid	(223,077)	(220,841)
Subordinate loans proceeds from the non-controlling partner	-	564,375
Non-controlling interest	718	-
<b>Net cash from financing activities</b>	<u>1,376,314</u>	<u>4,130,508</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(254,643)</u>	<u>(816,594)</u>
Cash and cash equivalents at the beginning of the year	<u>3,769,195</u>	<u>4,585,789</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u>3,514,552</u></u>	<u><u>3,769,195</u></u>
<b>NON CASH TRANSACTION</b>		
Subordinated loan from a non-controlling partner transferred to the capital increase of Petrochem's subsidiary	-	1,586,235

The attached notes 1 to 15 form part of these interim consolidated financial statements.

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2011

(Amounts in SR '000)

	Attributable to the shareholders' equity				Non- controlling Interest
	Share capital	Statutory reserve	Retained earnings	Total	
Balance as at 31 December 2009	4,500,000	215,066	788,170	5,503,236	2,461,379
Non-controlling interest resulted from capital increase of Petrochem's subsidiary	-	-	-	-	1,586,235
Dividends declared	-	-	(225,000)	(225,000)	-
Remuneration of board of directors	-	-	(1,800)	(1,800)	-
Net income	-	-	404,610	404,610	(13,906)
Transferred to statutory reserve	-	40,461	(40,461)	-	-
Balance as at 31 December 2010 (audited)	4,500,000	255,527	925,519	5,681,046	4,033,708
Dividends declared (note 14)	-	-	(225,000)	(225,000)	-
Remuneration of board of directors (note 14)	-	-	(1,800)	(1,800)	-
Non-controlling interest arising from business combination	-	-	-	-	718
Net income	-	-	528,455	528,455	(44,076)
<b>Balance as at 31 December 2011 (unaudited)</b>	<b>4,500,000</b>	<b>255,527</b>	<b>1,227,174</b>	<b>5,982,701</b>	<b>3,990,350</b>

The attached notes 1 to 15 form part of these interim consolidated financial statements.

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

31 December 2011

**1. ORGANIZATION AND ACTIVITIES**

Saudi Industrial Investment Group (the "Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration numbered 1010139946 dated 10 Sha'aban 1416H (corresponding to 1 January 1996). The Company was formed pursuant to the Ministry of Commerce and Industrial's resolution numbered 291 dated 29 Jumad Thani 1416 H (corresponding to 23 November 1995).

The Company is engaged in enhancing the growth and development of the industrial base of the Kingdom, mainly the petrochemicals industry, opening more channels for the exportation of the products and more ways for private sector in the Kingdom to enter into other industries by using petrochemical products after obtaining the required licenses the relevant authorities.

**2. BASIS OF CONSOLIDATION**

These interim consolidated financial statements include the interim financial statements of the Company, its subsidiaries and joint ventures (the "Group"), as adjusted by the elimination of significant inter-company balances and transactions. The jointly controlled entities are reported using proportionate consolidation, whereby the Company's share in the assets, liabilities, income and expenses of jointly controlled entities is consolidated on a line-by-line basis with the corresponding items in the Company's financial statements.

The financial statements of the subsidiaries and joint ventures are prepared using accounting policies which are consistent with those of the Company. The financial statements of the subsidiary companies and joint ventures are consolidated from the date on which the Company is able to exercise effective management control over the subsidiary companies and joint control over the joint ventures.

A subsidiary is an entity in which the Company has a direct or indirect equity investment of more than 50% or over which it exercise effective management control. A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity which is subject to joint control.

The subsidiaries and joint controlled companies are as follows:

		Shareholding %		Country of Incorporation
		2011	2010	
National Petrochemical Company ("Petrochem")*	Subsidiary	50	50	Saudi Arabia
Saudi Chevron Philips ("SCP")	Joint venture	50	50	Saudi Arabia
Jubail Chevron Philips ("JCP")	Joint venture	50	50	Saudi Arabia
Petrochemical Conversion Company ("PCC") **	Joint venture	50	-	Saudi Arabia
Saudi Nylon Company, Saudi Benzene Company, Saudi Paraxylene Company and Saudi Cyclohexane Company (the "Local Entities")***	Subsidiaries	100	100	Saudi Arabia

\* The subsidiaries of Petrochem are as follows:

		Shareholding %		Country of Incorporation
		2011	2010	
Saudi Polymers Company ("SPCo")	Subsidiary	65	65	Saudi Arabia
Gulf Polymers Distribution Company FZCO ("GPDCo")	Subsidiary	65	-	United Arab of Emirates

\*\* During the year 2011, the Group has incorporated Petrochemical Conversion Company (the "Joint Venture"). The Group's investment represents 50% of Joint Venture's capital. All legal formalities of the incorporation have been completed.

\*\*\* During the year 2010, the Company has resolved to liquidate the Local Entities, having their purpose been achieved, i.e. incorporation of Petrochem. Legal formalities of liquidation are still in process.



Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim consolidated financial statements have been prepared in accordance with the Standard on Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). The significant accounting policies adopted by Group in preparing its interim consolidated financial statements, summarized below, are consistent with those used in the preparation of the last audited consolidated financial statements for the year ended 31 December 2010. The interim consolidated financial statements and the accompanying notes should be read in conjunction with the annual audited consolidated financial statements and the related notes for the year ended 31 December 2010. The figures in these interim consolidated financial statements are rounded to nearest thousand.

*Accounting convention*

The interim consolidated financial statements are prepared under the historical cost convention.

*Use of estimates*

The preparation of the interim consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. The actual results ultimately may differ from these estimates.

*Accounts receivable*

Accounts receivable are stated at the invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when the collection of the receivable amount is considered doubtful. Bad debts are written off as incurred.

*Inventories*

Inventories are stated at the lower of cost and market value. Cost is determined as follows:

- |                                     |  |
|-------------------------------------|--|
| Raw materials, spares and catalysts | - purchase cost on a weighted average basis.   |
| Finished goods                      | - cost of direct materials and labour plus attributable overheads based on a normal level of activity. |

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Property, plant and equipment / Depreciation*

Property, plant and equipment are stated at cost net of accumulated depreciation except for Platinum (precious metal) which is stated at cost. Expenditure for maintenance and repairs is expensed, while expenditure for improvement is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease. The estimated useful lives for the calculation of depreciation are as follows:

	Years		Years
Plant and equipments	5- 20	Office equipment and furniture	3.33-10
Buildings	20	Leasehold improvements	5
Vehicles	4		

*Project under construction*

Project under construction appear at cost until the asset is ready for its intended use, thereafter; it is re-classified to be as property and equipment. Project under construction includes the cost of contractors, materials, services, borrowing, salaries and other overhead allocated on systematic basis.

*Deferred charges / amortization*

Deferred charges comprise agency and upfront fees and are amortized over the period of the related loans. The amortization is capitalized in the cost of the plant under construction.

Included in deferred charges turnaround costs, which are deferred and amortised over the period (15 to 30 months) until the date of the next planned turnaround. Should unexpected turnaround occur prior to the previously envisaged date of planned turnaround, then the previously unamortised deferred costs are immediately expensed and new turnaround costs are deferred and amortised over the period likely to benefit from such costs.

*Borrowing costs*

Borrowing costs that are directly attributable to the construction of an asset are capitalised up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the interim consolidated statement of income.

*Impairment of financial assets*

Periodically, a review of the carrying amounts of the long term tangible assets is conducted to determine whether there is any indication that those assets have suffered impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, an estimate of the recoverable amount of the cash generating unit to which the asset belongs is computed.

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 is recognised in the interim consolidated statement of income.

Where impairment base subsequently reversed, the carrying amount of the asset or the cash generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset or cash generating unit in prior years. A reversal of impairment is recognised as income immediately in the interim consolidated statement of income.

*Accounts payable and accruals*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed or not by the supplier or service provider.



Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Provisions*

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle these obligation are both probable and may be measured reliably.

*Zakat and income tax*

Zakat is provided in accordance with the Regulations of the Directorate of Zakat and Income Tax (DZIT) in the Kingdom of Saudi Arabia and on an accrual basis. The provision is charged to the interim consolidated statement of income. Differences, if any, resulting from the final Zakat assessments are adjusted in the year of their finalization. The foreign partner in subsidiaries is subject to income tax which is included in non-controlling interest in the interim consolidated financial statements.

*Employees' terminal benefits*

Provision is made for amounts payable under the Saudi Arabian labour law applicable to employees' accumulated periods of service at the interim consolidated balance sheet date.

*Fair value*

The fair value of commission-bearing items are estimated based on discounted cash flows using commission rates for items with similar terms and risk characteristics.

*Statutory reserve*

In accordance with Saudi Arabian Regulations for Companies, the Company must set aside 10% of its net income in each year. The Company may resolve to discontinue such transfers when it builds up a reserve equal to one half of the capital. The reserve is not available for distribution.

*Revenue recognition*

Sales represent the invoiced value of goods supplied by the Group during the year and is recognized when the significant risks and rewards of the ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably normally on the delivery to the customer.

Earnings on bank deposits are recognized on an accrual basis.

*Expenses*

Selling and distribution expenses are those expenses that specifically relate to the delivery and marketing of products. All other expenses, other than capitalized costs and financial charge, are allocated on a consistent basis to cost of sales and general and administration expenses based on allocation factors approved by management.

*Operating leases*

Operating leases payments are recognised as expense in the interim consolidated statement of income on a straight line basis over the lease term.

*Foreign currencies*

Transactions in foreign currencies are translated into Saudi Riyals at the rate prevailing at the date of those transactions. Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are retranslated at the rate prevailing at that date. All differences are taken to the interim consolidated statement of income.

*Segment reporting*

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments. The Head Office segment incorporates the financial information related to activities under incorporation.

*Cash and cash equivalents*

Cash and cash equivalents consists of bank balances, cash on hand, and investments that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased.

Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

**4. PROJECTS UNDER CONSTRUCTION**

Represents mainly cost of construction works under progress related to the polymers plant (the "Plant"), which is completed during the year 2011. It is anticipated that the trial commissioning will commence during the first quarter of 2012. The machinery and equipment of the Plant are pledged as a part of collaterals against loan facilities (note 6).

**5. ZAKAT**

Zakat is provided for and charged to the interim consolidated statement of income on an estimated basis. Differences resulting from the final zakat calculation are adjusted at year end.

Zakat returns have been filed with the Department of Zakat and Income Tax ("DZIT") for all prior years up to 2010. The DZIT has raised the final zakat assessments up to 2006 and the Company has agreed on DZIT's assessments up to 2001. The Company has filed an appeal against the assessments for the years 2002 and 2003 before the Higher Appeal Committee, also, the Company appealed before DZIT for the years 2004 to 2006 against disallowance of certain items included in the assessments which resulted in a difference of SR 24,416,738 and SR 17,521,365, respectively. As per the management's assessment, the Company has made further the provision for items under appeal by SR 14 million to become SR 34 million.

As for Petrochem, zakat returns have been filed with the DZIT for all prior years up to 2010 and zakat due was settled accordingly. The DZIT has raised the zakat assessment for 2008, claiming a difference of SR 53,092,939. Petrochem has filed an appeal against this assessment before the Higher Appeal Committee, which is still pending. Based on the zakat consultant's advice; the management believes that the ultimate outcome of this issue will be in its favor.

**6. TERM LOANS**

Term loans balances represent the utilized amounts from loan facilities obtained by SPCo and JCP (the "Borrowing Companies") from local and foreign commercial banks syndication, Public Investment Fund ("PIF") and Saudi Industrial Development Fund ("SIDF"), to finance their projects.

The securities of these loans include pledging equipments and assignment and charge of bank accounts of related projects. These loans carry commission at normal commercial rates loans with similar risks.

The Borrowing Companies are required to comply with certain covenants under all the loan facility agreements.

**7. SUBORDINATED LOAN FROM THE NON-CONTROLLING PARTNER**

Represents share of Arabian Chevron Petrochemical Company Limited (the "non-controlling partner") in the commission free loan granted to SPCo from its partners according to their relative ownership. The loan is repayable subject to the minimum level required to be maintained by the terms of the loan facility arrangements granted by PIF.

**8. SHARE CAPITAL**

Share capital is divided into 450 million shares of SR 10 each (2010: 450 million shares).

**9. EARNINGS PER SHARE**

Earnings per share are calculated by dividing income from main operations and net income for the year by the number of outstanding shares amounting to 450 million shares (2010: 450 million shares).



Saudi Industrial Investment Group and Its Subsidiaries  
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

**10. INTERIM RESULTS**

The interim results of operations for the interim periods may not be an accurate indication of the annual results of operations.

**11. CONTINGENT LIABILITIES**

The Group's bankers have issued, on its behalf, bank guarantees as follows:

Amounts in SR '000	2011	2010
Related to nylon project	946,900	946,875
Payment guarantee for a supplier	812,250	481,500
Cost overrun related to polymers project	734,400	734,600
Letter of guarantee to Higher Appeal Committee	77,510	-
	<u>2,571,060</u>	<u>2,162,975</u>

These contingent liabilities are secured fully or partially against cash margin.

**12. SEGMENT INFORMATION**

The Group's operations consist from the following organizational segments:

- SCP                      - Petrochem
- JCP                     - Head office

*For the year ended 31 December 2011*

Amounts in SR '000	SCP	JCP	Petrochem	Head office	Elimination and reconciliation of financial statements	Total
Sales	3,539,550	3,516,804	-	-	(2,555,577)	4,500,777
Gross margin	497,172	285,087	-	-	-	782,259
Net income (loss)	446,889	189,089	(64,468)	528,455	(571,510)	528,455
Total assets	2,145,430	2,779,487	19,743,169	6,192,962	(5,258,674)	25,602,374
Total liabilities	629,842	2,064,240	13,389,489	76,767	(531,015)	15,629,323

*For the year ended 31 December 2010*

Amounts in SR '000	SCP	JCP	Petrochem	Head office	Elimination and reconciliation of financial statements	Total
Sales	2,078,935	2,029,819	-	-	(843,129)	3,265,625
Gross margin	429,110	214,901	-	-	-	644,011
Net income (loss)	378,278	124,152	(42,633)	404,610	(459,797)	404,610
Total assets	1,958,496	2,637,169	18,319,552	5,776,949	(5,017,868)	23,674,298
Total liabilities	439,798	2,111,012	11,928,202	95,904	(615,372)	13,959,544

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(A Saudi Joint Stock Company)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) - CONTINUED  
31 December 2011

**13. CAPITAL COMMITMENTS**

The balance of unused capital expenditure commitment approved by the board of directors of the Company in connection with the construction of the nylon project and conversion projects was SR 1 billion (2010: nil).

The balance of unused capital expenditure commitment approved by the board of directors of SPCo in connection with the construction of the Plant was SR 743 million (2010: SR 3.4 billion).

The balance of unused capital expenditure commitment approved by the board of directors of SCP & JCP in connection with plants maintenance activities was SR 31 million (2010: SR 32.4 million in connection with construction of administrative complex and capital expenditures).

**14. DISTRIBUTION OF NET INCOME**

On 5 Muhurram 1432 H (corresponding to 11 December 2010) the board of directors recommended the general assembly to distribute cash dividends at 5% of nominal value of share (SR 0.5 per share) for the year ended 2010 with total dividends of SR 225 million.

In addition, on 19 Rabi Awal 1432H (corresponding to 22 February 2011) the board of directors recommended the general assembly to approve board's remuneration of SR 1.8 million for the year ended 2010.

The shareholders have approved this proposal during the general assembly dated 19 Jumada Awal 1432 H (corresponding to 23 April 2011).

On 30 Muhurram 1433 H (corresponding to 25 December 2011) the board of directors recommended the general assembly to distribute cash dividends at 10% of nominal value of share (SR 1 per share) for the year ended 2011 with total dividends of SR 450 million.

**15. COMPARATIVE FIGURES**

Certain of the prior year figures have been re-classified to conform with the current year's presentation.