

**AL SORAYAI TRADING AND INDUSTRIAL  
GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AND REVIEW REPORT  
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE  
30, 2012**

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW  
REPORT**

**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**(Expressed in Saudi Riyals)**

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## REVIEW REPORT

To the shareholders  
Al Sorayai Trading and Industrial Group Company  
Jeddah, Saudi Arabia

### Scope of Review

We have reviewed the interim consolidated balance sheet of AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY (a Saudi Joint Stock Company) and its subsidiaries ("the Group") as of June 30, 2012 and the related interim consolidated statements of income for the three-month and six-month periods ended, and the interim consolidated statement of cash flows for the six-month period then ended, and notes 1 to 10 which form an integral part of these interim consolidated financial statements as prepared by the Group and presented to us with all necessary information and explanations. These interim consolidated financial statements are the responsibility of the Group's management.

We conducted our review in accordance with the standard of review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants. A review of interim consolidated financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. The scope of review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Kingdom of 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 results

Based on our review, we are not aware of any material modifications that should be made to the interim consolidated financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

### Other matters

Without qualifying our opinion, we draw attention to the fact that the comparative figures have been restated due to change in the useful economic life of machinery.

Deloitte & Touche  
Bakr Abulkhair & Co.



Al-Mutahhar Y. Hamiduddin  
License No. 296  
28 Sha'baan, 1433  
July 18, 2012

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONSOLIDATED BALANCE SHEET (Unaudited)**  
**AS OF JUNE 30, 2012**  
(Expressed in Saudi Riyals)

	Note	2012	2011 (Restated note 6)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		37,325,537	25,844,477
Accounts receivable and other receivables		258,127,339	263,121,861
Due from related parties		17,645,507	58,302,123
Inventory		556,848,701	512,226,610
<b>Total current assets</b>		<b>869,947,084</b>	<b>859,495,071</b>
<b>Non-current assets</b>			
Property and equipment	6	295,682,774	273,349,407
Deferred charges		3,413,503	560,129
<b>Total non-current assets</b>		<b>299,096,277</b>	<b>273,909,536</b>
<b>TOTAL ASSETS</b>		<b>1,169,043,361</b>	<b>1,133,404,607</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Due to banks		387,127,665	430,350,961
Current portion long-term loan	7	800,000	-
Accounts payables other liabilities		174,940,798	163,715,065
Due to related parties		52,440,324	60,198,093
<b>Total current liabilities</b>		<b>615,308,787</b>	<b>654,264,119</b>
<b>Non-current liabilities</b>			
End-of-service indemnities		36,513,382	33,906,595
Long-term loan	7	41,367,000	-
<b>Total non-current liabilities</b>		<b>77,880,382</b>	<b>33,906,595</b>
<b>Shareholders' equity</b>			
Share capital		300,000,000	300,000,000
Statutory reserve	4	26,521,193	23,008,863
General reserve		2,277,097	2,277,097
Retained earnings	6	147,055,902	119,947,933
<b>Total shareholders' equity</b>		<b>475,854,192</b>	<b>445,233,893</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,169,043,361</b>	<b>1,133,404,607</b>

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

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF INCOME (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
(Expressed in Saudi Riyals)

		Period from April 1 to June 30		Period from January 1 to June 30	
	Note	2012	2011 (Restated note 6)	2012	2011 (Restated note 6)
Sales	10	259,658,722	235,490,749	481,395,778	424,073,869
Cost of sales	10	(189,695,729)	(168,993,472)	(352,833,525)	(306,196,419)
<b>Gross profit</b>		<b>69,962,993</b>	<b>66,497,277</b>	<b>128,562,253</b>	<b>117,877,450</b>
Selling and distribution expenses		(35,063,051)	(31,148,576)	(69,720,151)	(58,859,156)
General and administrative expenses		(15,121,424)	(8,882,119)	(25,152,284)	(19,732,760)
<b>Operating income</b>		<b>19,778,518</b>	<b>26,466,582</b>	<b>33,689,818</b>	<b>39,285,534</b>
Finance charges		(2,384,197)	(2,511,965)	(5,026,012)	(4,702,261)
Other income/(expenses)		780,811	(2,488,158)	1,500,060	83,592
<b>Net income before zakat</b>		<b>18,175,132</b>	<b>21,466,459</b>	<b>30,163,866</b>	<b>34,666,865</b>
Zakat		(1,500,000)	(2,000,000)	(3,000,000)	(3,000,000)
<b>NET INCOME</b>		<b>16,675,132</b>	<b>19,466,459</b>	<b>27,163,866</b>	<b>31,666,865</b>
Earnings per share from net income	8	0.56	0.65	0.91	1.06
Earning per share from continuing operations	8	0.60	0.80	1.01	1.20
Loss per share from other operations	8	(0.04)	(0.15)	(0.10)	(0.14)

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

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
(Expressed in Saudi Riyals)

	Period from January 1 to June 30	
	2012	2011 (Restated)
<b>OPERATING ACTIVITIES</b>		
Net Income before Zakat	30,163,866	34,666,865
Adjustments for:		
Depreciation	21,349,703	20,825,945
Amortization of deferred charges	886,497	279,618
Gain on sale of property and equipment	(432,853)	-
End-of-service indemnities	2,709,579	3,031,448
Finance charges	5,026,012	4,702,261
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(21,882,978)	741,758
Due from related parties	(12,024,760)	(33,510,848)
Inventories	(19,626,142)	(49,943,621)
Accounts payable and other liabilities	44,867,471	43,382,195
Due to related parties	1,672,675	(16,726,006)
Cash from operations	52,709,070	7,449,615
End-of-service indemnities paid	(1,970,611)	(1,116,190)
Zakat paid	(4,926,160)	(5,957,794)
Finance charges paid	(5,026,012)	(4,702,261)
<b>Net cash from operating activities</b>	<b>40,786,287</b>	<b>(4,326,630)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(37,597,129)	(19,602,562)
Proceeds from sale of property and equipment	465,500	-
<b>Net cash used in investing activities</b>	<b>(37,131,629)</b>	<b>(19,602,562)</b>
<b>FINANCING ACTIVITIES</b>		
Long-term loans	37,867,000	-
Due to banks	(14,849,225)	63,832,406
Dividends	-	(30,000,000)
<b>Net cash used in financing activities</b>	<b>23,017,775</b>	<b>33,832,406</b>
<b>Net change in cash and cash equivalents</b>	<b>26,672,433</b>	<b>9,903,214</b>
Cash and cash equivalents, opening	10,653,104	15,941,263
<b>CASH AND CASH EQUIVALENTS</b>	<b>37,325,537</b>	<b>25,844,477</b>

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

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
(Expressed in Saudi Riyals)

**1. ORGANIZATION AND ACTIVITIES**

Al Sorayai Trading Industrial Group Company ("the Company") is a Saudi joint stock company which was established in accordance with the Ministry of Commerce resolution No. 523/Q dated 21 Dul-Qaidah, 1428 (December 31, 2007).

During 2010, the Company offered 9 million shares for public subscription representing 30% of the Company's share capital during the period from 17 Safar 1431 (February 1, 2010) to 23 Safar 1431 (February 7, 2010) at SR 27 per share including the par value of SR 10 per share and a premium of SR 17 per share. Thus, the Company converted to a public joint stock company.

The activities of the Company are the retail and wholesale of carpet, rugs, flooring, furniture, blankets and curtain fabrics and accessories. Also, manufacturing of carpets and tufts according to the Ministry of Industry and Electricity resolution No. 1566/S dated 20 Dhul-Hijjah, 1420 and manufacturing of industrial yarn from polypropylene, nylon, processed polypropylene and processed nylon (polyamide) according to the Ministry of Commerce resolution No. 1699/S issued on 27 Dul-Hijja, 1424 and commercial services. Additionally, the Company may invest in other companies. These activities are carried out through the main Commercial Registration No. 4030133919 on 5 Rabi'I, 1422.

In the general assembly meeting held on May 22, 2012, the shareholders resolved to add activities which are to invest in real estate for investment purposes. The Company is in process to obtain the amended Commercial Registration and bye-laws.

The accompanying interim consolidated financial statements include the accounts of the Company, its branches and local and foreign subsidiaries.

At June 30, the Company has investments in the following subsidiaries (collectively referred to as "the Group"):

<b>Subsidiary</b>	<b>Country of Incorporation</b>	<b>% Held directly and indirectly</b>	<b>Principal activities</b>
The Home Styles Company LLC*	Saudi Arabia	100%	Retail carpet, rugs, flooring, furniture, blankets and curtain fabrics and accessories.
Millennium Weavers Group Holdings Company LLC**	USA	100%	Distribute rugs, carpets and other soft flooring products.
Millennium Weavers LLC**	USA	100%	Distribute rugs, carpets and other soft flooring products
Millennium Weavers Europe ***	Belgium	99%	Distribute rugs, carpets and other soft flooring products

\* The Home Styles Company LLC ("the subsidiary"), incorporated in November 2010, is owned 90% by the Company and 10% is owned by The Home Styles LLC, a company incorporated in UAE. These interim consolidated financial statements include 100% results of the subsidiary on the basis of a letter of trust which the Company has with all the shareholders of the subsidiary. The subsidiary did not have any activity during 2010 until June 2011.

\*\* Millennium Weavers Group Holdings Company LLC and Millennium Weavers LLC incorporated during January 2011 and did not have activity until September 30, 2011.

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\*\*\*Millennium Weavers Europe Company is a subsidiary incorporated during 2012 and did not have activity since incorporation.

The following main registered branches for the factories and other 55 branches representing the showrooms and distribution centers of the Group.

Branch	CR No.	CR. Date
Jeddah Industrial Yarn Factory	4030115974	3 Rajab, 1416
Al Sorayai Carpet Factory	4030131014	8 Jumad I, 1421

The results, assets and liabilities of these branches are included in these interim consolidated financial statements.

The Company's share capital is SR 300,000,000 divided into 30,000,000 shares of SR 10 each.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim consolidated financial statements have been prepared in accordance with the interim accounting standard issued by the Saudi Organization for Certified Public Accountants. These interim consolidated financial statements have been prepared according to the accounting standards annually adopted by the Company in preparing the annual consolidated financial statements. The following is a summary of significant accounting policies applied by the Group and should be read in conjunction with the Group's audited consolidated financial statements for the year ended December 31, 2011.

**Critical accounting estimates and judgments**

The preparation of interim consolidated financial statements in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date of the interim consolidated financial statements in addition to the reported amounts of revenues and expenses during that period. Although these estimates are based on management's best knowledge of current events and activities available with the management actual result ultimately may differ from those estimates.

**Basis of preparation**

The interim consolidated financial statements have been prepared under the historical cost basis, using the accrual basis of accounting and the going concern concept.

**Interim consolidated financial statements**

The interim consolidated financial statements include the accounts of the Company and its subsidiaries (hereafter referred to as "the Group"). All significant intercompany balances and transactions among the Company and its subsidiaries are eliminated in the consolidation.

**Sales**

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
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**Expenses**

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

General and administrative expenses include direct and indirect costs not specifically part of cost of sales as required under accounting principles generally accepted in the Kingdom of Saudi Arabia.

Allocations between general and administrative expenses and cost of sales, when required, are made on a consistent basis

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost of finished goods includes cost of materials, labor and an appropriate proportion of direct overheads. Other inventories are valued on a weighted average cost basis. An allowance is made wherever necessary for obsolete, slowing-moving and defective stock. Net realizable value represents the estimated selling price for the inventories less costs necessary to make the sale.

**Investment in subsidiaries**

Investments in subsidiaries which are more than 50% owned and in which the Group exercises control are consolidated based on the financial statements of the respective subsidiaries in the interim consolidated financial statements of the Group.

Intercompany transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of all investments and financial instruments is reduced to recognize other than temporary diminution in value.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. The estimated rates of depreciation of the principal classes of assets are as follows:

Buildings	5% - 10%
Machinery, equipment and tools (Note 6)	8.3%-12.5%
Improvements and decorations	25%
Furniture, fixtures and office equipment	25% - 33.33%
Motor vehicles	25%

**Deferred charges**

Deferred charges represent the cost charged by Saudi Industrial Development Fund (SIDF) in relation to the loan facility granted. These costs are amortized over the term of the loan.

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
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**Impairment of non-current assets**

At each balance sheet date, the Group assesses whether there are any indications, whether internal or external, of impairment in the value of non-current assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of an asset is the higher of its value in use and fair value less cost to sell.

A non-current asset is considered impaired if its carrying amount is higher than its recoverable amount. To determine impairment, the Group compares the non-current asset's carrying amount with the non-discounted estimated cash flow from the asset's use. If the carrying amount exceeds the non-discounted cash flow from the asset, the Group estimates the present value of the estimated future cash flows from the asset. The excess of the carrying amount over the present value of the estimated future cash flows from the assets is considered an impairment loss.

An impairment loss is recognized immediately in the interim consolidated statement of income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior years. A reversal of an impairment loss is recognized immediately in the interim consolidated statement of income. Impairment loss relating to intangible assets with indefinite lives is not reversed in a subsequent period. A reversal of an impairment loss to intangible assets with identified useful life of recognized immediately in the interim consolidated statement of income.

**Financial assets and financial liabilities**

Financial assets comprise of cash and cash equivalents, accounts receivables and due from related parties. These financial assets are initially measured as fair value and thereafter at their cost value as reduced by appropriate allowance for estimated irrecoverable amounts. .

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include due to banks, accounts payable and due to related parties and are stated at their fair value.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Certain categories of financial assets, such as accounts receivable, that are assessed not to be impaired individually are subsequently assessed for impairment on an individual basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced through the loss resulting from the impairment immediately for all the financial assets except for the accounts receivable as they are not considered recoverable it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to the interim consolidated statement of income. Changes in the carrying amount of the allowance account are recognized in the interim consolidated statement of income

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**Zakat and income tax**

The Group is subject to the regulations of the Directorate of Zakat and Income Tax (DZIT) in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. The Zakat charge is computed on the Zakat base. Any differences in the estimate is recorded when the final assessment is approved at which time the accrual is cleared.

Foreign subsidiaries are subject to income taxes in their respective countries of domicile. Such income taxes are charged to interim consolidated statement of income.

**End-of-service indemnities**

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the financial statements based on the employees' length of service.

**Foreign currency translation**

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the interim consolidated statement of income.

On consolidation, the assets and liabilities of the Group's overseas subsidiaries are translated at exchange rates prevailing on the interim consolidated balance sheet date. Income and expenses are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

**Leasing**

Rentals payable under operating leases are charged to the interim consolidated statement of income on a straight line basis over the term of the operating lease.

**3. SETTLEMENTS RELATED TO THE PERIOD**

All settlements deemed important by the Group have been prepared to fairly show the Group's interim consolidated financial statements in its financial position and the results of operations. The period's results of operations may not give an accurate indication of the actual results for all the year's operations.

**4. STATUTORY RESERVE**

In accordance with Regulations for Companies in Saudi Arabia and the bye-laws of the Company, the Company establishes a statutory reserve by appropriation of 10% of net income until the reserve equals 50% of the share capital. This reserve is not available for dividend distribution. The Company has not accounted for statutory reserve for the six-month period ended June 30 as it is accounting for such reserve based on the annual consolidated financial statements.

**5. DIVIDENDS**

Based on the board of directors' proposal and approval of the shareholders in the general assembly meeting held on March 27, 2011, dividends have been declared amounting to SR 30,000,000.

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
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**6. PRIOR YEAR ADJUSTMENTS**

During 2011, the Company reviewed the estimated useful life of its machineries and decided to change its estimated useful life from eight years to twelve years. This was based on external technical report and the information available to the Company.

The changes were not reflected in the interim consolidated financial statements of the first three quarters of 2011 and were reflected in the interim consolidated financial statements for the three-month period ended December 31, 2011 and the consolidated financial statements for the year ended December 31, 2011. Had there been change in the depreciation rate in the second quarter of the year 2011, there would be an increase in net book value of machineries as of June 30, 2011 by SR 6,124,326 and decrease in cost of sales for the three-month period ended June 30, 2011 by SR 3,026,163 and decrease in cost of sales for the six-month period ended June 30, 2011 by SR 6,124,326.

Following balances were restated as a result of the prior period adjustment:

	2011 (As previously reported)	Adjustment	2011 As restated
<b>Interim consolidated balance sheet as of June 30, 2011</b>			
Property and equipment	267,225,081	<b>6,124,326</b>	273,349,407
Retained earnings June 30, 2011	113,823,607	<b>6,124,326</b>	119,947,933
<b>Interim consolidated statement of income for the three-month period ended June 2011</b>			
Cost of sales	172,055,635	<b>(3,062,163)</b>	168,993,472
<b>Interim consolidated statement of income for the six month period ended June 2011</b>			
Cost of sales	312,320,745	<b>(6,124,326)</b>	306,196,419
<b>Interim consolidated cash flows for the six month period ended June 30, 2011</b>			
<b>Operating activities</b>			
Net income before zakat	25,542,539	<b>6,124,326</b>	31,666,865
Depreciation	26,950,271	<b>(6,124,326)</b>	20,825,945

**7. LONG TERM DEBT**

During the period the Group obtained a long-term loan amount of SR 42.2 million from Saudi Industrial Development Fund (SIDF). The first installment is due on February 2013 followed by semi-annual installments. This loan is guaranteed by the mortgage over all the property and equipment of Jeddah industrial yarn plant for the purpose of financing the expansion of the Jeddah industrial yarn factory and Rug factories. The loan agreement involves certain covenants including the maintenance of certain financial ratios and maintenance of a minimum level of tangible net worth and a minimum current ratio.

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**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
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**8. BASIC EARNINGS PER SHARE**

Earnings per share from net income have been calculated by dividing the net income over the weighted average number of shares outstanding as at the end of the period.

Earnings per share, from continuing operations, have been calculated by dividing the operating income after its share of zakat over the weighted average number of shares outstanding at the end of the period.

Earnings per share from other operations has been calculated by dividing the net income from other operations after its share of zakat over the weighted average number of shares outstanding as of the end of the period.

**9. COMMITMENTS AND CONTINGENT LIABILITIES**

As at June 30, the Group had the following contingent liabilities:

	2012	2011
Letters of bank guarantee	8,220,046	26,694,690
Letters of credit	22,378,075	23,726,557
	<b>30,598,121</b>	<b>50,421,247</b>

**10. BUSINESS SEGMENTS**

Segment information pertains to the Group's activities and operations as basis for preparing its own financial information.

The Group currently operates in manufacturing and selling its products under one operating segment.

The Group's principal place of business is Saudi Arabia.

**Sales and cost of sales:**

	2012	2011 (Restated note 6)
Sales - Local	368,261,371	351,344,844
Sales - Export	113,134,407	72,729,025
	<b>481,395,778</b>	<b>424,073,869</b>
Cost of sales - Local	261,863,231	249,264,864
Cost of sales - Export	90,970,294	56,931,555
	<b>352,833,525</b>	<b>306,196,419</b>

**AL SORAYAI TRADING AND INDUSTRIAL GROUP COMPANY**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**  
(Expressed in Saudi Riyals)

The Group's operations are conducted in Saudi Arabia and United States of America. Selected financial information as of June 30, 2012 & 2011, summarized by geographic area, is as follows:

<b>2012 (Unaudited)</b>	<b>Saudi Arabia</b>	<b>United States of America</b>	<b>Total</b>
Property and equipment, net	294,719,023	963,751	295,682,774
Deferred charges	3,413,503	-	3,413,503
Revenue, net	475,090,850	6,304,928	481,395,778
Net income / (loss)	28,541,433	(1,377,567)	27,163,866

<b>2011 (Unaudited)</b>	<b>Saudi Arabia</b>	<b>United States of America</b>	<b>Total</b>
Property and equipment, net (restated note 6)	273,349,407	-	273,349,407
Deferred charges	560,129	-	560,129
Revenue, net	424,073,869	-	424,073,869
Net income (restated note 6)	31,666,865	-	31,666,865

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