ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2017

ALMARAI COMPANY

A SAUDI JOINT STOCK COMPANY

INDEX

KPMG

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

The Shareholders
Almarai Company
A Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying 30 September 2017 condensed consolidated interim financial statements of **Almarai Company – A Saudi Joint Stock Company** and its subsidiaries (collectively referred to as "the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 September 2017;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2017;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2017;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2017;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2017; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2017 condensed consolidated interim financial statements of **Almarai Company – A Saudi Joint Stock Company** and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Al Fozan & Partners
Certified Public Accountants

Abdullah Hamad Al Fozan
License No. 348
Date: 02 Safar 1439H
Corresponding to: 22 October 2017

كي بي ام جي الفوزان وشركاه
محاسبون ومراجعون قانونيون
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ALMARAI COMPANY

A SAUDI JOINT STOCK COMPANY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Notes	30 September 2017 (Unaudited) SAR '000	31 December 2016 (Audited) SAR '000	01 January 2016 (Audited) SAR '000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	7	22,155,632	21,144,593	18,642,287
Intangible Assets and Goodwill	8	1,023,692	1,040,099	1,141,277
Biological Assets	9	1,277,840	1,271,425	1,186,506
Investments in Associates and Joint Ventures	10	119,938	96,612	94,177
Available for Sale Investments	10	108,704	102,872	104,237
Prepayments		115,356	132,867	72,426
Deferred Tax Assets	14	15,672	13,875	1,156
Derivative Financial Instruments		10,538	10,257	11,089
		24,827,372	23,812,600	21,253,155
Current Assets				
Inventories		3,049,180	3,002,331	2,688,641
Biological Assets	9	113,341	96,442	116,379
Trade Receivables, Prepayments and Other Receivables		1,815,433	1,395,406	1,268,402
Derivative Financial Instruments		26,870	4,680	3,438
Cash and Bank Balances		909,105	729,700	2,038,776
		5,913,929	5,228,559	6,115,636
TOTAL ASSETS		30,741,301	29,041,159	27,368,791
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	11	8,000,000	8,000,000	6,000,000
Statutory Reserve		1,630,190	1,630,190	1,422,141
Treasury Shares		(429,955)	(378,994)	(330,699)
Other Reserves		(619,954)	(711,996)	(392,636)
Retained Earnings		3,683,589	2,787,363	3,611,089
Equity Attributable to Shareholders		12,263,870	11,326,563	10,309,895
Perpetual Sukuk		1,700,000	1,700,000	1,700,000
Equity Attributable to Equity Holders of the Company		13,963,870	13,026,563	12,009,895
Non-Controlling Interest		412,187	421,250	559,783
TOTAL EQUITY		14,376,057	13,447,813	12,569,678
Non-Current Liabilities				
Long Term Borrowings	12	10,197,180	10,128,343	9,334,727
Employee Benefits	13	597,288	573,979	527,200
Derivative Financial Instruments		45,574	41,212	63,427
Deferred Tax Liabilities	14	52,764	56,492	67,123
		10,892,806	10,800,026	9,992,477
Current Liabilities				
Bank Overdraft		249,150	165,620	217,647
Short Term Borrowings	12	1,913,352	1,318,796	1,821,410
Zakat and Income Tax Payable	15	246,014	214,902	146,190
Trade and Other Payables		3,044,378	2,991,902	2,583,963
Derivative Financial Instruments		19,544	102,100	37,426
		5,472,438	4,793,320	4,806,636
TOTAL LIABILITIES		16,365,244	15,593,346	14,799,113
TOTAL EQUITY AND LIABILITIES		30,741,301	29,041,159	27,368,791

The accompanying notes 1 to 24 form an integral part of these Condensed Consolidated Interim Financial Statements.

Paul Gay Chief Financial Officer	Georges P. Schorderet Chief Executive Officer	HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2017

	Notes	July - September 2017 (Unaudited) SAR '000	July - September 2016 (Unaudited) SAR '000	January - September 2017 (Unaudited) SAR '000	January - September 2016 (Unaudited) SAR '000
Revenue		3,372,922	3,530,341	10,516,804	10,830,020
Cost of Sales		(1,856,922)	(2,044,935)	(6,268,439)	(6,696,175)
Gross Profit		**1,516,000**	**1,485,406**	**4,248,365**	**4,133,845**
Selling and Distribution Expenses		(618,507)	(654,480)	(1,836,317)	(1,901,629)
General and Administration Expenses		(81,495)	(85,534)	(304,248)	(332,457)
Other Expenses, net	16	(40,490)	6,690	(122,958)	(16,932)
Operating Profit		**775,508**	**752,082**	**1,984,842**	**1,882,827**
Exchange Gain / (Loss) , net		(807)	22,602	10,591	35,208
Finance Cost, net		(97,439)	(86,442)	(296,077)	(254,125)
Share of Results of Associates and Joint Ventures		5,958	3,216	3,527	9,001
Profit before Zakat and Income Tax		**683,220**	**691,458**	**1,702,883**	**1,672,911**
Zakat and Foreign income Tax		(18,115)	(17,405)	(51,258)	(56,949)
Profit for the period		**665,105**	**674,053**	**1,651,625**	**1,615,962**
Profit / (Loss) for the period attributable to:					
Shareholders of the Company		667,012	664,255	1,669,396	1,611,297
Non-Controlling Interest		(1,907)	9,798	(17,771)	4,665
		665,105	674,053	1,651,625	1,615,962
Earnings per Share (SAR), based on Profit for the period attributable to Shareholders of the Company					
- Basic	17	0.82	0.82	2.04	1.97
- Diluted	17	0.81	0.81	2.02	1.96

The accompanying notes 1 to 24 form an integral part of these Condensed Consolidated Interim Financial Statements.

Paul Gay
Chief Financial Officer

Georges P. Schorderet
Chief Executive Officer

HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer
Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2017

	July - September 2017 (Unaudited) SAR '000	July - September 2016 (Unaudited) SAR '000	January - September 2017 (Unaudited) SAR '000	January - September 2016 (Unaudited) SAR '000
Profit for the period	665,105	674,053	1,651,625	1,615,962
Items that are or may be reclassified subsequently to profit or loss:				
Foreign Currency Translation Differences	2,483	(17,622)	(8,840)	(125,048)
Movement in Fair Value on Cash Flow Hedges	30,200	6,246	125,512	(13,656)
Settlement of Cash Flow Hedges transferred to Profit or Loss	(8,523)	4,724	(24,849)	14,394
Movement in Fair Value of Available for Sale Investments	(5,460)	(13,898)	5,832	(20,723)
Share of Other Comprehensive Loss of Associates	-	-	(5,201)	(10,388)
Other Comprehensive Income / (Loss) for the period, net of income tax	18,700	(20,550)	92,454	(155,421)
Total Comprehensive Income for the period	**683,805**	**653,503**	**1,744,079**	**1,460,541**
Total Comprehensive Income / (Loss) for the period attributable to:				
Shareholders of the Company	681,122	648,224	1,752,188	1,497,158
Non-Controlling Interest	2,683	5,279	(8,109)	(36,617)
	683,805	**653,503**	**1,744,079**	**1,460,541**

The accompanying notes 1 to 24 form an integral part of these Condensed Consolidated Interim Financial Statements.

Paul Gay
Chief Financial Officer

Georges P. Schorderet
Chief Executive Officer

HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer
Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

	Share Capital	Statutory Reserve	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to Shareholders	Perpetual Sukuk	Equity Attributable to Equity Holders	Non-Controlling Interest	Total Equity
	SAR '000									
Balance at 01 January 2016 (Audited)	6,000,000	1,422,141	(330,699)	(392,636)	3,611,089	10,309,895	1,700,000	12,009,895	559,783	12,569,678
Profit for the period	-	-	-	-	1,611,297	1,611,297	-	1,611,297	4,665	1,615,962
Other Comprehensive Loss for the period	-	-	-	(114,139)	-	(114,139)	-	(114,139)	(41,282)	(155,421)
Total Comprehensive Income / (Loss)	-	-	-	(114,139)	1,611,297	1,497,158	-	1,497,158	(36,617)	1,460,541
Dividend Declared SAR 1.15 per Share	-	-	-	-	(690,000)	(690,000)	-	(690,000)	-	(690,000)
Bonus Shares Issued 1 for 3 shares	2,000,000	-	-	-	(2,000,000)	-	-	-	-	-
Share Based Payment Transactions	-	-	-	22,556	-	22,556	-	22,556	-	22,556
Purchase of Treasury shares	-	-	(29,633)	-	-	(29,633)	-	(29,633)	-	(29,633)
Profit on Perpetual Sukuk SAR 29,548 per Sukuk	-	-	-	45,936	(45,936)	-	-	-	-	-
Payment of Profit on Perpetual Sukuk	-	-	-	(25,407)	-	(25,407)	-	(25,407)	-	(25,407)
Transactions with Non Controlling Interests	-	-	-	-	-	-	-	-	86,864	86,864
Balance at 30 September 2016 (Unaudited)	8,000,000	1,422,141	(360,332)	(463,690)	2,486,450	11,084,569	1,700,000	12,784,569	610,030	13,394,599
Balance at 01 January 2017 (Audited)	8,000,000	1,630,190	(378,994)	(711,996)	2,787,363	11,326,563	1,700,000	13,026,563	421,250	13,447,813
Profit / (Loss) for the period	-	-	-	-	1,669,396	1,669,396	-	1,669,396	(17,771)	1,651,625
Other Comprehensive Income for the period	-	-	-	82,792	-	82,792	-	82,792	9,662	92,454
Total Comprehensive Income / (Loss)	-	-	-	82,792	1,669,396	1,752,188	-	1,752,188	(8,109)	1,744,079
Dividend Declared SAR 0.90 per Share	-	-	-	-	(720,000)	(720,000)	-	(720,000)	-	(720,000)
Share Based Payment Transactions	-	-	-	28,167	-	28,167	-	28,167	-	28,167
Settlement of Treasury Shares	-	-	1,371	-	-	1,371	-	1,371	-	1,371
Purchase of Treasury shares	-	-	(52,332)	-	-	(52,332)	-	(52,332)	-	(52,332)
Profit on Perpetual Sukuk SAR 31,276 per Sukuk	-	-	-	53,170	(53,170)	-	-	-	-	-
Payment of Profit on Perpetual Sukuk	-	-	-	(72,087)	-	(72,087)	-	(72,087)	-	(72,087)
Transactions with Non Controlling Interests	-	-	-	-	-	-	-	-	(954)	(954)
Balance at 30 September 2017 (Unaudited)	8,000,000	1,630,190	(429,955)	(619,954)	3,683,589	12,263,870	1,700,000	13,963,870	412,187	14,376,057

The accompanying notes 1 to 24 form an integral part of these Condensed Consolidated Interim Financial Statements.

Paul Gay
Chief Financial Officer

Georges P. Schorderet
Chief Executive Officer

HH Prince Sultan Bin
Mohammed Bin Saud Al Kabeer
Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017

	Notes	January - September 2017 (Unaudited) SAR '000	January - September 2016 (Unaudited) SAR '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		1,651,625	1,615,962
Adjustments for:			
Depreciation of Property, Plant and Equipment		1,163,724	1,055,475
Amortisation of Intangible Assets		38,573	23,609
Depreciation of Biological Assets		215,649	201,176
(Gain) / Loss Arising from Changes in Fair Value		(9,970)	16,959
Provision for Employee Benefits		84,787	111,443
Share Based Payment Expense		28,167	22,556
Exchange Gain, net		(10,591)	(35,208)
Finance Cost, net		296,077	254,125
Others Expenses, net	16	122,958	16,932
Share of Results of Associates and Joint Ventures		(3,527)	(9,001)
Zakat and Foreign Income Tax		51,258	56,949
		3,628,730	3,330,977
Changes in:			
Inventories		792,018	410,926
Biological Assets		(856,345)	(873,233)
Trade Receivables, Prepayments and Other Receivables		(409,350)	(268,776)
Trade and Other Payables		34,130	461,945
Cash Used in Operating Activities		(439,547)	(269,138)
Employee Benefits Paid		(61,478)	(44,885)
Zakat and Foreign Income Tax Paid		(18,404)	(8,753)
Net Cash Generated from Operating Activities		**3,109,301**	**3,008,201**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to Associates		-	(6,188)
Investment in Associates		(25,000)	-
Dividend received from Associates		-	500
Dividend on Available For Sale Investment		1,110	-
Additions to Property, Plant and Equipment		(2,145,335)	(3,348,325)
Proceeds from the Sale of Property, Plant and Equipment		22,998	20,770
Additions to Intangible Assets		(18,115)	(11,041)
Additions to Biological Assets		(60,529)	(73,522)
Appreciation of Biological Assets		(427,495)	(401,107)
Proceeds from the Sale of Biological Assets		147,448	156,653
Net Cash Used in Investing Activities		**(2,504,918)**	**(3,662,260)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in Loans, net		664,660	377,768
Finance Cost Paid		(342,425)	(254,311)
Dividend Paid		(717,408)	(687,721)
Purchase of Treasury Shares		(52,332)	(29,633)
Settlement of Treasury Shares		1,371	-
Transactions with Non Controlling Interests		(954)	86,864
Payment of Profit on Perpetual Sukuk		(72,087)	(25,407)
Net Cash Used in Financing Activities		**(519,175)**	**(532,440)**
Increase / (Decrease) in Cash and Cash Equivalents		**85,208**	**(1,186,499)**
Cash and Cash Equivalents at 01 January		564,080	1,821,129
Effect of Movements in Exchange Rates on Cash and Cash Equivalents		10,667	(12,443)
Cash and Cash Equivalents at 30 September	19	659,955	622,187

The accompanying notes 1 to 24 form an integral part of these Condensed Consolidated Interim Financial Statements.

Paul Gay Chief Financial Officer	Georges P. Schorderet Chief Executive Officer	HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer Chairman

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, North 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.

Dairy, Fruit Juices and related Food Business in Egypt and Jordan operates through International Dairy and Juice Limited ("IDJ"), a joint venture with PepsiCo, in which the Company holds controlling interest. The Group manages IDJ operations through following key 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 in which the Company holds controlling interest, 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, final consumer 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, other products are exported through other subsidiaries. Since 6 June 2017, the Company has interrupted its operation in Qatar.

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 2017 Direct (a)	Ownership Interest 2017 Effective	Ownership Interest 2016 Direct (a)	Ownership Interest 2016 Effective	Share Capital	Number of Shares Issued	Conventional Investment SAR '000	Conventional Borrowing SAR '000	Interest Income SAR '000
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	-	933,810	-
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	-	35,570	-
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	-	32,321	-

(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 2017 Direct (a)	Ownership Interest 2017 Effective	Ownership Interest 2016 Direct (a)	Ownership Interest 2016 Effective	Share Capital	Number of Shares Issued	Conventional Investment SAR '000	Conventional Borrowing SAR '000	Interest Income SAR '000
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 854,296,598	854,296,598	-	183,112	-
Almarai Company Bahrain S.P.C.	Bahrain	Trading Company	BHD	100%	100%	100%	100%	BHD 100,000	2,000	-	-	-
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 1,101,750,000	110,175,000	-	-	-
International Company for Agricultural Industries Projects (Beyti) (SAE)	Egypt	Manufacturing and Trading Company	EGP	100%	52%	100%	52%	EGP 1,453,250,000	145,325,000	-	208,657	-
Markley Holdings Limited	Jersey	Dormant	GBP	100%	100%	100%	100%	-	-	-	-	-
Al Muthedoon for Dairy Production	Jordan	Dormant	JOD	100%	52%	100%	52%	JOD 500,000	500,000	-	-	-
Al Atheer Agricultural Company	Jordan	Livestock / Agricultural Company	JOD	100%	52%	100%	52%	JOD 750,000	750,000	-	-	-
Al Namouthjya for Plastic Production	Jordan	Dormant	JOD	100%	52%	100%	52%	JOD 250,000	250,000	-	-	-
Al Rawabi for juice and UHT milk Manufacturing	Jordan	Manufacturing Company	JOD	100%	52%	100%	52%	JOD 500,000	500,000	-	-	-

(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 2017 Direct (a)	Ownership Interest 2017 Effective	Ownership Interest 2016 Direct (a)	Ownership Interest 2016 Effective	Share Capital	Number of Shares Issued	Conventional Investment SAR '000	Conventional Borrowing SAR '000	Interest Income SAR '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	Dormant	OMR	100%	100%	100%	100%	OMR 20,000	20,000	-	-	-
Fondomonte Inversiones S.L.	Spain	Holding Company	EUR	100%	100%	100%	100%	EUR 55,943,365	55,943,365	-	-	-
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	-	56,253	-
Fondomonte Holding North America L.L.C.	United States of America	Holding Company	USD	100%	100%	100%	100%	USD 500,000	50,000	-	37,502	-
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 PREPARATION

2.1 Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants ("SOCPA"). Up to and including the year ended December 31, 2016, the Group prepared and presented statutory Financial Statements in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia issued by SOCPA and the requirements of the Saudi Arabian Regulations for Companies and the Company's By-laws in so far as they relate to the preparation and presentation of the Financial Statements. In these Condensed Consolidated Interim Financial Statements, the term "SOCPA Standards" refers to SOCPA Standards before the adoption of International Financial Reporting Standards ("IFRS").

For financial periods commencing January 1, 2017, the applicable regulations require the Group to prepare and present Financial Statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA. As part of this requirement, the Group has prepared these Condensed Consolidated Interim Financial Statements.

As required by the Capital Market Authority ("CMA") through its circular dated 16th October 2016 the Group needs to apply the cost model to measure the property, plant and equipment, investment property and intangible assets upon adopting the IFRS for three years period starting from the IFRS adoption date.

As these Condensed Consolidated Interim Financial Statements prepared in accordance with IAS 34 Interim Financial Reporting are part of a period covered by its first IFRS Financial Statements, IFRS 1 First time Adoption of International Financial Reporting Standards has been applied. The accounting policies followed in these Condensed Consolidated Interim Financial Statements are the same as those applied in the Group's Condensed Consolidated Interim Financial Statements for the period ended March 31, 2017 and June 30, 2017. The Group has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

An explanation of how the transition to IFRS has affected the previously reported equity as at December 31, 2016, September 30, 2016 and January 01, 2016; and comprehensive income of the Group for the year ended December 31, 2016 and for the three and nine month periods ended September 30, 2016, including the nature and effect of significant changes in accounting policies from those used in the Group's Financial Statements for the year ended December 31, 2016 is provided in Note 21.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group's annual Consolidated SOCPA Financial Statements for the year ended December 31, 2016, and the Group's Financial Statements for the quarters ended March 31, 2017 and June 30, 2017 prepared in accordance with IFRS applicable to Interim Financial Statements.

2.2 Preparation of The Financial Statements

These Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for the following material items in the Condensed Consolidated Statement of Financial Position:

- Derivative financial instruments are measured at fair value.
- Available-for-sale investment is measured at fair value.
- The defined benefit obligation is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological Assets, for which market is available, have been valued at fair value.

3. BASIS OF CONSOLIDATION

3.1 These Condensed Consolidated Interim Financial Statements comprising the Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated

BASIS OF CONSOLIDATION (Continued…)

Statement of Cash Flows and Notes to the Condensed Consolidated Interim Financial Statements of the Group 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". Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. 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 Condensed Consolidated Statement of Financial Position. NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The portion of profit or loss and net assets not controlled by the Group is presented separately in the Condensed Consolidated Statement of Profit or Loss and within equity in the Condensed Consolidated Statement of Financial Position. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

5. SIGNIFICANT ACCOUNTING POLICIES

A. New Standards, Amendments and Standards issued and not yet effective:

New Standards, Amendment to Standards and Interpretations:

The Group has adopted, as appropriate, the following new and amended IASB Standards, effective 1 January 2017.

a. Disclosure Initiative (Amendments to IAS 7)

The amendments require disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

Group's financing activities, as disclosed in Condensed Consolidated Statement of Cash Flows, represents only cash flow changes, except for finance cost for which non cash change is reflected in cash flow from operating activities.

b. Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Group does not hold any debt instruments measured at fair value; therefore, there is no impact of this amendment on Condensed Consolidated Interim Financial Statements.

c. Annual Improvements to IFRSs 2014–2016 Cycle (Amendments to IFRS 12 Disclosure of Interests in Other Entities)

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution. There is no impact of this amendment on Condensed Consolidated Interim Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted them in preparing these Condensed Consolidated Interim Financial Statements.

a. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018. There is not going to be a significant impact on Group's revenue recognition policy.

b. IFRS 9 Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Impairment – Financial Assets and Contract Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs are those that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; an entity may choose to apply this policy also for trade receivables and contract assets with a significant financing component.

Classification – Financial Liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI
- the remaining amount of change in the fair value is presented in profit or loss.

Hedge accounting

When initially applying IFRS 9, the Group may choose as its accounting policy to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements in IFRS 9.

IFRS 9 will require the Group to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. IFRS 9 also introduces new requirements regarding rebalancing of hedge relationships and prohibiting voluntary discontinuation of hedge accounting. Under the new model, it is possible that more risk management strategies, particularly those involving hedging a risk component (other than foreign currency risk) of a non-financial item, will be likely to qualify for hedge accounting.

Under IAS 39, for all cash flow hedges, the amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss as a reclassification adjustment in the same period as the hedged expected cash flows affect profit or loss. However, under IFRS 9, for cash flow hedges of foreign currency risk associated with forecast non-financial asset purchases, the amounts accumulated in the cash flow hedge reserve and the cost of hedging reserve will instead be included directly in the initial cost of the non-financial asset when it is recognised.

Disclosures

IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below.

- The Group plans to take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 generally will be recognised in retained earnings and reserves as at 1 January 2018.

- New hedge accounting requirements should generally be applied prospectively. However the Group may elect to apply the expected change in accounting for forward points retrospectively.

c. IFRS 16 Leases

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts; or
- Apply a practical expedient and not reassess whether a contract is, or contains, a lease.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Transition

As a lessee, the Group can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases. The Group currently plans to apply IFRS 16 initially on 1 January 2019. The Group has not yet determined which transition approach to apply.

As a lessor, the Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

d. Annual Improvements to IFRSs 2014–2016 Cycle

- IFRS 1 First-time Adoption of IFRS - Outdated exemptions for first-time adopters of IFRS are removed. Effective for annual periods beginning on or after 1 January 2018.
- IAS 28 Investments in Associates and Joint Ventures - A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment-by-investment basis.

A non-investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture. Effective retrospectively for annual periods beginning on or after 1 January 2018; early application is permitted.

e. Other Amendments

The following new or amended standards are not yet effective and neither expected to have a significant impact on the Group's Condensed Consolidated Interim Financial Statements.

- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4) Amendments respond to industry concerns about the impact of differing effective dates.
- Transfers of Investment Property (Amendments to IAS 40) – A property asset is transferred when, and only when, there is evidence of an actual change in its use.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration - clarifies the transaction date used to determine the exchange rate.

B. Cash and Cash Equivalents

For the purposes of the Condensed Consolidated Statement of Cash Flows, cash and cash equivalents includes bank balances and deposits with original maturities of three months or less, if any. It also includes bank overdrafts which form an integral part of the Group's cash management and are likely to fluctuate from overdrawn to positive balances.

C. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost includes all direct manufacturing expenditure based on the normal level of activity and transportation and handling costs. 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

D. Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Condensed Consolidated Interim Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Condensed Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that an associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of associate's or joint venture's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in Condensed Consolidated Statement of Profit or Loss in the period in which the investment is acquired.

When a group entity transacts with an associate or a joint venture of the Group, profits or losses resulting from the transactions with the associate or joint venture are recognised in the Group's Condensed Consolidated Interim Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

E. Property, Plant and Equipment

Property, Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Bearer plants are measured at cost less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition / growing of the plant till its maturity. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in Condensed Consolidated Statement of Profit or Loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and amount can be measured reliably.

Finance costs on borrowings to finance the construction of the qualifying assets are capitalised during the period of time that is required to substantially complete and prepare the qualifying asset for its intended use.

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
Bearer Plants	2 – 70 years

Land, Capital Work in Progress and Immature plants are not depreciated.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Capital work in progress at period 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.

F. Biological Assets

Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably.

Where fair value cannot be measured reliably biological assets are stated at cost of purchase or cost of rearing or growing to the point of commercial production (termed as biological assets appreciation), less accumulated depreciation and accumulated impairment loss, if any. 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. Biological assets are depreciated on a straight line basis to their estimated residual values over periods as summarised below:

Dairy Herd	4 Lactation cycles
Poultry Flock	36 weeks

G. Intangible Assets and Goodwill

Intangible Assets

Intangible assets other than goodwill are measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over the estimated useful lives of 4 years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and amount can be measured reliably.

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Condensed Consolidated Statement of Profit or Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

H. Provisions

A provision is recognised if, as a result of past events, the Group 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

I. 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.

J. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in Condensed Consolidated Interim Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

K. Financial Instruments

(a) Non-Derivative Financial Instruments

i) Non-Derivative Financial Assets

The Group initially recognises financial assets on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Condensed Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets;

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Loans and Receivables

Loans and receivables of the Group comprise trade and other receivables and loan to associates.

These are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Available for Sale Financial Assets

Investments classified as available-for-sale are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in Condensed Consolidated Statement of Other Comprehensive Income and accumulated in the fair value reserve shown under other reserves within equity. When these assets are derecognised, the gain or loss accumulated in reserve is reclassified to Condensed Consolidated Statement of Profit or Loss.

ii) Non-Derivative Financial Liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount is presented in the Condensed Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the group comprises of bank borrowings and trade and other payables.

(b) Derivative Financial Instruments and Hedge Accounting

Derivatives are measured at fair value; any related transaction costs are recognised in Condensed Consolidated Statement of Profit or Loss as incurred. Subsequent to initial recognition, any change in fair value is generally recognised in Condensed Consolidated Statement of Profit or Loss.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Condensed Consolidated Statement of Other Comprehensive Income and accumulated in the hedging reserve shown within other reserves under equity.

The amount accumulated in equity is reclassified to Condensed Consolidated Statement of Profit or Loss in the period during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to Condensed Consolidated Statement of Profit or Loss.

L. Impairment

(a) Non-Derivative Financial Assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of result of one or

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity.

i. Loans and Receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by companying together with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in Condensed Consolidated Statement of Profit or Loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Available for Sale Financial Assets

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to Condensed Consolidated Statement of Profit or Loss. The amount reclassified is the difference between the acquisition cost (net of any principle repayment and amortisation and the current fair value), less any impairment loss previously recognised in Condensed Consolidated Statement of Profit or Loss. If the fair value of the impaired available for sale financial asset subsequently increases and increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss, otherwise it is reversed through other comprehensive income.

iii. Investments in Associates and Joint Ventures

An impairment loss in respect of investment in associates and joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in Condensed Consolidated Statement of Profit or Loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(b) Impairment of Non-Financial Assets

Non-financial assets (other than biological assets measured at fair value, inventories and deferred tax assets) are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal of impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

SIGNIFICANT ACCOUNTING POLICIES (Continued...)

assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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. An impairment loss is recognised immediately in Condensed Consolidated Statement of Profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Condensed Consolidated Statement of Profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

M. Employee Benefits

Employee benefits are payable to all employees employed under the terms and conditions of the Labor Laws applicable on the Company and its subsidiaries, on termination of their employment contracts.

The Group's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value.

Group sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Group's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

Re-measurement of defined benefit liability, which comprise of actuarial gains and losses are recognised immediately in Condensed Consolidated Statement of Other Comprehensive Income. The Group determines interest expense on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit are recognised in Condensed Consolidated Statement of Profit or Loss.

N. Statutory Reserve

In accordance with Company's by-laws and the Regulations for Companies in Kingdom of Saudi Arabia, the Company is required to recognise a reserve comprising of 10% of its Net Income for the year. As per the by-laws the Company will cease the contribution when such reserve will reach 30% of its Share Capital.

O. 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 recognised in equity.

P. Treasury Shares

Own equity instruments that are reacquired (treasury shares), for discharging obligations under the Employee Stock Option Programme ("ESOP"), are recognised at cost and presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares. No gain or loss is recognised in the Condensed

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Consolidated Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised as share premium.

Q. Share Based Payment Transactions

Employees of the Group receive remuneration in the form of equity settled share based payments under the ESOP, whereby employees render services as consideration for the option to purchase fixed number of Company's shares ("Option") at a predetermined price.

The cost of ESOP is recognised as an expense in the Condensed Consolidated Statement of Profit or Loss, together with a corresponding increase in other reserves, in equity, over the period during which the service conditions are fulfilled.

Group has set up an economic hedge by purchasing Treasury Shares at inception of ESOP. Accordingly, the Other Reserves (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 recognised for ESOP at each reporting date until the vesting date reflects the extent to which the vesting period 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 the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of the modification.

When ESOP is terminated, it is treated as if the Options vested on the date of termination, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new ESOP is substituted for the terminated ESOP, and designated as a replacement award on the date that it 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.

R. Conversion of Foreign Currency Transactions

Foreign currency transactions are converted and booked in Saudi Riyals at standard exchange rates which are periodically set to reflect average market rates or forward rates if the transactions were so covered. At the reporting date, assets and liabilities denominated in foreign currencies are converted into Saudi Riyals at the exchange rates ruling on such date or at the forward purchase rates if so covered. Any resulting exchange variances are charged or credited to the Condensed Consolidated Statement of Profit or Loss as appropriate.

The functional currencies of foreign subsidiaries are listed in Note 1. As at the reporting date, the assets and liabilities of these subsidiaries are translated into Saudi Riyal (SAR) the functional and presentation currency of the Company, at the rate of exchange ruling at the Condensed Consolidated Statement of Financial Position date and their Condensed Consolidated Statement of Profit or Loss are translated at the weighted average exchange rates for the period. Components of equity, other than retained earnings, are translated at the rate ruling at the date of occurrence of each component. Translation adjustments in respect of these components of equity are recorded as a separate component of equity.

S. Revenue Recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts and volume rebates. Products are sold principally on a sale or return basis.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Allowances for sales returns are calculated based on the forecasted return of expired products.

T. Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received from the state authority.

Government grants are recognised in Condensed Consolidated Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Condensed Consolidated Statement of Financial Position and transferred to Condensed Consolidated Statement of Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

U. Selling, Distribution, General and Administration Expenses

Selling, Distribution, General and Administration Expenses include direct and indirect costs not specifically part of Cost of Sales. 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, other than those related to volume based rebates, made in respect of long term agreements with customers and distributors to Selling and Distribution Expenses.

V. Leases

Assets held under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's Condensed Consolidated Statement of Financial Position. Rentals in respect of operating leases are charged to the Condensed Consolidated Statement of Profit or Loss over the term of the leases.

W. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in Condensed Consolidated Statement of Other Comprehensive Income and released to Condensed Consolidated Statement of Profit or Loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Condensed Consolidated Statement of Profit or Loss in the period in which they are incurred.

X. Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6. USE OF JUDGEMENTS AND ESTIMATES

The preparation of Financial Statements, in conformity with IFRS as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, requires the use of judgements, 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 Condensed Consolidated Statement of Financial Position 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.

Judgement and Estimates applied in these Condensed Consolidated Interim Financial Statements are expected to be the same as those applied in the first annual IFRS Financial Statements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

6.1 Judgements

Information about judgement made in applying accounting policies that have the most significant effects on the amounts recognised in the Condensed Consolidated Interim Financial Statements is included in the following note.

- Note 9: Biological Assets not fair valued - the Group has assessed that quoted market prices are not available for the biological assets owned by the Group, except for crops and alternative fair value measurements are clearly unreliable.

6.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 30 September 2017 is included in the following notes:

- Note 13: Measurement of employee benefits obligations: key actuarial assumptions.
- Note 14: Deferred taxation - whether future taxable profits will be available against which deferred tax asset can be realised.

7. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant, Machinery and Equipment	Motor Vehicles	Capital Work-in-Progress	Mature Plantations	Immature Plantations	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Cost							
Opening Balance	10,131,683	11,297,763	2,547,348	5,167,775	101,075	65,883	29,311,527
Additions during the period	-	-	-	2,171,820	1,370	29,083	2,202,273
Transfers during the period	1,160,551	1,266,575	129,336	(2,556,462)	84,780	(84,780)	-
Disposals during the period	(14,215)	(108,571)	(37,772)	-	-	-	(160,558)
Reclassification	27,645	(25,081)	(2,564)	-	-	-	-
Currency Translation Difference	(1,610)	(13,331)	(50)	8,231	(648)	-	(7,408)
Closing Balance	**11,304,054**	**12,417,355**	**2,636,298**	**4,791,364**	**186,577**	**10,186**	**31,345,834**
Accumulated Depreciation							-
Opening Balance	1,669,108	5,270,103	1,176,362	-	51,361	-	8,166,934
Depreciation for the period	237,564	677,337	193,058	-	55,765	-	1,163,724
Disposals during the period	(3,827)	(99,548)	(29,774)	-	-	-	(133,149)
Reclassification	619	(167)	(452)	-	-	-	-
Currency Translation Difference	(5,360)	(1,186)	(557)	-	(204)	-	(7,307)
Closing Balance	**1,898,104**	**5,846,539**	**1,338,637**	**-**	**106,922**	**-**	**9,190,202**
Net Book Value							
At 30 September 2017 (Unaudited)	**9,405,950**	**6,570,816**	**1,297,661**	**4,791,364**	**79,655**	**10,186**	**22,155,632**
At 31 December 2016 (Audited)	**8,462,575**	**6,027,660**	**1,370,986**	**5,167,775**	**49,714**	**65,883**	**21,144,593**
At 01 January 2016 (Audited)	**7,830,340**	**5,471,120**	**1,337,500**	**3,924,912**	**41,047**	**37,368**	**18,642,287**

7.1 Capital Work-in-Progress includes SAR 56.9 million of borrowing costs capitalised during the period (31 December 2016: SAR 53.9 million; 1 January 2016: SAR 35.9 million).

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
	SR '000	SR '000	SR '000
8. INTANGIBLE ASSETS AND GOODWILL			
Software Licenses (Refer 8.1)	88,611	109,374	132,200
Goodwill (Refer 8.2)	935,081	930,725	1,009,077
	1,023,692	1,040,099	1,141,277

8.1 *Software Licenses*

	Software Licenses	Software Licenses in Progress*	Total
	SAR '000	SAR '000	SAR '000
Cost			
Opening Balance	170,020	34,753	204,773
Additions during the period	-	18,115	18,115
Transfers during the period	48,854	(48,854)	-
Disposals during the period	(30,930)	-	(30,930)
Currency Translation Difference	(157)	(210)	(367)
Closing Balance	**187,787**	**3,804**	**191,591**
Accumulated Amortisation			
Opening Balance	95,399	-	95,399
Amortisation for the period	38,573	-	38,573
Disposals during the period	(30,930)	-	(30,930)
Currency Translation Difference	(62)	-	(62)
Closing Balance	**102,980**	-	**102,980**
Net Book Value			
At 30 September 2017 (Unaudited)	**84,807**	**3,804**	**88,611**
At 31 December 2016 (Audited)	**74,621**	**34,753**	**109,374**
At 01 January 2016 (Audited)	**50,336**	**81,864**	**132,200**

**Software licenses in progress include certain softwares under installation.*

8.2 *Goodwill*

The goodwill relates to the acquisition of WB in 2007, HADCO in 2009 and IDJ in 2012.

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
	SR '000	SR '000	SR '000
Western Bakeries Company Limited (WB)	548,636	548,636	548,636
Hail Agricultural Development Company (HADCO)	244,832	244,832	244,832
International Dairy and Juice Limited (IDJ)	141,613	137,257	215,609
	935,081	930,725	1,009,077

9. BIOLOGICAL ASSETS

The Group's biological assets consist of dairy herd, poultry birds and plantations.

Biological assets owned by the Group are measured as follows;

- Dairy Herd and Poultry Flock: At cost less accumulated depreciation and impairment losses, if any, since quoted market prices for the assets are not available and any alternative fair value measurements are assessed to be clearly unreliable.

- Crops: At fair value based on adjusted market prices of standing crops according to the growth stage of the crops.

	Dairy Herd	Parent Poultry Birds	Other Poultry	Crops	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Cost					
Opening Balance	1,726,766	82,494	55,598	-	1,864,858
Additions during the period*	427,592	60,433	708,422	-	1,196,447
Transfers during the period	-	-	(713,735)	-	(713,735)
Disposals during the period	(413,343)	(57,487)	-	-	(470,830)
Currency Translation Difference	(77)	-	-	-	(77)
Closing Balance	**1,740,938**	**85,440**	**50,285**	**-**	**1,876,663**
Accumulated Depreciation					
Opening Balance	510,903	26,932	-	-	537,835
Depreciation for the period	154,696	60,953	-	-	215,649
Disposals during the period	(149,442)	(55,511)	-	-	(204,953)
Currency Translation Difference	7	-	-	-	7
Closing Balance	**516,164**	**32,374**	**-**	**-**	**548,538**
Net Book Value					
At 30 September 2017 - Unaudited	**1,224,774**	**53,066**	**50,285**	**-**	**1,328,125**
At 31 December 2016 - Audited	**1,215,863**	**55,562**	**55,598**	**-**	**1,327,023**
At 01 January 2016 - Audited	**1,125,365**	**61,141**	**62,543**	**-**	**1,249,049**
Measured at Fair Value:					
Opening Balance	-	-	-	40,844	40,844
Additions during the period	-	-	-	147,923	147,923
Transfers during the period	-	-	-	(131,249)	(131,249)
Disposals during the period	-	-	-	(1,228)	(1,228)
Gain arising from changes in Fair Values less Cost to Sell	-	-	-	9,970	9,970
Currency Translation Difference	-	-	-	(3,204)	(3,204)
Closing Balance	**-**	**-**	**-**	**63,056**	**63,056**
Carrying Amount					
At 30 September 2017 - Unaudited	**-**	**-**	**-**	**63,056**	**63,056**
At 31 December 2016 - Audited	**-**	**-**	**-**	**40,844**	**40,844**
At 01 January 2016 - Audited	**-**	**-**	**-**	**53,836**	**53,836**

** Additions include Biological Assets appreciation amounting to SAR 427.5 million.*

BIOLOGICAL ASSETS (Continued...)

	Dairy Herd	Parent Poultry Birds	Other Poultry	Crops	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Biological Assets Classification:					
At 30 September 2017					
Biological assets classified as Non-Current Assets	1,224,774	53,066	-	-	1,277,840
Biological assets classified as Current Assets	-	-	50,285	63,056	113,341
	1,224,774	**53,066**	**50,285**	**63,056**	**1,391,181**
At 31 December 2016					
Biological assets classified as Non-Current Assets	1,215,863	55,562	-	-	1,271,425
Biological assets classified as Current Assets	-	-	55,598	40,844	96,442
	1,215,863	**55,562**	**55,598**	**40,844**	**1,367,867**
At 01 January 2016					
Biological assets classified as Non-Current Assets	1,125,365	61,141	-	-	1,186,506
Biological assets classified as Current Assets	-	-	62,543	53,836	116,379
	1,125,365	**61,141**	**62,543**	**53,836**	**1,302,885**

Dairy Herd represents cows held for the purpose of producing milk.
Parent Poultry Birds are held for the purpose of laying eggs which are hatched into Broiler Birds (Other Poultry).
Crops are mainly held for the purpose of serving as animal feed which are consumed internally.

Agricultural Risk Management:

The Group is subject to following risks relating to its agricultural activities:

a) Regulatory and Environmental Risk

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

b) Climate and Other Risks

The Group is exposed to risk of damage from climate changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections, vaccination policies and state of the art farms to provide a barrier against diseases.

10. INVESTMENTS

The investments in associates, joint ventures and available for sale investments comprise of the following:

	Principal activity	Place of Incorporation	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
			%	%	%	SAR '000	SAR '000	SAR '000
Investments in Associates and Joint Ventures (Refer note 10.1)								
United Farmers Holding Company	Investments in Agricultural sector	Saudi Arabia	33.0%	33.0%	33.0%	53,855	58,296	58,504
Pure Breed Company	Agriculture	Saudi Arabia	41.9%	24.7%	24.7%	65,879	38,112	35,469
Almarai Company W.L.L.	Dormant	Qatar	50.0%	50.0%	50.0%	204	204	204
						119,938	96,612	94,177

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
Available for Sale Investments (Refer note 10.3)	%	%	%	SAR '000	SAR '000	SAR '000
Mobile Telecommunications Company Saudi Arabia - ("Zain")	2.1%	2.1%	2.1%	108,704	102,872	104,237
				108,704	102,872	104,237
Total				228,642	199,484	198,414

INVESTMENTS (Continued…)

10.1 The investments in associates and joint ventures comprise the following:

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
United Farmers Holding Company		
Opening balance	58,296	58,504
Share of Other Comprehensive Loss	(5,201)	(10,388)
Share of Results for the period	760	10,180
Closing balance	53,855	58,296

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Pure Breed Company		
Opening balance	38,112	35,469
Additions	25,000	-
Share of results for the period	2,767	3,143
Distributions	-	(500)
Closing balance	65,879	38,112

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Almarai Company W.L.L.		
Opening balance	204	204
Closing balance	204	204

10.2 During the period, Almarai's fully owned subsidiary i.e. HADCO increased its stake in Pure Breed Company, an associate, from 24.7% to 41.9% by paying a consideration of SAR 25 million.

10.3 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 gain of SAR 5.8 million for the period ended 30 September 2017 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.

11. SHARE CAPITAL

The Company's share capital at 30 September 2017 amounted to SAR 8,000 million (31 December 2016: SAR 8,000 million, 01 January 2016: SAR 6,000 million), consisting of 800 million (31 December 2016: 800 million, 01 January 2016: SAR 600 million) fully paid and issued shares of SAR 10 each.

12. BORROWINGS

	Notes	30 September 2017 (Unaudited) SAR '000	31 December 2016 (Audited) SAR '000	01 January 2016 (Audited) SAR '000
Islamic Banking Facilities (Murabaha)	12.1	6,514,357	5,784,821	5,638,441
Saudi Industrial Development Fund	12.2	1,028,068	1,219,508	1,455,613
Banking Facilities of Foreign Subsidiaries	12.3	485,525	385,106	170,791
Agricultural Development Fund	12.4	187,682	164,091	-
		8,215,632	7,553,526	7,264,845
Sukuk	12.5	3,894,900	3,893,613	3,891,292
		12,110,532	11,447,139	11,156,137
Short Term Borrowings		244,133	146,911	153,380
Current Portion of Long Term Borrowings		1,669,219	1,171,885	1,668,030
Short Term Borrowings		1,913,352	1,318,796	1,821,410
Long Term Borrowings		10,197,180	10,128,343	9,334,727
		12,110,532	11,447,139	11,156,137

12.1 The borrowings under Islamic banking facilities (Murabaha) are secured by promissory notes given by the Group. The Islamic banking facilities (Murabaha) with a maturity period of less than two years are predominantly of a revolving nature. On 28 September 2017, the Group has been granted new Murabaha Facility by International Finance Corporation (IFC-Member of World Bank Group) of SAR281.4 million. As at 30 September 2017 SAR 6,336.1 million Islamic banking facilities (Murabaha) were unutilised and available for drawdown. (31 December 2016: SAR 6,050.8 million, 01 January 2016: SAR 2,739.9 million).

12.2 The borrowings of the Group from the Saudi Industrial Development Fund (SIDF) are secured by a mortgage on specific assets amounting to SAR 1,028.0 million as at 30 September 2017 (31 December 2016: SAR 1,219.5 million, 01 January 2016: SAR 1,455.6 million). As at 30 September 2017 the Group had SAR 284.2 million of unutilised SIDF facilities available for drawdown with maturities predominantly greater than five years (31 December 2016: SAR 351.0 million, 01 January 2016: SAR 380.3 million). Assets held as collateral are subject to restriction of disposal until the loan is settled or the disposal is approved by lender.

12.3 These banking facilities represent borrowings of foreign subsidiaries from foreign banking institutions. As at 30 September 2017 SAR327.5 million (31 December 2016: SAR 214.8 million, 01 January 2016: SAR 195.2 million) facilities were unutilised and available for drawdown.

12.4 The borrowings from Agriculture Development Fund (ADF) is secured by a mortgage on specific land amounting to SAR 187.7 million as at 30 September 2017 (31 December 2016: SAR 164.1 million, 01 January 2016: Nil). As at 30 September 2017 the Group had no unutilised ADF facilities available (31 December 2016: SAR 26.3 million, 01 January 2016: Nil). Assets held as collateral are subject to restriction of disposal until the loan is settled or the disposal is approved by lender.

12.5 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 Saudi Arabia Interbank Offered Rate (SIBOR) plus a pre-determined margin payable semi-annually in arrears. The Sukuk will be redeemed at par on its date of maturity i.e. 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 will be redeemed at par on its date of maturity i.e. 7 Shabaan 1441 A.H. (31 March 2020).

BORROWINGS (Continued…)

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 will be redeemed at par on its date of maturity i.e. 15 Rajab 1439 A.H. (31 March 2018).

On 3 Dhul Hijja 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 will be redeemed at par on its date of maturity i.e. 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.

12.6 The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by Treasury department, in case of potential breach, it is highlighted to the management to ensure compliance.

13. EMPLOYEE BENEFITS

	30 September 2017 (Unaudited) SAR '000	31 December 2016 (Audited) SAR '000
Opening Balance	573,979	527,200
Statement of Profit or Loss		
Current Service and Interest Cost	84,787	115,358
Statement of Comprehensive Income		
Actuarial Loss	-	12,723
Cash Movements:		
Benefits paid	(61,478)	(81,302)
Closing Balance	597,288	573,979

Sensitivity in Defined Benefit Obligation		31 December 2016 (Audited) SAR '000
Salary Inflation	1% Decrease	531,299
	Base	573,979
	1% Increase	622,253
Discount Rate	1% Decrease	622,353
	Base	573,979
	1% Increase	532,177

EMPLOYEE BENEFITS (Continued...)

Demographics Assumption

	31 December 2016 (Audited)
Membership Data	
Number of Employees	40,020
Average age of employees (years)	33.6
Average years of past service	3.6

Summary of Economic Assumptions

Country	Rate	31 December 2016 (Audited)
Saudi Arabia	Net Discount Rate Adjusted for Inflation	1.0%
United Arab Emirates	Net Discount Rate Adjusted for Inflation	0.7%
Oman	Net Discount Rate Adjusted for Inflation	2.2%
Kuwait	Net Discount Rate Adjusted for Inflation	0.7%
Bahrain	Net Discount Rate Adjusted for Inflation	4.3%
Qatar	Net Discount Rate Adjusted for Inflation	0.7%

14. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting period.

	30 September 2017 (Unaudited) SAR '000	31 December 2016 (Audited) SAR '000
14.1 Deferred Tax Assets		
Opening Balance	13,875	1,156
Charge to Profit or Loss	1,797	12,719
Closing Balance	15,672	13,875

Deferred tax asset relates to unused tax losses for its subsidiaries in Argentina. Management believes that future taxable profits will be available against which deferred tax asset can be realised.

DEFERRED TAX (Continued…)

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Asset for deferred taxation comprising temporary differences related to:		
Unused tax losses	15,672	13,875
	15,672	13,875

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
14.2 Deferred Tax Liabilities		
Opening Balance	56,492	67,123
Charged to Profit or Loss	3,539	8,191
Currency Translation Difference	(7,267)	(18,822)
Closing Balance	52,764	56,492

Deferred tax liability of SAR 52.8 million relates to taxable temporary differences arising on Property, Plant and Equipment. This includes SAR 25.3 million on the fair valuation adjustment of land amounting to SAR 72.2 million carried out at the time of business combination of its subsidiaries in Argentina, being the temporary difference between the carrying amount of land for financial reporting purposes and the amount used for taxation purposes.

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Liability for deferred taxation comprising temporary differences related to:		
Accelerated tax depreciation	27,496	28,256
Revaluation of land	25,268	28,236
	52,764	56,492

15. ZAKAT AND FOREIGN INCOME TAX

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Zakat Provision	234,272	195,624	130,941
Foreign Income Tax Provision	11,742	19,278	15,249
	246,014	214,902	146,190

15.1 Zakat Provision

Zakat is charged at the higher of net adjusted income or Zakat base as required by the General Authority of Zakat and Tax (GAZT). In the current period, the Zakat charge is based on the net adjusted income method.

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Opening Balance	195,624	130,941
Charged to Profit or Loss	44,643	67,576
Payments	(5,995)	(2,893)
Closing Balance	234,272	195,624

The Company has filed its Consolidated Zakat returns for all the years up to 2016 and settled its Zakat liabilities accordingly. The Zakat assessments have been agreed with the GAZT for all the years up to 2006 while the 2007 to 2016 Zakat returns are under review by the GAZT.

HADCO has filed its Zakat returns for all years up to 31 December 2008 and has settled its Zakat liabilities accordingly. The Zakat assessments have been agreed with the GAZT for all years up to 31 December 2002 while the 2003 to 2008 Zakat returns are under review by the GAZT. From 2009 onwards HADCO is not required to file a separate return as its results are included in the Company's Consolidated Zakat return.

15.2 Foreign Income Tax Provision

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	SAR '000	SAR '000
Opening Balance	19,278	15,249
Charged to Profit or Loss	4,873	11,297
Payments	(12,409)	(7,268)
Closing Balance	11,742	19,278

Foreign subsidiaries have filed their tax returns for all years up to 2016, and settled their tax liabilities accordingly. While all the returns have been filed, final assessments are pending for certain years. The earliest year open for assessment is 2011, and the latest year assessed is 2013.

16. OTHER EXPENSES, NET

	July - September 2017 (Unaudited)	July - September 2016 (Unaudited)	January - September 2017 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000	SAR '000
(Gain) / Loss on sale of Property, Plant and Equipment	93	(1,192)	4,411	(3,685)
Loss on sale of Biological Assets	40,397	19,610	119,657	45,725
Dividend on Available For Sale Investment	-	-	(1,110)	-
Net gain on settlement of Insurance Claim (Refer 16.1)	-	(25,108)	-	(25,108)
	40,490	(6,690)	122,958	16,932

16.1. 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.

17. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	July - September 2017 (Unaudited)	July - September 2016 (Unaudited)	January - September 2017 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000	SAR '000
Profit for the period attributable to the shareholders of the Company	667,012	664,255	1,669,396	1,611,297
Less: Profit attributable to Sukukholders	(17,232)	(16,595)	(53,170)	(45,936)
Earnings for the purposes of basic earnings per share	**649,780**	**647,660**	**1,616,226**	**1,565,361**
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings	792,903	793,367	793,009	793,238
Weighted average number of ordinary shares for the purposes of diluted earning	800,000	800,000	800,000	800,000

Weighted average number of shares are retrospectively adjusted to reflect the effect of Bonus Shares and are adjusted to take account of Treasury Shares held under the Almarai Employee Stock Options Programme.

18. SEGMENT REPORTING

The Group's principal business activities involve manufacturing and trading of dairy and juice products under Almarai, Beyti and Teeba brands, bakery products under L'usine and 7 Days brands and poultry products under Alyoum brand. Other activities include Arable, Horticulture and Infant Nutrition. Selected financial information as at 30 September 2017 categorised by these business segments, is as follows:

SEGMENT REPORTING (Continued...)

Dairy and Juice	Milk production, dairy and fruits juice product processing and distribution
Bakery	Bakery products manufacturing and distribution
Poultry	Poultry products manufacturing and distribution
Other Activities	Arable, Horticulture and Infant Nutrition

	Dairy and Juice	Bakery	Poultry	Other Activities	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
30 September 2017 (Unaudited)					
Revenue	8,041,218	1,340,187	1,072,086	835,159	11,288,650
Third Party Revenue	7,985,184	1,340,187	1,072,086	119,347	10,516,804
Depreciation and Amortisation	(902,867)	(165,007)	(227,633)	(122,439)	(1,417,946)
Share of Results of Associates and Joint Ventures	-	-	2,767	760	3,527
Profit / (loss) attributable to Shareholders of the Company	1,550,757	220,855	(42,479)	(59,737)	1,669,396
Share of Other Comprehensive Loss of Associates and Joint Ventures	-	-	-	(5,201)	(5,201)
Profit / (loss)	1,520,595	233,246	(42,479)	(59,737)	1,651,625
Total Assets	19,406,767	2,455,238	5,604,333	3,274,963	30,741,301

	Dairy and Juice	Bakery	Poultry	Other Activities	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
30 September 2016 (Unaudited)					
Revenue	8,427,687	1,377,505	964,245	681,621	11,451,058
Third Party Revenue	8,354,790	1,377,505	964,245	133,480	10,830,020
Depreciation and Amortisation	(836,641)	(135,935)	(228,130)	(79,554)	(1,280,260)
Share of Results of Associates and Joint Ventures	-	-	2,424	6,577	9,001
Profit / (loss) attributable to Shareholders of the Company	1,722,221	245,667	(252,384)	(104,207)	1,611,297
Share of Other Comprehensive Loss of Associates and Joint Ventures	-	-	-	(10,388)	(10,388)
Profit / (loss)	1,711,128	261,425	(252,384)	(104,207)	1,615,962
Total Assets	18,133,679	2,475,870	5,561,914	2,900,462	29,071,925

The business activities and operating assets of the Group are mainly concentrated in GCC countries. The selected financial information as at 30 September 2017, categorised by these geographic segments is as follows:

SEGMENT REPORTING (Continued...)

	July - September 2017 (Unaudited)	July - September 2016 (Unaudited)	January - September 2017 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000	SAR '000
Revenue				
Saudi Arabia	2,282,289	2,153,115	6,986,718	6,853,867
Other GCC Countries	760,816	929,445	2,680,877	2,794,575
Other Countries	329,817	447,781	849,209	1,181,578
Total	3,372,922	3,530,341	10,516,804	10,830,020

19. CASH AND CASH EQUIVALENTS

	January - September 2017 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000
Cash at Bank - Current accounts	848,391	689,199
Cash in Hand	60,714	96,153
Cash and Bank Balances	909,105	785,352
Bank Overdrafts	(249,150)	(163,165)
Cash and Cash Equivalents; Condensed Consolidated Statement of Cash Flows	659,955	622,187

20. FINANCIAL INSTRUMENTS

20.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

FINANCIAL INSTRUMENTS (Continued...)

	30 September 2017 (Unaudited)							
	Carrying amount				Fair Value			
	Fair Value - hedging Instruments	Available for Sale	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	SAR '000							
Financial Assets								
Derivative Financial Instruments	37,408	-	-	37,408	-	37,408	-	37,408
Available for Sale Investments	-	108,704	-	108,704	108,704	-	-	108,704
Trade and Other Receivables	-	-	1,436,470	1,436,470	-	-	-	-
Cash and Bank Balances	-	-	909,105	909,105	-	-	-	-
	37,408	108,704	2,345,575	2,491,687	108,704	37,408	-	146,112
Financial Liabilities								
Derivative Financial Instruments	65,118	-	-	65,118	-	65,118	-	65,118
Borrowings	-	-	12,110,532	12,110,532	-	-	-	-
Bank Overdrafts	-	-	249,150	249,150	-	-	-	-
Trade and Other Payables	-	-	3,044,378	3,044,378	-	-	-	-
	65,118	-	15,404,060	15,469,178	-	65,118	-	65,118

	31 December 2016 (Audited)							
	Carrying amount				Fair Value			
	Fair Value - hedging Instruments	Available for Sale	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	SAR '000							
Financial Assets								
Derivative Financial Instruments	14,937	-	-	14,937	-	14,937	-	14,937
Available for Sale Investments		102,872	-	102,872	102,872	-	-	102,872
Trade and Other Receivables	-	-	1,052,688	1,052,688	-	-	-	-
Cash and Bank Balances	-	-	729,700	729,700	-	-	-	-
	14,937	102,872	1,782,388	1,900,197	102,872	14,937	-	117,809
Financial Liabilities								
Derivative Financial Instruments	143,312	-	-	143,312	-	143,312	-	143,312
Borrowings	-	-	11,447,139	11,447,139	-	-	-	-
Bank Overdrafts	-	-	165,620	165,620	-	-	-	-
Trade and Other Payables	-	-	2,991,902	2,991,902	-	-	-	-
	143,312	-	14,604,661	14,747,973	-	143,312	-	143,312

FINANCIAL INSTRUMENTS (Continued…)

	01 January 2016 (Audited)							
	Carrying amount				Fair Value			
	Fair Value - hedging Instruments	Available for Sale	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	SAR '000							
Financial Assets								
Derivative Financial Instruments	14,527	-	-	14,527	-	14,527	-	14,527
Available for Sale Investments		104,237	-	104,237	104,237	-	-	104,237
Trade and Other Receivables	-	-	954,973	954,973	-	-	-	-
Cash and Bank Balances	-	-	2,038,776	2,038,776	-	-	-	-
	14,527	104,237	2,993,749	3,112,513	104,237	14,527	-	118,764
Financial Liabilities								
Derivative Financial Instruments	100,853	-	-	100,853	-	100,853	-	100,853
Borrowings	-	-	11,156,137	11,156,137	-	-	-	-
Bank Overdrafts	-	-	217,647	217,647	-	-	-	-
Trade and Other Payables	-	-	2,583,963	2,583,963	-	-	-	-
	100,853	-	13,957,747	14,058,600	-	100,853	-	100,853

20.2. Risk Management of Financial Instruments

The Group's activities expose it to a variety of financial risks, credit risk, liquidity risk, market price risk and capital management risk.

Credit Risk:

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, trade receivables and receivables from related parties as follows.

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Cash at Bank	848,391	538,202	1,884,481
Trade Receivables - Third Parties	1,108,193	783,724	680,122
Trade Receivables - Related Parties	145,873	112,475	96,339
Derivative Financial Instruments	37,408	14,937	14,527
	2,139,865	**1,449,338**	**2,675,469**

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings ranging from BBB+ to A 1.
- The receivable are shown net of allowance for impairment of trade receivables and sales returns.
- Financial position of related parties is stable.

FINANCIAL INSTRUMENTS (Continued…)

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. The receivable balances are monitored with the result that the Group's exposure to bad debts is not significant.

Trade receivables outstanding balance comprises of 48% in KSA, 36% in GCC (other than KSA) and 16% in other Countries. The five largest customers account approximately for 32% of outstanding trade receivables at 30 September 2017.

Liquidity Risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted, and include estimated interest payments.

	30 September 2017 (Unaudited)			
	Carrying Amount	Less than 1 year	1 year to 5 years	More than 5 years
Non Derivative Financial Liabilities	SAR '000			
Bank Overdrafts	249,150	249,150	-	-
Borrowings	12,110,532	1,913,352	9,975,121	2,516,813
Trade and other payables	1,656,053	1,656,053	-	-
Trade Payables to Related Parties	17,083	17,083	-	-
	14,032,818	**3,835,638**	**9,975,121**	**2,516,813**
Derivative Financial Liabilities				
Forward currency contracts	24,904	11,161	13,743	-
Interest rate swaps	31,720	124	31,596	-
	56,624	**11,285**	**45,339**	**-**

	31 December 2016 (Audited)			
	Carrying Amount	Less than 1 year	1 year to 5 years	More than 5 years
Non Derivative Financial Liabilities	SAR '000			
Bank Overdrafts	165,620	165,620	-	-
Borrowings	11,447,139	1,318,796	9,417,637	2,919,817
Trade and other payables	1,758,302	1,758,302	-	-
Trade Payables to Related Parties	29,037	29,037	-	-
	13,400,098	**3,271,755**	**9,417,637**	**2,919,817**
Derivative Financial Liabilities				
Forward currency contracts	90,379	86,666	3,713	-
Interest rate swaps	39,002	1,503	37,499	-
	129,381	**88,169**	**41,212**	**-**

FINANCIAL INSTRUMENTS (Continued…)

	01 January 2016 (Audited)			
	Carrying Amount	Less than 1 year	1 year to 5 years	More than 5 years
Non Derivative Financial Liabilities	SAR '000			
Bank Overdrafts	217,647	217,647	-	-
Borrowings	11,156,137	1,821,410	8,857,084	2,420,982
Trade and other payables	1,443,985	1,443,985	-	-
Trade Payables to Related Parties	44,719	44,719	-	-
	12,862,488	3,527,761	8,857,084	2,420,982
Derivative Financial Liabilities				
Forward currency contracts	45,274	18,945	26,329	-
Interest rate swaps	37,098	-	37,098	-
	82,372	18,945	63,427	-

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Group's future commitments. The Group's terms of sales require amounts to be paid either on a cash on delivery or on a terms basis.

Market Risk:

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. The Group seeks to apply hedge accounting to manage volatility in profit or loss.

Commission Rate Risk:

Commission Rate Risk is the exposure associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. Islamic banking facilities (Murabaha), other banking facilities and Sukuk amounting to SAR 5,091.48 million at 30 September 2017 (31 December 2016: SAR 5,043.4 million, 01 January 2016: SAR 7,138.0 million) bear variable financing commission charges at the prevailing market rates.

The Group's policy is to manage its financing charges using a mix of fixed and variable commission rate debts. The policy is to keep 50% to 60% of its borrowings at fixed commission. The following table demonstrates the sensitivity of the income to reasonably possible changes in commission rates, with all other variables held constant. There is no direct impact on the Group's equity.

FINANCIAL INSTRUMENTS (Continued…)

		Increase / decrease in basis points of commission rates	Effect on income for the period / year SAR'000
30 September 2017 (Unaudited)	SAR	+100	(38,186)
	SAR	-100	38,186
31 December 2016 (Audited)	SAR	+100	(50,434)
	SAR	-100	50,434
01 January 2016 (Audited)	SAR	+100	(71,380)
	SAR	-100	71,380

Commodity Price Risk:

Commodity Price Risk is the risk that is associated with changes in prices to certain commodities that the Group is exposed to and its unfavourable effect on the Group's costs and cash flow. This commodity price risk arises from forecasted purchases of certain commodities that the Group uses as raw material, which is managed and mitigated by entering into commodity derivatives.

Currency Risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in currency that's not the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in Argentina Pesos ("ARS"), Kuwaiti Dinar ("KWD"), Egyptian Pounds ("EGP"), Euro ("EUR"), Great British Pounds ("GBP"), United State Dollars ("USD"), Bahraini Dinar ("BHD") and Jordanian Dinars ("JOD"). The Group's management believes that their exposure to currency risk is limited as the Group's currency, the Bahraini Dinar ("BHD") and the JOD are pegged to USD. The fluctuation in exchange rates against ARS, KWD, EGP, Euro and GBP are monitored on a continuous basis. Quantitative data regarding the Group's exposure to currency risk arising from currencies that are not pegged to USD is as follows:

30 September 2017 (Unaudited)	ARS	KWD	EGP	EUR	GBP	Equivalent SAR
	'000	'000	'000	'000	'000	'000
Cash at Bank	1,759	1,976	35,126	838	408	38,095
Cash in Hand	165	613	30,440	16	14	14,246
Trade Receivables	9,542	11,696	-	-	-	147,207
Bank Overdrafts	-	-	(804,457)	-	-	(170,706)
Short term Borrowings	(314,039)	-	-	-	-	(67,110)
Long Term Borrowings	(307,451)	-	-	(60)	-	(65,968)
Trade Payables	(23,131)	(238)	-	(42,110)	(14,847)	(268,201)
Net Statement of Financial Position exposure	**(633,155)**	**14,047**	**(738,891)**	**(41,316)**	**(14,425)**	**(372,437)**

FINANCIAL INSTRUMENTS (Continued…)

31 December 2016 (Audited)	ARS	KWD	EGP	EUR	GBP	Equivalent SAR
	'000	'000	'000	'000	'000	'000
Cash at Bank	13,022	4,263	19,337	3,484	1,171	78,178
Cash in Hand	19	81	20,647	13	13	5,168
Trade Receivables	41,165	8,037	-	-	-	108,303
Bank Overdrafts	-	-	(722,379)	(121)	-	(142,350)
Short term Borrowings	(293,970)	-	-	-	-	(70,200)
Long Term Borrowings	(372,143)	-	-	-	-	(88,868)
Trade Payables	(60,846)	(198)	-	(41,478)	(2,920)	(193,020)
Net Statement of Financial Position exposure	**(672,753)**	**12,183**	**(682,395)**	**(38,102)**	**(1,736)**	**(302,789)**

01 January 2016 (Audited)	ARS	KWD	EGP	EUR	GBP	Equivalent SAR
	'000	'000	'000	'000	'000	'000
Cash at Bank	30,778	17,079	54,643	8,795	252	283,821
Cash in Hand	67	443	11,177	11	16	10,987
Trade Receivables	28,284	6,916	-	-	-	93,732
Bank Overdrafts	-	-	(127,360)	(14)	-	(61,127)
Short term Borrowings	(199,564)	-	-	-	-	(57,854)
Long Term Borrowings	(60,237)	-	-	-	-	(17,463)
Trade Payables	(42,397)	(116)	-	(25,880)	(5,110)	(148,293)
Net Statement of Financial Position exposure	**(243,069)**	**24,322**	**(61,540)**	**(17,088)**	**(4,842)**	**103,803**

The Group uses forward currency contracts to eliminate significant currency exposures. Management believe that the currency risk for inventory and capital expenditure purchases is adequately managed primarily through entering into foreign currency forward purchase agreements. It is the Group's policy to enter into forward contracts based on the underlying exposure available from the group's business plan/commitment with the suppliers. The forward purchase agreements are secured by promissory notes given by the Group.

A strengthening / (weakening) of the ARS, EGP,EUR and GBP by 10% against all other currencies would have affected the measurement of financial instruments denominated in foreign currency and would have increased / (decreased) equity by the amounts shown below:

FINANCIAL INSTRUMENTS (Continued...)

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
ARS	(13,531)	(16,066)	(7,047)
KWD	17,435	14,927	30,081
EGP	(15,679)	(13,402)	(2,951)
EUR	(18,239)	(14,939)	(7,007)
GBP	(7,229)	(798)	(2,695)
	(37,243)	(30,278)	10,381

Capital Management:

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders and issue new shares.

21. EFFECT OF IFRS STANDARDS ADOPTION

As stated in note 2.1, the Group prepared its first Condensed Consolidated Interim Financial Statements for the period ended 31st March 2017 in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA. Further, the Group's opening Statement of Financial Position was prepared as at 01 January 2016, being the date of transition to IFRS Standards.

Note 21.1 to 21.6 set out an explanation of how the transition to IFRS has affected the previously reported equity as at December 31, 2016, September 30, 2016 and January 01, 2016; and comprehensive income of the Group for the three and nine months ended September 30, 2016 and for the year ended December 31, 2016, including the nature and effect of significant changes in accounting policies from those used in the Group's annual Financial Statements, under SOCPA, for the year ended December 31, 2016.

EFFECT OF IFRS STANDARDS ADOPTION (Continued...)

21.1 Reconciliation of the Statement Of Financial Position

	Notes	As at 31 December 2016			As at 30 September 2016			As at 01 January 2016		
		SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards
		SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
ASSETS										
Non-Current Assets										
Property, Plant and Equipment	21.6 (a, g)	21,138,370	6,223	21,144,593	20,871,612	(23,695)	20,847,917	18,696,071	(53,784)	18,642,287
Intangible Assets and Goodwill	21.6 (g)	930,725	109,374	1,040,099	993,500	116,503	1,110,003	1,009,077	132,200	1,141,277
Biological Assets	21.6 (a)	1,292,302	(20,877)	1,271,425	1,298,601	(41,100)	1,257,501	1,227,815	(41,309)	1,186,506
Investments in Associates and Joint Ventures	21.6 (h)	-	96,612	96,612	-	92,292	92,292	-	94,177	94,177
Investments	21.6 (h)	199,484	(96,612)	102,872	175,806	(92,292)	83,514	198,414	(94,177)	104,237
Prepayments		132,867	-	132,867	59,652	-	59,652	72,426	-	72,426
Deferred Tax Assets		13,875	-	13,875	418	-	418	1,156	-	1,156
Derivative Financial Instruments		10,257	-	10,257	18,239	-	18,239	11,089	-	11,089
		23,717,880	**94,720**	**23,812,600**	**23,417,828**	**51,708**	**23,469,536**	**21,216,048**	**37,107**	**21,253,155**
Current Assets										
Inventories	21.6 (a, c)	3,168,687	(166,356)	3,002,331	3,262,095	(126,830)	3,135,265	2,835,663	(147,022)	2,688,641
Biological Assets	21.6 (c)	-	96,442	96,442	-	100,936	100,936	-	116,379	116,379
Trade Receivables, Prepayments and Other Receivables	21.6 (d)	1,401,793	(6,387)	1,395,406	1,569,673	(6,828)	1,562,845	1,277,110	(8,708)	1,268,402
Loan to an Associate		-	-	-	6,188	-	6,188	-	-	-
Derivatives Financial Instruments		4,680	-	4,680	11,803	-	11,803	3,438	-	3,438
Cash and Bank Balances		729,700	-	729,700	785,352	-	785,352	2,038,776	-	2,038,776
		5,304,860	**(76,301)**	**5,228,559**	**5,635,111**	**(32,722)**	**5,602,389**	**6,154,987**	**(39,351)**	**6,115,636**
TOTAL ASSETS		**29,022,740**	**18,419**	**29,041,159**	**29,052,939**	**18,986**	**29,071,925**	**27,371,035**	**(2,244)**	**27,368,791**

(Continued)

	Notes	As at 31 December 2016			As at 30 September 2016			As at 01 January 2016		
		SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards
		SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
EQUITY AND LIABILITIES										
Equity										
Share Capital		8,000,000	-	8,000,000	8,000,000	-	8,000,000	6,000,000	-	6,000,000
Statutory Reserve		1,630,190	-	1,630,190	1,422,141	-	1,422,141	1,422,141	-	1,422,141
Treasury Shares		(378,994)	-	(378,994)	(360,332)	-	(360,332)	(330,699)	-	(330,699)
Other Reserves		(711,996)	-	(711,996)	(463,690)	-	(463,690)	(392,636)	-	(392,636)
Retained Earnings	21.6 (a, c, e)	2,796,393	(9,030)	2,787,363	2,515,650	(29,200)	2,486,450	3,659,639	(48,550)	3,611,089
Equity Attributable to Shareholders		11,335,593	(9,030)	11,326,563	11,113,769	(29,200)	11,084,569	10,358,445	(48,550)	10,309,895
Perpetual Sukuk		1,700,000	-	1,700,000	1,700,000	-	1,700,000	1,700,000	-	1,700,000
Equity Attributable to Equity Holders of the Company		13,035,593	(9,030)	13,026,563	12,813,769	(29,200)	12,784,569	12,058,445	(48,550)	12,009,895
Non-Controlling Interest		421,250	-	421,250	610,030	-	610,030	559,783	-	559,783
TOTAL EQUITY		13,456,843	(9,030)	13,447,813	13,423,799	(29,200)	13,394,599	12,618,228	(48,550)	12,569,678
Non-Current Liabilities										
Long Term Borrowings	21.6 (d)	10,134,730	(6,387)	10,128,343	10,088,769	(6,828)	10,081,941	9,343,435	(8,708)	9,334,727
Employee Benefits	21.6 (e)	540,143	33,836	573,979	541,326	55,014	596,340	472,186	55,014	527,200
Derivative Financial Instruments		41,212	-	41,212	64,927	-	64,927	63,427	-	63,427
Deferred Tax Liabilities		56,492	-	56,492	63,069	-	63,069	67,123	-	67,123
		10,772,577	27,449	10,800,026	10,758,091	48,186	10,806,277	9,946,171	46,306	9,992,477
Current Liabilities										
Bank Overdraft		165,620	-	165,620	163,165	-	163,165	217,647	-	217,647
Short Term Borrowings		1,318,796	-	1,318,796	1,439,304	-	1,439,304	1,821,410	-	1,821,410
Zakat and Income Tax Payable	21.6 (i)	-	214,902	214,902	-	193,582	193,582	-	146,190	146,190
Trade and Other Payables	21.6 (i)	3,206,804	(214,902)	2,991,902	3,217,875	(193,582)	3,024,293	2,730,153	(146,190)	2,583,963
Derivative Financial Instruments		102,100	-	102,100	50,705	-	50,705	37,426	-	37,426
		4,793,320	-	4,793,320	4,871,049	-	4,871,049	4,806,636	-	4,806,636
TOTAL LIABILITIES		15,565,897	27,449	15,593,346	15,629,140	48,186	15,677,326	14,752,807	46,306	14,799,113
TOTAL LIABILITIES AND EQUITY		29,022,740	18,419	29,041,159	29,052,939	18,986	29,071,925	27,371,035	(2,244)	27,368,791

EFFECT OF IFRS STANDARDS ADOPTION (Continued...)

21.2 Reconciliation of Equity

	Notes	As at 31 December 2016	As at 30 September 2016	As at 01 January 2016 (date of transition)
		SAR '000	SAR '000	SAR '000
Total Equity under SOCPA Standards		13,456,843	13,423,799	12,618,228
Bearer Plants recognition as Property, Plant and Equipment	21.6 (a)	19,759	22,478	(13,831)
Fair value adjustment of Crops	21.6 (c)	5,047	3,336	20,295
Actuarial Valuation Charge	21.6 (e)	(33,836)	(55,014)	(55,014)
		(9,030)	(29,200)	(48,550)
Total Equity under IFRS Standards		**13,447,813**	**13,394,599**	**12,569,678**

EFFECT OF IFRS STANDARDS ADOPTION (Continued…)

21.3. Reconciliation of Consolidated Statement of Profit or Loss

		For the year ended 31 December 2016			For the three month period ended July - September 2016			For the nine month period ended January - September 2016		
	Notes	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards
		SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Revenue	21.6 (f)	14,698,662	(360,083)	14,338,579	3,612,523	(82,182)	3,530,341	11,088,271	(258,251)	10,830,020
Cost of Sales	21.6 (b, c, e)	(8,865,050)	33,899	(8,831,151)	(2,054,574)	9,639	(2,044,935)	(6,715,525)	19,350	(6,696,175)
Gross Profit		**5,833,612**	**(326,184)**	**5,507,428**	**1,557,949**	**(72,543)**	**1,485,406**	**4,372,746**	**(238,901)**	**4,133,845**
Selling and Distribution Expenses	21.6 (e, f)	(2,855,658)	375,297	(2,480,361)	(736,662)	82,182	(654,480)	(2,159,880)	258,251	(1,901,629)
General and Administration Expenses	21.6 (e)	(436,078)	3,130	(432,948)	(85,534)	-	(85,534)	(332,457)	-	(332,457)
Other Expenses , net		(91,398)	-	(91,398)	6,690	-	6,690	(16,932)	-	(16,932)
Operating Profit		**2,450,478**	**52,243**	**2,502,721**	**742,443**	**9,639**	**752,082**	**1,863,477**	**19,350**	**1,882,827**
Exchange Gain / (Loss)		44,676	-	44,676	22,602	-	22,602	35,208	-	35,208
Finance Cost, net		(351,336)	-	(351,336)	(86,442)	-	(86,442)	(254,125)	-	(254,125)
Share of Results of Associates and Joint Ventures		13,323	-	13,323	3,216	-	3,216	9,001	-	9,001
Profit before zakat and income tax		**2,157,141**	**52,243**	**2,209,384**	**681,819**	**9,639**	**691,458**	**1,653,561**	**19,350**	**1,672,911**
Zakat and Foreign Income Tax		(74,345)	-	(74,345)	(17,405)	-	(17,405)	(56,949)	-	(56,949)
Profit for the year / period		**2,082,796**	**52,243**	**2,135,039**	**664,414**	**9,639**	**674,053**	**1,596,612**	**19,350**	**1,615,962**

EFFECT OF IFRS STANDARDS ADOPTION (Continued...)

21.4. Reconciliation of Consolidated Statement of Comprehensive Income

		For the year ended 31 December 2016			For the three month period ended July - September 2016			For the nine month period ended January - September 2016		
	Notes	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards	SOCPA Standards	Effect of transition to IFRS Standards	IFRS Standards
		SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Profit for the period		2,082,796	52,243	2,135,039	664,414	9,639	674,053	1,596,612	19,350	1,615,962
Items that will not be reclassified to profit or loss:										
Actuarial Loss on End of Service Benefit	21.6 (e)	-	(12,723)	(12,723)	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss:										
Foreign Currency Translation Differences		-	(514,707)	(514,707)	-	(17,622)	(17,622)	-	(125,048)	(125,048)
Movement in Fair Value on Cash Flow Hedges		-	(62,377)	(62,377)	-	6,246	6,246	-	(13,656)	(13,656)
Settlement of Cash Flow Hedges transferred to Profit or Loss			20,330	20,330		4,724	4,724		14,394	14,394
Movement in Fair Value of Available for Sale Investments		-	(1,365)	(1,365)	-	(13,898)	(13,898)	-	(20,723)	(20,723)
Share of Other Comprehensive Income of Associates		-	(10,388)	(10,388)	-	-	-	-	(10,388)	(10,388)
Other Comprehensive Income for the year / period		-	(581,230)	**(581,230)**	-	(20,550)	**(20,550)**	-	(155,421)	**(155,421)**
Total Comprehensive Income for the year / period		**2,082,796**	**(528,987)**	**1,553,809**	**664,414**	**(10,911)**	**653,503**	**1,596,612**	**(136,071)**	**1,460,541**

EFFECT OF IFRS ADOPTION (Continued...)

21.5 Reconciliation of Profit

	Notes	For the year ended 31 December 2016		For the three month period ended July - September 2016		For the nine month period ended January - September 2016	
		Profit before zakat and tax	Profit for the year	Profit before zakat and tax	Profit for the period	Profit before zakat and tax	Profit for the period
		SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
As per SOCPA Standards		2,157,141	2,082,796	681,819	664,414	1,653,561	1,596,612
Loss arising from changes in Fair Value less cost to sell	21.6 (c)	(15,248)	(15,248)	(3,327)	(3,327)	(16,959)	(16,959)
Restatement of Bearer Plants	21.6 (b)	33,590	33,590	12,966	12,966	36,309	36,309
Actuarial Valuation Charge	21.6 (e)	33,901	33,901	-	-	-	-
Total adjustment to Profit or Loss		52,243	52,243	9,639	9,639	19,350	19,350
Profit or Loss as per IFRS Standards		2,209,384	2,135,039	691,458	674,053	1,672,911	1,615,962
Other Comprehensive Income		(581,230)	(581,230)	(20,550)	(20,550)	(155,421)	(155,421)
Total Comprehensive Income as per IFRS Standards		1,628,154	1,553,809	670,908	653,503	1,517,490	1,460,541

EFFECT OF IFRS ADOPTION (Continued…)

21.6 Index to the notes to the reconciliations

Changes due to transition from SOCPA to IFRS Standards:

a. Bearer Plants
b. Adjustment for maintenance costs on bearer plants and related agricultural produce
c. Reclassification and re-measurement of Biological Assets
d. Capitalisation of Sukuk Issuance costs
e. Employee Benefits
f. Trade discounts and rebates

Changes due to presentation enhancement and reclassification:

g. Intangible Assets
h. Investments in Associates and Joint ventures
i. Zakat and Income Tax

EFFECT OF IFRS ADOPTION (Continued...)

Changes due to Transition from SOCPA to IFRS Standards:

a. **Bearer Plants**

Under SOCPA standards, the bearer plants were classified as biological assets and inventory. IFRS Standards require bearer plants to be classified under Property, plant and equipment. Consequently, the costs, accumulated depreciation and capital work in progress have been reclassified accordingly.

Consolidated Statement of Financial Position:

	31 December 2016 (Audited)	30 September 2016 (Unaudited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Property, Plant and Equipment:			
Mature plantations – costs	101,075	106,418	49,465
Mature plantations – accumulated depreciation	(51,361)	(23,778)	(8,417)
Immature plantations	65,883	10,168	37,368
	115,597	92,808	78,416
Biological Assets:			
Mature plantations - costs	(48,284)	(48,284)	(47,108)
Mature plantations - accumulated depreciation	29,508	9,138	8,417
Immature plantations	(2,101)	(1,954)	(2,618)
	(20,877)	(41,100)	(41,309)
Inventories:			
Bearer plants (Alfalfa)	(74,961)	(29,230)	(50,938)
Adjustment to Retained Earnings - increase / (decrease) (Refer 21.6 b)	19,759	22,478	(13,831)

b. **Adjustment for maintenance costs on bearer plants and related agricultural produce**

Under SOCPA Standards, Alfalfa bearer plants were classified as inventory (Refer 21.6 a). Under IFRS Standards, these bearer plants have been reclassified from inventories to Property, plant and equipment. Subsequent to harvest, the agricultural produce from these bearer plants is accounted for as inventories at fair value. Additionally, the biological transformation between maturity of an Alfalfa plant and subsequent harvests is insignificant, therefore costs incurred on the bearer plants during the period are not capitalised and treated as maintenance costs.
The impact arising from the change is summarised as follows:

Consolidated Statement of Profit or Loss:

	31 December 2016 (Audited)	July - September 2016 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000
Cost of Sales:			
Gain on recording of maintenance cost and agricultural produce - net	33,590	12,966	36,309
Adjustment to Profit for the year - increase	33,590	12,966	36,309

EFFECT OF IFRS ADOPTION (Continued...)

c. Reclassification and re-measurement of Biological assets

Under SOCPA Standards, standing crops and broiler birds are classified as work in progress - inventories. IFRS Standards require living animals and plants, other than bearer plants to be classified as Biological Assets. Consequently, crops and other poultry have been reclassified from Inventories to Biological Assets. Further, IFRS Standards require biological assets to be measured at fair value less cost to sell unless where quoted market prices are not available and for which alternative fair value measurements are determined to be clearly unreliable, biological asset shall be measured at its cost less any accumulated depreciation and accumulated impairment losses, if any. On the transition date, all the biological assets owned by the Group, other than crops in Argentina, are carried at cost less accumulated depreciation and impairment losses, since quoted market prices for these biological assets are not available and any alternative fair value measurements are assessed to be clearly unreliable.

The impact arising from the change is summarised as follows:

Consolidated Statement of Financial Position:

	31 December 2016 (Audited)	30 September 2016 (Unaudited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Biological Assets:			
Crops – measured at cost	2,983	29,875	3,399
Crops – measured at fair value	37,861	14,449	50,437
Other Poultry	55,598	56,612	62,543
	96,442	100,936	116,379
Inventories:			
Work in Progress	(91,395)	(97,600)	(96,084)
Adjustment to Retained Earnings - increase	**5,047**	**3,336**	**20,295**

Consolidated Statement of Profit or Loss:

	31 December 2016 (Audited)	July - September 2016 (Unaudited)	January - September 2016
	SAR '000	SAR '000	SAR '000
Cost of Sales:			
Fair Value Adjustments of Crops	(15,248)	(3,327)	(16,959)
Adjustment to Profit for the year - decrease	**(15,248)**	**(3,327)**	**(16,959)**

d. Capitalisation of Sukuk Issuance costs

The Group issued Sukuks and incurred certain issuance costs. Under SOCPA Standards, these costs have been recorded as Prepayments. IFRS Standards require issuance costs to be net off against the liability in respect of which these costs were incurred. The respective costs have been reclassified to be net off against Long Term Borrowings.

The impact arising from the change is summarised as follows:

EFFECT OF IFRS ADOPTION (Continued...)

Consolidated Statement of Financial Position:

	31 December 2016 (Audited)	30 September 2016 (Unaudited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Long Term Borrowings:			
Sukuk issuance costs	6,387	6,828	8,708
Trade Receivables, Prepayments and Other Receivables:			
Prepayments	(6,387)	(6,828)	(8,708)

e. **Employee Benefits**

Under SOCPA Standards, the Group recorded its liability under Employee Benefit based on regulatory requirements. In order to determine the liability under IFRS Standards, the Group performed detailed actuarial valuation of its Employee Benefits. Consequently, reduction of expense for the period has been reversed from profit or loss for the period.

The impact arising from the change is summarised as follows:

Consolidated Statement of Financial Position:

	31 December 2016 (Audited)	30 September 2016 (Unaudited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
End of Service Benefit			
Decrease / (Increase) in liability – current year	21,178	-	(55,014)
Increase in liability – prior year	(55,014)	(55,014)	-
Adjustment to Retained Earnings - decrease	**(33,836)**	**(55,014)**	**(55,014)**

Consolidated Statement of Comprehensive Income:

	31 December 2016 (Audited)	July - September 2016 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000
Cost of Sales:			
Current service costs and interest costs	15,557	-	-
Selling and Distribution Expenses:			
Current service costs and interest costs	15,214	-	-
General and Administrative Expenses:			
Current service costs and interest costs	3,130	-	-
Adjustment to profit for the year - increase	**33,901**	**-**	**-**
Actuarial losses on End of Service Benefit	(12,723)	-	-
Adjustment to Comprehensive Income for the year - increase	**21,178**	**-**	**-**

EFFECT OF IFRS ADOPTION (Continued…)

f. Trade discounts and rebates

Under SOCPA Standards, trade discounts and rebates are presented as Selling and Distribution Expenses. IFRS Standards require trade discounts and rebates to be presented as a deduction against revenue. Consequently reclassification has been made to the Consolidated Statement of Profit or Loss.

The impact arising from the change is summarised as follows:

Consolidated Statement of Profit or Loss:

	31 December 2016 (Audited)	July - September 2016 (Unaudited)	January - September 2016 (Unaudited)
	SAR '000	SAR '000	SAR '000
Revenue:			
Trade discounts and rebates	(360,083)	(82,182)	(258,251)
Selling and Distribution Expenses:			
Trade discounts and rebates	360,083	82,182	258,251
Adjustment to profit for the year	-	-	-

Changes due to Presentation Enhancements and Reclassification:

g. Intangible Assets

Software Licenses have been reclassified from Property, Plant and Equipment to be presented under Intangible Assets for fair presentation.

The impact arising from the change is summarised as follows:

Consolidated Statement of Financial Position:

	31 December 2016 (Audited)	30 September 2016 (Unaudited)	01 January 2016 (Audited)
	SAR '000	SAR '000	SAR '000
Intangible Assets:			
Software Licenses – costs	170,020	150,200	117,116
Software Licenses – accumulated depreciation	(95,399)	(88,320)	(66,780)
Software Licenses under progress	34,753	54,623	81,864
	109,374	116,503	132,200
Property, Plant and Equipment:			
Software Licenses – costs	(170,020)	(150,200)	(117,116)
Software Licenses – accumulated depreciation	95,399	88,320	66,780
Software Licenses under progress	(34,753)	(54,623)	(81,864)
	(109,374)	(116,503)	(132,200)
Adjustment to Retained Earnings	-	-	-

EFFECT OF IFRS ADOPTION (Continued…)

h. Investments in Associates and Joint Ventures

Under SOCPA Standards, Investment in Associates and Joint Ventures was presented under the caption of Investments. IFRS Standards requires investments in associates to be presented separately from other investments on the statement of financial position.

The impact arising from the change is summarised as follows:

Consolidated Statement of Financial Position:

	31 December 2016 (Audited) SAR '000	30 September 2016 (Unaudited) SAR '000	01 January 2016 (Audited) SAR '000
Investment in Associates and Joint Ventures	96,612	92,292	94,177
Investments	(96,612)	(92,292)	(94,177)
Adjustment to Retained Earnings	-	-	-

i. Zakat and Income Tax

Under SOCPA Standards, Zakat and income tax liability is presented under Trade and other payables. For the purpose of presentation enhancement, Zakat and Income Tax liability is now presented separately on the Statement of Financial Position.

The impact arising from the change is summarised as follows:

Consolidated Statement of Financial Position:

	31 December 2016 (Audited) SAR '000	30 September 2016 (Unaudited) SAR '000	01 January 2016 (Audited) SAR '000
Zakat and Income Tax payable	214,902	193,582	146,190
Trade and Other Payables	(214,902)	(193,582)	(146,190)
Adjustment to Retained Earnings	-	-	-

21.7 Exemptions Applied

IFRS 1 "First-Time Adoption of International Financial Reporting Standards" as endorsed by SOCPA allows first-time adopter certain exemptions from the retrospective application of certain IFRS Standards.

The Group has applied the following exemptions:

(a) IFRS 3 "Business Combinations" as endorsed by SOCPA has not been applied to acquisitions of subsidiaries, which are considered businesses for IFRS Standards, or of interests in associates and joint ventures that occurred before 1 January 2016. Use of this exemption means that the carrying amounts of assets and liabilities under SOCPA Standards, which are required to be recognised under IFRS Standards, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS Standards. Assets and liabilities that do not qualify for recognition under IFRS Standards are excluded from the opening IFRS Standards Statement of Financial Position. The Group did not recognise or exclude any previously recognised amounts as a result of IFRS Standards recognition requirements. IFRS 1 as endorsed by SOCPA also requires that the carrying amount of goodwill under SOCPA Standards must be used in the opening IFRS Standards Statement of Financial Position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1 as endorsed by SOCPA, the Group has tested goodwill for impairment at the date of transition to IFRS Standards. No goodwill impairment was deemed necessary at 1 January 2016.

EFFECT OF IFRS ADOPTION (Continued...)

(b) The Group has not applied IAS 21 "The Effects of Changes in Foreign Exchange Rates" as endorsed by SOCPA retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS Standards. Such fair value adjustments and goodwill are treated as assets and liabilities of the Parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the Parent or are non-monetary foreign currency items and no further translation differences occur.

22. DIVIDEND

On 28 Jumada Thani 1438 A.H. (26 March 2017) the Extraordinary General Assembly Meeting approved a dividend of SAR 720.0 million (SAR 0.90 per share) for the year ended 31 December 2016.

23. 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 Condensed Consolidated Interim Financial Statements, except for below;

On 18 Muharram 1439 A.H. (8 October 2017), the shareholders approved at the Extraordinary General Assembly Meeting an increase in the share capital from SAR 8,000 million to SAR 10,000 million through distribution of 1 bonus share for each 4 outstanding shares for existing shareholders.

24. BOARD OF DIRECTORS APPROVAL

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 2 Safar 1439 A.H. (22 October 2017).