ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016

ALMARAI COMPANY

A SAUDI JOINT STOCK COMPANY

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REVIEW REPORT
TO THE SHAREHOLDERS OF ALMARAI COMPANY
(A SAUDI JOINT STOCK COMPANY)

SCOPE OF REVIEW:

We have reviewed the accompanying interim consolidated balance sheet of **Almarai Company - A Saudi Joint Stock Company** ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2016, and the related interim consolidated statement of income for three-month and nine-month periods ended 30 September 2016, and interim consolidated statements of cash flows and changes in equity for the nine-month period then ended and notes 1 to 13 which form an integral part of these 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. Our responsibility is to provide a conclusion on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Auditing Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of analytical procedures applied to financial data and information and making inquiries of Group's personnel 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 on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

REVIEW CONCLUSION:

Based on our 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 KPMG Al Fozan & Partners
Certified Public Accountants

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Abdullah Hamad Al Fozan
License No. 348

Date: 8 Muharram 1438 A.H.
Corresponding to: 9 October 2016

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Notes	30 September 2016 (Unaudited) SAR '000	31 December 2015 (Audited) SAR '000	30 September 2015 (Unaudited) SAR '000
ASSETS				
Current Assets				
Cash and Cash Equivalents		785,352	2,038,776	2,087,750
Receivables and Prepayments		1,569,673	1,277,110	1,455,374
Inventories		3,262,095	2,835,663	2,678,034
Derivative Financial Instruments		11,803	3,438	4,352
Loan to an Associate	4	6,188	-	-
Total Current Assets		5,635,111	6,154,987	6,225,510
Non Current Assets				
Investments	5	175,806	198,414	255,562
Property, Plant and Equipment		20,871,612	18,696,071	17,668,871
Biological Assets		1,298,601	1,227,815	1,158,950
Intangible Assets - Goodwill		993,500	1,009,077	1,008,863
Derivative Financial Instruments		18,239	11,089	-
Prepayment		59,652	72,426	102,603
Deferred Tax Asset		418	1,156	60
Total Non Current Assets		23,417,828	21,216,048	20,194,909
TOTAL ASSETS		29,052,939	27,371,035	26,420,419
LIABILITIES AND EQUITY				
LIABILITIES				
Current Liabilities				
Bank Overdraft		163,165	217,647	216,898
Short Term Loans	6	180,751	153,380	96,071
Current Portion of Long Term Loans	6	1,258,553	1,668,030	1,758,869
Payables and Accruals		3,217,875	2,730,153	2,129,616
Derivative Financial Instruments		50,705	37,426	50,686
Total Current Liabilities		4,871,049	4,806,636	4,252,140
Non Current Liabilities				
Long Term Loans	6	10,088,769	9,343,435	9,290,473
End of Service Benefits		541,326	472,186	446,169
Deferred Tax Liability		63,069	67,123	79,355
Derivative Financial Instruments		64,927	63,427	81,111
Total Non Current Liabilities		10,758,091	9,946,171	9,897,108
TOTAL LIABILITIES		15,629,140	14,752,807	14,149,248
EQUITY				
Share Capital	10	8,000,000	6,000,000	6,000,000
Statutory Reserve		1,422,141	1,422,141	1,230,572
Other Reserves		(463,690)	(392,636)	(337,724)
Treasury Shares		(360,332)	(330,699)	(282,984)
Retained Earnings		2,515,650	3,659,639	3,381,177
Equity Attributable to Shareholders		11,113,769	10,358,445	9,991,041
Perpetual Sukuk		1,700,000	1,700,000	1,700,000
Equity Attributable to Equity Holders		12,813,769	12,058,445	11,691,041
Non Controlling Interest		610,030	559,783	580,130
TOTAL EQUITY		13,423,799	12,618,228	12,271,171
TOTAL LIABILITIES AND EQUITY		29,052,939	27,371,035	26,420,419

The accompanying notes 1 to 13 form an integral part of these interim Consolidated Financial Statements.

Paul Gay	Georges P. Schorderet	Abdulrahman Al Muhanna
Chief Financial Officer	Chief Executive Officer	Authorised Board Member

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016

	Notes	July - September 2016 (Unaudited)	July - September 2015 (Unaudited)	January - September 2016 (Unaudited)	January - September 2015 (Unaudited)
		SAR '000	SAR '000	SAR '000	SAR '000
Sales	7	3,612,523	3,523,583	11,088,271	10,210,419
Cost of Sales		(2,054,574)	(2,077,063)	(6,715,525)	(6,265,522)
Gross Profit		1,557,949	1,446,520	4,372,746	3,944,897
Selling and Distribution Expenses		(736,662)	(689,841)	(2,159,880)	(1,941,379)
General and Administration Expenses		(85,534)	(83,970)	(332,457)	(313,976)
Operating Income		735,753	672,709	1,880,409	1,689,542
Share of Results of Associates and Joint Ventures	5	3,216	(172)	9,001	(34,575)
Other Income / (Expense), net	8	6,690	(2,781)	(16,932)	(97,219)
Exchange Gain		22,602	9,495	35,208	22,000
Finance Cost		(86,442)	(61,912)	(254,125)	(195,686)
Income before Zakat and Foreign Income Tax		681,819	617,339	1,653,561	1,384,062
Zakat and Foreign Income Tax		(17,405)	(18,801)	(56,949)	(54,944)
Income before Non Controlling Interest		664,414	598,538	1,596,612	1,329,118
Non Controlling Interest		(9,798)	(3,423)	(4,665)	102,895
Net Income for the Period		654,616	595,115	1,591,947	1,432,013
Earnings per Share (SAR), based on Income before Zakat and Foreign Income Tax	9				
- Basic		0.84	0.76	2.03	1.69
- Diluted		0.83	0.76	2.01	1.68
Earnings per Share (SAR), based on Net Income for the Period	9				
- Basic		0.80	0.73	1.95	1.75
- Diluted		0.80	0.73	1.93	1.74

The accompanying notes 1 to 13 form an integral part of these interim Consolidated Financial Statements.

Paul Gay
Chief Financial Officer

Georges P. Schorderet
Chief Executive Officer

Abdulrahman Al Muhanna
Authorised Board Member

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Notes	January - September 2016 (Unaudited)	January - September 2015 (Unaudited)
OPERATING ACTIVITIES		SAR '000	SAR '000
Net Income for the Period		1,591,947	1,432,013
Adjustments for:			
Depreciation of Property, Plant and Equipment		1,063,724	985,324
Depreciation of Biological Assets		201,896	162,343
Exchange Gain		(35,208)	(22,000)
Finance Cost, net		254,125	195,686
Zakat and Foreign Income Tax Accrued		56,949	54,944
Share of Results of Associates and Joint Ventures	5	(9,001)	34,575
Other Expenses, net	8	16,932	97,219
Provision for End of Service Benefits		111,443	67,108
Share Based Payment Expense		22,556	8,255
Non Controlling Interest		4,665	(102,895)
		3,280,028	*2,912,572*
Changes in:			
Receivables and Prepayments		(270,655)	333,351
Inventories		(440,899)	81,258
Payables and Accruals		459,479	(19,149)
Cash Generated from Operations		*3,027,953*	*3,308,032*
End of Service Benefits Paid		(42,419)	(28,687)
Zakat and Foreign Income Tax Paid		(8,753)	(2,225)
Net Cash Generated From Operating Activities		2,976,781	3,277,120
INVESTING ACTIVITIES			
Investment in Associates and Joint Ventures		-	(15,118)
Additions to Property, Plant and Equipment		(3,329,315)	(2,723,537)
Loan to an Associate		(6,188)	-
Proceeds from the Sale of Property, Plant and Equipment		20,770	210,670
Additions to Biological Assets		(74,034)	(66,563)
Appreciation of Biological Assets		(401,107)	(342,254)
Proceeds from the Sale of Biological Assets		156,653	134,956
Dividend Received from an Associate	5	500	-
Net Cash Used in Investing Activities		(3,632,721)	(2,801,846)
FINANCING ACTIVITIES			
Change in Loans, net		379,647	1,736,121
Bank Overdraft, net		(44,563)	82,024
Dividends Paid		(687,721)	(598,461)
Finance Costs Paid		(254,311)	(198,265)
Settlement of Treasury Shares		-	65,765
Purchase of Treasury Shares		(29,633)	(202,363)
Payment of Profit on Perpetual Sukuk		(25,407)	(50,232)
Transactions with Non Controlling Interests		86,864	-
Net Cash (Used in) / Generated From Financing Activities		(575,124)	834,589
Currency Translation Impact on Cash and Cash Equivalents		(22,360)	(18,900)
Net (Decrease) / Increase in Cash and Cash Equivalents		(1,253,424)	1,290,963
Cash and Cash Equivalents at 1 January		2,038,776	796,787
Cash and Cash Equivalents at 30 September		785,352	2,087,750

The accompanying notes 1 to 13 form an integral part of these interim Consolidated Financial Statements.

Paul Gay	Georges P. Schorderet	Abdulrahman Al Muhanna
Chief Financial Officer	Chief Executive Officer	Authorised Board Member

ALMARAI COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Share Capital (Unaudited) SAR '000	Statutory Reserve (Unaudited) SAR '000	Other Reserves (Unaudited) SAR '000	Treasury Shares (Unaudited) SAR '000	Retained Earnings (Unaudited) SAR '000	Equity Attributable to Shareholders (Unaudited) SAR '000	Perpetual Sukuk (Unaudited) SAR '000	Equity Attributable to Equity Holders (Unaudited) SAR '000	Non Controlling Interest (Unaudited) SAR '000	Total Equity (Unaudited) SAR '000
Balance at 1 January 2015	6,000,000	1,230,572	(466,898)	(146,386)	2,569,564	9,186,852	1,700,000	10,886,852	744,080	11,630,932
Net Income for the Period	-	-	-	-	1,432,013	1,432,013	-	1,432,013	(102,895)	1,329,118
Dividend Declared	-	-	-	-	(600,000)	(600,000)	-	(600,000)	-	(600,000)
Net Movement in Fair Value of Available for Sale investments	-	-	143,949	-	-	143,949	-	143,949	-	143,949
Net Movement on Cash Flow Hedges	-	-	29,401	-	-	29,401	-	29,401	-	29,401
Currency Translation Adjustment	-	-	(22,599)	-	-	(22,599)	-	(22,599)	(61,055)	(83,654)
Share Based Payment Transactions	-	-	8,255	-	-	8,255	-	8,255	-	8,255
Profit on Perpetual Sukuk	-	-	36,417	-	(36,417)	-	-	-	-	-
Payment of Profit on Perpetual Sukuk	-	-	(50,232)	-	-	(50,232)	-	(50,232)	-	(50,232)
Settlement of Treasury Shares	-	-	(16,017)	65,765	16,017	65,765	-	65,765	-	65,765
Purchase of Treasury Shares	-	-	-	(202,363)	-	(202,363)	-	(202,363)	-	(202,363)
Transactions with Non Controlling Interests	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2015	6,000,000	1,230,572	(337,724)	(282,984)	3,381,177	9,991,041	1,700,000	11,691,041	580,130	12,271,171
Balance at 1 January 2016	6,000,000	1,422,141	(392,636)	(330,699)	3,659,639	10,358,445	1,700,000	12,058,445	559,783	12,618,228
Net Income for the Period	-	-	-	-	1,591,947	1,591,947	-	1,591,947	4,665	1,596,612
Dividend Declared (Note 11)	-	-	-	-	(690,000)	(690,000)	-	(690,000)	-	(690,000)
Net Movement in Fair Value of Available for Sale investments	-	-	(20,723)	-	-	(20,723)	-	(20,723)	-	(20,723)
Share of Other Comprehensive income of Associate	-	-	(10,386)	-	-	(10,386)	-	(10,386)	-	(10,386)
Net Movement on Cash Flow Hedges	-	-	736	-	-	736	-	736	-	736
Currency Translation Adjustment	-	-	(83,766)	-	-	(83,766)	-	(83,766)	(41,282)	(125,048)
Share Based Payment Transactions	-	-	22,556	-	-	22,556	-	22,556	-	22,556
Profit on Perpetual Sukuk	-	-	45,936	-	(45,936)	-	-	-	-	-
Payment of Profit on Perpetual Sukuk	-	-	(25,407)	-	-	(25,407)	-	(25,407)	-	(25,407)
Purchase of Treasury Shares	-	-	-	(29,633)	-	(29,633)	-	(29,633)	-	(29,633)
Bonus Share Issue (Note 10)	2,000,000	-	-	-	(2,000,000)	-	-	-	-	-
Transactions with Non Controlling Interests	-	-	-	-	-	-	-	-	86,864	86,864
Balance at 30 September 2016	8,000,000	1,422,141	(463,690)	(360,332)	2,515,650	11,113,769	1,700,000	12,813,769	610,030	13,423,799

The accompanying notes 1 to 13 form an integral part of these interim Consolidated Financial Statements.

Paul Gay
Chief Financial Officer

Georges P. Schorderet
Chief Executive Officer

Abdulrahman Al Muhanna
Authorised Board Member

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION

Almarai Company (the "Company") is a Saudi Joint Stock Company, which was converted from a limited liability company to a joint stock company on 2 Rajab 1426 A.H. (8 August 2005). The Company initially commenced trading on 19 Dul Hijjah 1411 A.H. (1 July 1991) and operates under Commercial Registration No. 1010084223. Prior to the consolidation of activities in 1991, the core business was trading between 1977 and 1991 under the Almarai brand name.

The Company's Head Office is located at Exit 7, Northern Ring Road, Al Izdihar District, P.O. Box 8524, Riyadh 11492, Kingdom of Saudi Arabia ("Saudi Arabia").

The Company and its subsidiaries (together, the "Group") are a major integrated Consumer Food and Beverage Group in the Middle East with leading market shares in Saudi Arabia, other Gulf Cooperation Council ("GCC") countries, Egypt and Jordan.

Dairy, Fruit Juices and related Food Business is operated under the "Almarai", "Beyti" and "Teeba" brand names. All raw milk production, Dairy and Fruit Juice product processing and related food product manufacturing activities are undertaken in Saudi Arabia, United Arab Emirates ("UAE"), Egypt and Jordan.

International Dairy and Juice Limited ("IDJ"), a joint venture with PepsiCo, operates its Dairy, Fruit Juices and related Food Business in Egypt and Jordan through following subsidiaries:

Jordan	- Teeba Investment for Developed Food Processing
Egypt	- International Company for Agricultural Industries Projects (Beyti) (SAE)

Bakery products are manufactured and traded by Western Bakeries Company Limited and Modern Food Industries Company Limited, a joint venture with Chipita, under the brand names "L'usine" and "7 Days" respectively.

Poultry products are manufactured and traded by Hail Agricultural Development Company under the "Alyoum" brand name.

Infant Nutrition products are manufactured by Almarai Baby Food Company Limited and traded by International Pediatric Nutrition Company under "Nuralac" and "Evolac" brands.

In territories where the Group has operations, consumers packed products are distributed from Manufacturing facilities to local distribution centres by the Group's long haul distribution fleet. The distribution centres in GCC countries are managed through subsidiaries (UAE, Oman and Bahrain) and Agency Agreements (Kuwait and Qatar) as follows:

UAE	- Almarai Emirates Company L.L.C
Oman	- Arabian Planets for Trading and Marketing L.L.C.
Bahrain	- Almarai Company Bahrain S.P.C
Kuwait	- Al Kharafi Brothers Dairy Products Company Limited
Qatar	- Khalid for Foodstuff and Trading Company

In other territories, where permissible, Dairy and Juice products are exported through IDJ and other products are exported through other subsidiaries.

The Group owns and operates arable Farms in Argentina and in United States of America, collectively referred to as "Fondomonte", through following key subsidiaries:

USA	- Fondomonte Holdings North America L.L.C
Argentina	- Fondomonte South America S.A

The Group's non GCC business operations under IDJ and Fondomonte are managed through Almarai Investment Holding Company W.L.L., a company incorporated in the Kingdom of Bahrain.

Details of subsidiary companies are as follows:

Name of Subsidiary	Country of Incorporation	Business Activity	Functional Currency	Ownership Interest 2016 Direct (a)	Ownership Interest 2016 Effective	Ownership Interest 2015 Direct (a)	Ownership Interest 2015 Effective	Share Capital	Number of Shares Issued
Almarai Investment Company Limited	Saudi Arabia	Holding Company	SAR	100%	100%	100%	100%	SAR 1,000,000	1,000
Almarai Baby Food Company Limited	Saudi Arabia	Manufacturing Company	SAR	100%	100%	100%	100%	SAR 200,000,000	20,000,000
Almarai Agricultural And Livestock Production Company	Saudi Arabia	Livestock / Agricultural Company	SAR	100%	100%	100%	100%	SAR 1,000,000	1,000
Almarai Construction Company	Saudi Arabia	Construction Company	SAR	100%	100%	100%	100%	SAR 1,000,000	1,000
Almarai for Maintenance and Operation Company	Saudi Arabia	Maintenance and Operation	SAR	100%	100%	100%	100%	SAR 1,000,000	1,000
Agricultural Input Company Limited (Mudkhalat)	Saudi Arabia	Agricultural Company	SAR	52%	52%	52%	52%	SAR 25,000,000	250
Hail Agricultural Development Company	Saudi Arabia	Poultry / Agricultural Company	SAR	100%	100%	100%	100%	SAR 300,000,000	30,000,000
Hail Agricultural And Livestock Production Company	Saudi Arabia	Poultry / Agricultural Company	SAR	100%	100%	100%	100%	SAR 1,000,000	1,000
International Baking Services Company Limited	Saudi Arabia	Dormant	SAR	100%	100%	100%	100%	SAR 500,000	500
International Pediatric Nutrition Company	Saudi Arabia	Dormant	SAR	100%	100%	100%	100%	SAR 41,000,000	410,000
Modern Food Industries Company Limited	Saudi Arabia	Bakery Company	SAR	60%	60%	60%	60%	SAR 70,000,000	70,000
Nourlac Company Limited	Saudi Arabia	Trading Company	SAR	100%	100%	100%	100%	SAR 3,000,000	3,000
Western Bakeries Company Limited	Saudi Arabia	Bakery Company	SAR	100%	100%	100%	100%	SAR 200,000,000	200,000

(a) Direct ownership means directly owned by the Company or any of its subsidiaries.

Name of Subsidiary	Country of Incorporation	Business Activity	Functional Currency	Ownership Interest				Share Capital	Number of Shares Issued
				2016		2015			
				Direct (a)	Effective	Direct (a)	Effective		
Agro Terra S.A.	Argentina	Dormant	ARS	100%	100%	100%	100%	ARS 475,875	475,875
Fondomonte South America S.A.	Argentina	Agricultural Company	ARS	100%	100%	100%	100%	ARS 486,406,597	486,406,597
Almarai Company Bahrain S.P.C.	Bahrain	Trading Company	BHD	100%	100%	100%	100%	BHD 100,000	2,000
Almarai International Holding W.L.L.	Bahrain	Liquidated	BHD	-	-	100%	100%	BHD 250,000	2,500
Almarai Investment Holding Company W.L.L.	Bahrain	Holding Company	BHD	99%	99%	99%	99%	BHD 250,000	2,500
IDJ Bahrain Holding Company W.L.L.	Bahrain	Holding Company	BHD	100%	52%	100%	52%	BHD 250,000	2,500
International Dairy and Juice Limited	British Virgin Islands	Holding Company	USD	52%	52%	52%	52%	USD 7,583,334	7,583,334
International Dairy and Juice (Egypt) Limited	Egypt	Holding Company	EGP	100%	52%	100%	52%	EGP 615,000,000	61,500,000
International Company for Agricultural Industries Projects (Beyti) (SAE)	Egypt	Manufacturing and Trading Company	EGP	100%	52%	100%	52%	EGP 966,500,000	96,650,000
Markley Holdings Limited	Jersey	Dormant	GBP	100%	100%	100%	100%	-	-
Al Muthedoon for Dairy Production	Jordan	Under Liquidation	JOD	100%	52%	100%	52%	JOD 500,000	500,000
Al Atheer Agricultural Company	Jordan	Under Liquidation	JOD	100%	52%	100%	52%	JOD 750,000	750,000
Al Namouthjya for Plastic Production	Jordan	Under Liquidation	JOD	100%	52%	100%	52%	JOD 250,000	250,000

(a) Direct ownership means directly owned by the Company or any of its subsidiaries.

Name of Subsidiary	Country of Incorporation	Business Activity	Functional Currency	Ownership Interest 2016 Direct (a)	Ownership Interest 2016 Effective	Ownership Interest 2015 Direct (a)	Ownership Interest 2015 Effective	Share Capital	Number of Shares Issued
Al Rawabi for juice and UHT milk Manufacturing	Jordan	Under Liquidation	JOD	100%	52%	100%	52%	JOD 500,000	500,000
Teeba Investment for Developed Food Processing	Jordan	Manufacturing Company	JOD	100%	52%	100%	52%	JOD 49,675,352	49,675,352
Arabian Planets for Trading and Marketing L.L.C.	Oman	Trading Company	OMR	90%	90%	90%	90%	OMR 150,000	150,000
Alyoum for Food Products Company L.L.C.	Oman	Trading Company	OMR	100%	100%	100%	100%	OMR 20,000	20,000
Fondomonte Inversiones S.L.	Spain	Holding Company	EUR	100%	100%	100%	100%	EUR 13,000,000	13,000,000
Hail Development Company Limited	Sudan	Agricultural Company	SDG	100%	100%	100%	100%	SDG 100,000	100
Almarai Emirates Company L.L.C.	United Arab Emirates	Trading Company	AED	100%	100%	100%	100%	AED 300,000 (Unpaid)	300
International Dairy and Juice (Dubai) Limited	United Arab Emirates	Holding Company	USD	100%	52%	100%	52%	USD 22,042,183	22,042,183
Fondomonte Holding North America L.L.C.	United States of America	Holding Company	USD	100%	100%	100%	100%	USD 500,000	50,000
Fondomonte Arizona L.L.C.	United States of America	Agricultural Company	USD	100%	100%	100%	100%	USD 500,000	50,000
Fondomonte California L.L.C.	United States of America	Agricultural Company	USD	100%	100%	100%	100%	-	-

(a) Direct ownership means directly owned by the Company or any of its subsidiaries.

2. BASIS OF ACCOUNTING, PREPARATION, CONSOLIDATION AND PRESENTATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(a) These interim Consolidated Financial Statements have been prepared on the accrual basis under the historical cost convention (except for derivative financial instruments and Available for Sale Investments that are measured at fair value) and in accordance with the accounting standards generally accepted in Saudi Arabia as issued by the Saudi Organisation for Certified Public Accountants (SOCPA).

(b) These interim Consolidated Financial Statements include assets, liabilities and the results of the operations of the Company and its Subsidiaries, as set out in note (1). The Company and its Subsidiaries are collectively referred to as the Group. A subsidiary company is that in which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a direct or indirect shareholding of more than one half of the subsidiary's net assets or its voting rights. A subsidiary company is consolidated from the date on which the Group obtains control until the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at fair value of the assets given or liabilities incurred or assumed at the date of acquisition. The excess of the cost of acquisition and fair value of Non-Controlling Interest ("NCI") over the fair value of the identifiable net assets acquired is recorded as goodwill in the interim Consolidated Balance Sheet. Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of Subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Company. The Company and its Subsidiaries have same reporting periods. NCI represents the portion of profit or loss and net assets not controlled by the Group and are presented separately in the interim Consolidated Statement of Income and within equity in the interim Consolidated Balance Sheet.

(c) The preparation of interim Consolidated Financial Statements, in conformity with accounting standards generally accepted in the Saudi Arabia, requires the use of estimates and assumptions. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well as the disclosure of certain contingent assets and liabilities as at the balance sheet date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenues and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(d) These interim Consolidated Financial Statements are presented in Saudi Riyal ("SAR"), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(e) These interim Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended 31 December 2015, as these interim Consolidated Financial Statements do not include all the information and disclosures as would be required in a set of annual Consolidated Financial Statements.

(f) The operating results reported in this interim Consolidated Statement of Income, present a fair picture of the past performance of the Group, but are not necessarily indicative of annual results.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these interim Consolidated Financial Statements. When necessary, comparatives have been reclassified to conform to current period presentation, which are not material to overall results of the Group.

A. Cash and Cash Equivalents

Cash and cash equivalents consist of cash at bank, cash in hand and short-term deposits that are readily convertible into known amounts of cash and have an original maturity of three months or less.

B. Trade Receivables

Trade receivables are carried at the original invoiced amount less any allowance made for impairment and expected sales returns. Allowance for impairment is made for the receivables when there is objective evidence that the Group will not be able to collect the amounts due according to the original terms of receivables. Allowance for sales returns is calculated based on the forecasted return of expired products in line with the Group's product replacement policy. Bad debts are written off as incurred.

SIGNIFICANT ACCOUNTING POLICIES (Continued...)

C. Inventory Valuation

Inventory is stated at the lower of cost and net realisable value. Cost is determined using weighted average method. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories cost includes an appropriate share of manufacturing overheads based on normal operating capacity. Net realisable value comprises estimated selling price less further production costs to completion and appropriate selling and distribution costs. Allowance is made, where necessary, for obsolete, slow moving and defective stocks.

D. Insurance Recoveries

Insurance recoveries are recognised as an asset when it is virtually certain that an inflow of economic benefits will arise to the Group with the corresponding impact to interim Consolidated Statement of Income of the period in which the recoveries become virtually certain.

E. Investments

a. Investment in Associates and Joint Ventures

Associates are those entities in which the Group exercise significant influence, but not control, over the financial and operating policies, generally accompanying a shareholding between 20% and 50% of the voting rights. Join Ventures are those entities over whose activities the Group has joint control, established by contractual arrangements and requiring unanimous consent for strategic financial and operating decisions. The investments in associates and joint ventures are accounted for under the equity method of accounting. These Investments are initially recognised at cost and subsequently adjusted by the post investment changes in the Group's share in net assets of the investee less any impairment in value. When the Group's share of losses arising from these investments equals or exceeds its interest in the investee, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

b. Available for Sale Investments

Available for Sale Investments that are actively traded in organised financial markets, are measured and carried in the interim Consolidated Balance Sheet at fair value which is determined by reference to quoted market bid prices at the close of business at the interim Consolidated Balance Sheet date. The unrealised gains or losses are recognised directly in equity. When the investment is disposed or impaired, the cumulative gain or loss previously recorded in equity is recognised in the interim Consolidated Statement of Income. Where there is no market for the investment, cost is taken as the most appropriate, objective and reliable measure of fair value of the investment.

The management exercises judgment to calculate the impairment loss of Available for Sale Investments. This includes the assessment of objective evidence which causes other than temporary decline in the value of investments. In case of equity instruments any significant and prolonged decline in the fair value of equity investment below its cost is considered as objective evidence for such impairment. The determination of what is 'significant' and 'prolonged' is based on management's judgment. The management also considers impairment testing to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. This decline in the value is recognized in the interim Consolidated Statement of Income as impairment loss in investments. The previously recognized impairment loss in respect of equity investments is not reversed through the interim Consolidated Statement of Income.

F. Property, Plant and Equipment

Property, Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the qualifying assets are capitalized during the period of time that is required to substantially complete and prepare the qualifying asset for its intended use.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment and amount can be measured reliably. All other expenditures are recognized as an expense when incurred.

The cost less estimated residual value is depreciated on straight-line basis over the following estimated useful lives of the assets:

Buildings	5 – 33 years
Plant, Machinery and Equipment	1 – 20 years
Motor Vehicles	6 – 10 years

Land and Capital Work in Progress are not depreciated.

Capital Work in Progress at year end includes certain assets that have been acquired but are not ready for their intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

The assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

G. Biological Assets

Biological assets acquired are stated at cost of purchase and biological assets reared internally are stated at the cost of rearing or growing to the point of commercial production (termed as appreciation), less accumulated depreciation and accumulated impairment loss. The costs of immature biological assets are determined by the cost of rearing or growing to their respective age. Immature biological assets are not depreciated. The dairy herd is depreciated over four lactation cycles and other biological assets are depreciated on a straight line basis to their estimated residual values over periods ranging from 36 weeks to 70 years as summarized below:

Dairy Herd	4 Lactation cycles
Plantations	22 – 70 years
Poultry Flock	36 weeks

H. Impairment of Non-Current Assets

Non-Current Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, which is the higher of an asset's fair value less cost to sell and value in use; the assets are written down to their recoverable amount. Impairment losses are recognized immediately as an expense in the interim Consolidated Statement of Income.

Non-Current Assets, other than intangible assets, 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 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 in prior years. A reversal of an impairment loss is recognized as income immediately in the interim Consolidated Statement of Income. Impairment losses recognized on intangible assets are not reversed.

I. Intangible Assets - Goodwill

Goodwill represents the excess of the cost of acquisition and fair value of NCI over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

J. Trade Payables

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

K. Provisions

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

L. Zakat and Foreign Income Tax

Zakat is provided for in accordance with General Authority of Zakat and Tax ("GAZT") regulations. Income tax for foreign entities is provided for in accordance with the relevant income tax regulations of the countries of incorporation. Adjustments arising from final Zakat and Foreign income tax assessments are recorded in the period in which such assessments are made.

M. Deferred Tax

Deferred tax is accounted for in foreign subsidiaries, where applicable using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date. Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

N. Derivative Financial Instruments and Hedging

Forward foreign exchange contracts are entered into to hedge exposure to changes in currency rates on purchases and other expenditures of the Group.

Commission rate swap agreements are entered into to hedge the exposure to commission rate changes on the Group's borrowings.

Forward purchase commodity contracts are entered into to hedge exposure to changes in the price of commodities used by the Group.

All hedges are expected to be in the range of 80% – 125% effective and are assessed on an ongoing basis. All hedges are classified as cash flow hedges and effective portion of the fair value gains / losses arising on revaluation of hedging instruments are recognized directly in equity under other reserves. When the hedging instrument matures or expires any associated gain or loss in other reserves is reclassified to the interim Consolidated Statement of Income, or the underlying asset purchased that was subject to the hedge.

O. End of Service Benefits

End of service benefits are payable to all employees employed under the terms and conditions of the Labour Laws applicable on the Company and its subsidiaries, on termination of their employment contracts. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the balance sheet date.

P. Statutory Reserve

In accordance with Article 129 of the Regulations for Companies in the Saudi Arabia, the Company is required to recognise a reserve comprising of 10% of its Net Income for the year, unless such reserve equals 30% of its share capital.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Q. Sukuk

The Group classifies Sukuk issued as financial liabilities or equity, in accordance with the substance of the contractual terms of the Sukuk. Sukuk having fixed maturity dates and fixed dates for payment of profit distribution are classified as a liability.

Sukuk having no fixed maturity date (Perpetual Sukuk) and no fixed date for payment of profit distribution are classified as equity. Distributions thereon are recognized directly in equity under other reserves.

R. Treasury Shares

Own equity instruments are purchased (Treasury Shares), for discharging obligations under the Employee Stock Option Programme ("ESOP"). These Treasury Shares are recognised at cost of purchase (including any directly attributable cost) and are presented as a deduction from equity attributable to shareholders. Treasury Shares are utilised to discharge the obligation under ESOP at cost.

S. Share Based Payment Transactions

Employees of the Group receive remuneration in the form of equity settled share based payments under the ESOP, whereby employees attain an option to purchase shares of the Company ("Option"). In order to exercise their Option, the employees pay a predetermined exercise price, render services as consideration and comply with the vesting conditions.

The cost of ESOP, representing the Fair Value of Options at grant date, is recognised as an expense in the interim Consolidated Statement of Income, together with a corresponding increase in Other Reserves, in Equity, over the period during which the service conditions are fulfilled.

Management has set up an economic hedge by purchasing Treasury Shares at inception of the ESOP. Accordingly, the Other Reserve (representing the cumulative expense arising from ESOP) is transferred into Retained Earnings upon expiry of the ESOP, whether or not the Options vest to the employees.

The cumulative expense thus recognised at each reporting date, until the ESOP expiry date, reflects the extent to which the ESOP's term has expired and the Group's best estimate of the number of options that will ultimately vest.

When the terms of ESOP are modified, the minimum expense recognised is equal to the Fair Value of Options at grant date. However, an additional expense is recognised for any modification that increases the total fair value of the Option, or is otherwise beneficial to the employee as measured at the date of the modification.

When ESOP is terminated, it is treated as if Options vested on the date of termination, and all remaining expense is recognised immediately. However, if a new ESOP is substituted for the terminated ESOP, and designated as a replacement ESOP on the date the new ESOP is granted, the terminated and new ESOPs are treated as if they were a modification of the original ESOP, as described in the previous paragraph.

T. Currency Translation

a. Foreign currency transactions

Transaction denominated in foreign currencies are translated at standard exchange rates which are periodically set to reflect average market rates or forward rates if the transactions were so covered. Balance sheet items denominated in foreign currencies are translated as following:

Monetary items are translated at exchange rates prevailing at the balance sheet date or at the forward purchase rates if so covered. The resulting exchange differences are recognised in the interim Consolidated Statement of Income.

Non-monetary items are translated at exchange rates prevailing at the transaction date. This does not result in any exchange differences.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

b. Foreign Operations

Assets and liabilities of Subsidiaries and share of net assets of joint ventures and associates, where functional currency is other than SAR, are translated at current exchange rates prevailing at the balance sheet date. Components of equity of Subsidiaries, other than Retained Earnings, are translated at exchange rates prevailing at the date of occurrence of each component.

Statement of income of Subsidiaries and share of results of joint ventures and associates are translated at average exchange rates.

Currency Translation Adjustments ("CTA") arising from translation of foreign operations are recognised in the statement of changes in equity. However, in case of a non-wholly owned subsidiary, the relevant proportion of CTA is allocated to NCI within equity. The functional currency and ownership percentage for each foreign subsidiary is disclosed in Note 1.

U. Revenue Recognition

Products are sold principally on a sale or return basis. Revenue is recognised on delivery of products to customers by the Group or its distributors, at which time risk and reward passes, subject to the physical return of expired products.

Revenue from the sale of wheat guaranteed to be sold to the Government is recognised upon completion of harvest but the profit on any undelivered quantities is deferred until delivered to the Government.

V. Government Grants

Government grants are recognized when it is a virtually certain that the grants will be received from the state authority. When the grant relates to a cost item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

W. Selling, Distribution, General and Administration Expenses

Selling, Distribution, General and Administration Expenses include direct and indirect costs not specifically part of Cost of Sales as required under accounting standards generally accepted in Saudi Arabia. Allocations between Cost of Sales and Selling, Distribution, General and Administration Expenses, when required, are made on a consistent basis. The Group charges the payments made in respect of long term agreements with customers and distributors to Selling and Distribution Expenses.

X. Cost Reimbursement

The reimbursement of cost incurred in respect of the management of Arable Farms is recognised as a deduction under General and Administration Expenses.

Y. Operating Leases

Rentals in respect of operating leases are charged to the interim Consolidated Statement of Income over the term of the leases.

Z. Borrowing Costs

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalized up to a stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed; otherwise, such costs are charged to the interim Consolidated Statement of Income.

AA. Segmental Reporting

A segment is a distinguishable component of the Group that is engaged either in selling / providing products or services (a business segment) or in selling / 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.

4. LOAN TO AN ASSOCIATE

This represents interest free loan provided to United Farmers Holding Company, an associate, to meet its short term financing requirements. This loan has been settled subsequent to the balance sheet date.

5. INVESTMENTS

The investments in associates, joint ventures and Available for Sale Investments comprise of the following:

	30 Sep 2016	31 December 2015	30 Sep 2015	30 September 2016 (Unaudited) SAR '000	31 December 2015 (Audited) SAR '000	30 September 2015 (Unaudited) SAR '000
Investments in Associates and Joint Ventures (Refer note a)						
United Farmers Holding Company	33.0%	33.0%	33.0%	54,695	58,504	108,303
Pure Breed Company	24.7%	24.7%	24.7%	37,393	35,469	34,752
Almarai Company L.L.C.	50.0%	50.0%	50.0%	204	204	204
				92,292	94,177	143,259
Available for Sale Investments (Refer note b)						
Mobile Telecommunications Company Saudi Arabia - ("Zain KSA")	2.1%	2.1%	2.1%	83,514	104,237	112,303
				83,514	104,237	112,303
				175,806	**198,414**	**255,562**

(a) The investment in associates and joint ventures comprises the following:

	30 September 2016 (Unaudited) SAR '000	31 December 2015 (Audited) SAR '000	30 September 2015 (Unaudited) SAR '000
United Farmers Holding Company			
Opening Balance	58,504	133,181	133,181
Loan Provided	-	14,563	11,468
Share of Other Net Assets	(10,386)	(49,455)	-
Share of Results for the period	6,577	(39,785)	(36,346)
Closing Balance	54,695	58,504	108,303

INVESTMENTS (Continued...)

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
	SAR '000	SAR '000	SAR '000
Pure Breed Company			
Opening Balance	35,469	29,331	29,331
Additions	-	3,650	3,650
Share of Results for the period	2,424	2,488	1,771
Distributions	(500)	-	-
Closing Balance	37,393	35,469	34,752

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
	SAR '000	SAR '000	SAR '000
Almarai Company L.L.C.			
Opening Balance	204	204	204
Closing Balance	204	204	204

(b) The equity investment of 12.4 million shares in Zain is measured at fair value based on quoted market price available on the Saudi Stock Exchange (Tadawul). The fair valuation resulted in unrealised loss of SAR 20.7 million for the nine months period ended 30 September 2016 which is presented within Other Reserves in equity.

The Company has pledged Zain shares to Banque Saudi Fransi ("BSF") to secure the BSF loan to Zain KSA.

6. TERM LOANS

	Notes	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
		SAR '000	SAR '000	SAR '000
Islamic Banking Facilities (Murabaha)	(a)	5,902,409	5,638,441	5,760,323
Saudi Industrial Development Fund	(b)	1,214,244	1,455,613	1,308,627
Banking Facilities of Foreign Subsidiaries	(c)	347,560	170,791	176,463
Agricultural Development Fund	(d)	163,860	-	-
		7,628,073	7,264,845	7,245,413
Sukuk	(e)	3,900,000	3,900,000	3,900,000
		11,528,073	11,164,845	11,145,413
Short Term Loans		180,751	153,380	96,071
Current Portion of Long Term Loans		1,258,553	1,668,030	1,758,869
Long Term Loans		10,088,769	9,343,435	9,290,473
		11,528,073	11,164,845	11,145,413

TERM LOANS (Continued…)

(a) The borrowings through Islamic banking facilities (Murabaha) are secured by promissory notes given by the Group.

(b) The borrowings of the Group from the Saudi Industrial Development Fund (SIDF) are secured by a mortgage on specific assets funded by SIDF loan.

(c) These banking facilities represent borrowings of foreign subsidiaries from foreign banking institutions.

(d) The borrowing of the Group from Agricultural Development Fund (ADF) is secured by land in Hail owned by the Group.

(e) On 14 Rabi Thani 1433 A.H. (7 March 2012), the Company issued its first Sukuk – Series I amounting to SAR 1,000.0 million at a par value of SAR 1.0 million each without discount or premium. The Sukuk issuance bears a return based on SIBOR plus a pre-determined margin payable semi-annually in arrears. The Sukuk is due for maturity at par on its expiry date of 30 Jumada Thani 1440 A.H. (7 March 2019).

On 19 Jumada Awal 1434 A.H. (31 March 2013), the Company issued its second Sukuk - Series II amounting to SAR 787.0 million at a par value of SAR 1.0 million each without discount or premium. The Sukuk issuance bears a return based on SIBOR plus a pre-determined margin payable semi-annually in arrears. The Sukuk is due for maturity at par on its expiry date of 7 Shabaan 1441 A.H. (31 March 2020).

On 19 Jumada Awal 1434 A.H. (31 March 2013), the Company issued its second Sukuk – Series III amounting to SAR 513.0 million at a par value of SAR 1.0 million each without discount or premium. The Sukuk issuance bears a return based on SIBOR plus a pre-determined margin payable semi-annually in arrears. The Sukuk is due for maturity at par on its expiry date of 15 Rajab 1439 A.H. (31 March 2018).

On 3 Dhul Hijjah 1436 A.H. (16 September 2015), the Company issued its third Sukuk amounting to SAR 1,600.0 million at a par value of SAR 1.0 million each without discount or premium. The Sukuk issuance bears a return based on SIBOR plus a pre-determined margin payable semi-annually in arrears. The Sukuk is due for maturity at par on its expiry date of 20 Safar 1444 A.H. (16 September 2022).

The terms of the Sukuk entitle the Company to commingle its own assets with the Sukuk Assets. Sukuk Assets comprise the Sukukholders' share in the Mudaraba Assets and the Sukukholders' interest in the Murabaha Transactions, together with any amounts standing to the credit of the Sukuk Account and the Reserve retained by the Company from the Sukuk Account.

7. SEGMENT INFORMATION

The Group's principal business activities involve manufacturing and trading of Dairy and Juice products under the "Almarai", "Beyti" and "Teeba" brands, Bakery products under the brands "L'usine" and "7 Days", Poultry products under the "Alyoum" brand. Other Activities include Arable, Horticulture and Infant Nutrition. Selected financial information as of 30 September 2016, 31 December 2015 and 30 September 2015 and for the periods then ended categorized by these segments, are as follows:

	Dairy and Juices	Bakery Products	Poultry	Other Activities	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
30 September 2016 (Unaudited)					
Sales	8,650,263	1,385,018	991,999	682,028	11,709,308
Third Party Sales	8,577,366	1,385,018	991,999	133,888	11,088,271
Depreciation	(836,641)	(135,935)	(228,130)	(64,914)	(1,265,620)
Income / (loss) before Non Controlling Interest	1,711,128	261,424	(252,384)	(123,556)	1,596,612
Net Income	1,722,221	245,667	(252,384)	(123,557)	1,591,947
Total Assets	18,140,507	2,475,870	5,561,914	2,874,648	29,052,939
31 December 2015 (Audited)					
Sales	10,789,223	1,625,837	1,262,256	649,361	14,326,677
Third Party Sales	10,740,892	1,625,837	1,262,256	165,631	13,794,616
Depreciation	(1,030,330)	(168,245)	(303,503)	(85,757)	(1,587,835)
Income / (loss) before Non Controlling Interest	1,950,617	233,151	(213,987)	(171,120)	1,798,661
Net Income	2,095,775	205,023	(213,987)	(171,120)	1,915,691
Total Assets	17,165,087	2,126,572	5,440,878	2,638,498	27,371,035
30 September 2015 (Unaudited)					
Sales	8,009,955	1,151,381	937,764	529,879	10,628,979
Third Party Sales	7,979,437	1,151,381	937,764	141,837	10,210,419
Depreciation	(752,017)	(123,026)	(209,239)	(63,385)	(1,147,667)
Income / (loss) before Non Controlling Interest	1,463,908	138,777	(165,097)	(108,470)	1,329,118
Net Income	1,581,464	124,116	(165,097)	(108,470)	1,432,013
Total Assets	16,672,148	1,895,432	5,309,835	2,543,004	26,420,419

In relation to segment information for the year ended 31 December 2015 and 30 September 2015 reported above the income from settlement of insurance contract exceeding the carrying value of damaged assets of the Bakery segment has been allocated to other segments to neutralize the impact of non-recurring items which is consistent with information reported to Executive Management of the Group.

The business activities and operating assets of the Group are mainly concentrated in GCC countries. Selected geographical information as at 30 September 2016, 31 December 2015, 30 September 2015 and for the periods then ended is as follows:

SEGMENT INFORMATION (Continued…)

	July - September 2016 (Unaudited)	July - September 2015 (Unaudited)	January - September 2016 (Unaudited)	January - September 2015 (Unaudited)
Sales	SAR '000	SAR '000	SAR '000	SAR '000
Saudi Arabia	2,250,348	2,243,416	7,016,486	6,518,281
Other GCC Countries	914,283	896,472	2,890,096	2,677,193
Other Countries	447,892	383,695	1,181,689	1,014,945
Total	3,612,523	3,523,583	11,088,271	10,210,419

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
	SAR '000	SAR '000	SAR '000
Non - Current Assets			
Saudi Arabia	20,895,172	19,130,113	17,946,104
Other GCC Countries	455,340	432,969	410,290
Other Countries	2,067,316	1,652,966	1,838,515
Total	23,417,828	21,216,048	20,194,909

8. OTHER EXPENSES. Net

	July - September 2016 (Unaudited)	July - September 2015 (Unaudited)	January - September 2016 (Unaudited)	January - September 2015 (Unaudited)
	SAR '000	SAR '000	SAR '000	SAR '000
Profit on Sale of Property, Plant and Equipment	1,192	2,961	3,685	4,431
Loss on Sale of Biological Assets	(19,610)	(5,742)	(45,725)	(22,484)
Net gain on settlement of Insurance Claim (a)	25,108	-	25,108	442,926
Impairment of Intangible Assets - Goodwill	-	-	-	(328,182)
Impairment of Available for Sale Investments	-	-	-	(193,910)
	6,690	**(2,781)**	**(16,932)**	**(97,219)**

a(i) During the nine months period ended 30 September 2016, the Company has received an amount of SAR 25.1 million as full and final settlement for an insurance claim. The insurance claim is related to power outages happened during Muharram 1437 (November 2015) in its manufacturing facilities in Al Kharj.

a(ii) On 11 Ramadan 1436 A.H. (28 June 2015) a settlement agreement was signed with Arabian Shield Cooperative Insurance Company (“the Insurer”), a related party, for SAR 790 million as a full and final settlement of the insurance claims arising from the Fire incident which occurred at one of the manufacturing facilities in Jeddah on 15 Dul Hijjah 1435 A.H. (9 October 2014). Out of total SAR 790 million an amount of SAR 214 million was recognized as income during the year ended 31 December 2014 and the remaining amount of SAR 576 million had been recognized as income during the year 31 December 2015.

Gain on settlement of Insurance Claim, in each of the years, is reported net of the carrying value of assets damaged in the incident and provision for site restoration costs.

9. EARNINGS PER SHARE

	July - September 2016 (Unaudited) SAR '000	July - September 2015 (Unaudited) SAR '000	January - September 2016 (Unaudited) SAR '000	January - September 2015 (Unaudited) SAR '000
Income before Zakat and Foreign Income Tax	681,819	617,339	1,653,561	1,384,062
Less: Profit attributable to Perpetual Sukukholders	(16,595)	(12,183)	(45,936)	(36,417)
Income before Zakat and Foreign Income Tax - Attributable to Shareholders	**665,224**	**605,156**	**1,607,625**	**1,347,645**
Net Income for the Period	654,616	595,115	1,591,947	1,432,013
Less: Profit attributable to Perpetual Sukukholders	(16,595)	(12,183)	(45,936)	(36,417)
Net Income for the Year - Attributable to Shareholders	**638,021**	**582,932**	**1,546,011**	**1,395,596**
Total Weighted Average Shares in thousands for Basic EPS	792,984	795,138	793,020	795,851
Total Weighted Average Shares in thousands for Diluted EPS	800,000	800,000	800,000	800,000

Weighted average numbers of shares are retrospectively adjusted to reflect the effect of bonus shares and are adjusted to take account of Treasury Shares held under the ESOP.

10. SHARE CAPITAL

On 25 Jumada Thani 1437 A.H. (3 April 2016), the shareholders of the Company approved at the Extraordinary General Assembly Meeting an increase in the share capital from SAR 6,000 million to SAR 8,000 million through distribution of 1 bonus share for each 3 outstanding shares for existing shareholders at the end of the trading on the same day. All legal formalities to affect this increase have been completed.

11. DIVIDENDS DECLARED

On 25 Jumada Thani 1437 A.H. (3 April 2016) the Extraordinary General Assembly Meeting approved a dividend of SAR 690.0 million (SAR 1.15 per share) for the year ended 31 December 2015.

12. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period end that would have a material impact on the financial position of the Group as reflected in these interim Consolidated Financial Statements.

13. BOARD OF DIRECTORS APPROVAL

These interim Consolidated Financial Statements were approved by the Board of Directors on 8 Muharram 1438 A.H. (9 October 2016) and signed on their behalf by authorized signatories.