

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2015  
AND INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

**SAVOLA GROUP COMPANY**  
**(A Saudi Joint Stock Company)**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH**  
**PERIODS ENDED SEPTEMBER 30, 2015**

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**LIMITED REVIEW REPORT**

October 19, 2015

To the shareholders of Savola Group Company:  
(A Saudi Joint Stock Company)

**Scope of review**

We have reviewed the accompanying interim consolidated balance sheet of Savola Group Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2015 and the interim consolidated income statement for the three-month and nine-month periods ended September 30, 2015, and the interim consolidated statement of cash flows for the nine-month period then ended and the related notes which form an integral part of these interim consolidated financial statements. These interim consolidated financial statements are the responsibility of the Group's management and have been prepared by them and submitted to us together with all the information and explanations which we required.

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

**Review conclusion**

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

**PricewaterhouseCoopers**

By: \_\_\_\_\_  
Ali A. Alotaibi  
License Number 379

**SAVOLA GROUP COMPANY**  
**(A Saudi Joint Stock Company)**  
**Interim consolidated balance sheet**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	September 30,	
		2015 (Unaudited)	2014 (Unaudited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,066,967	1,565,165
Accounts receivable		1,102,122	1,283,687
Inventories		4,454,793	4,258,478
Prepayments and other receivables		1,992,306	1,925,259
Assets classified as held-for-sale	3	50,783	71,263
		<b>9,666,971</b>	<b>9,103,852</b>
<b>Non-current assets</b>			
Long-term receivables		324,803	472,780
Investments	4	8,272,128	8,151,971
Property, plant and equipment		7,428,078	6,921,977
Intangible assets		1,157,789	1,338,678
		<b>17,182,798</b>	<b>16,885,406</b>
<b>Total assets</b>		<b>26,849,769</b>	<b>25,989,258</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term borrowings	5	5,498,979	4,673,764
Current maturity of long-term borrowings	6	341,884	564,073
Accounts payable		2,467,765	2,457,030
Accrued and other liabilities		2,074,815	2,004,581
Liabilities associated with assets classified as held-for-sale	3	93,969	102,185
		<b>10,477,412</b>	<b>9,801,633</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	4,376,351	4,102,950
Deferred tax liability		79,601	44,861
Deferred gain		179,588	196,685
Long-term payables		64,356	53,519
Employee termination benefits		398,019	386,127
		<b>5,097,915</b>	<b>4,784,142</b>
<b>Total liabilities</b>		<b>15,575,327</b>	<b>14,585,775</b>
<b>Equity</b>			
Share capital	7	5,339,807	5,339,807
Share premium reserve		342,974	342,974
Statutory reserve		1,594,910	1,387,678
General reserve		4,000	4,000
Retained earnings		4,207,241	3,907,343
Fair value reserve		12,957	277,043
Effect of acquisition transaction with non-controlling interest without change in control	1	(193,025)	(184,199)
Currency translation differences		(1,035,230)	(738,180)
<b>Equity attributable to shareholders' of the parent company</b>		<b>10,273,634</b>	<b>10,336,466</b>
Non-controlling interest		<b>1,000,808</b>	<b>1,067,017</b>
<b>Total equity</b>		<b>11,274,442</b>	<b>11,403,483</b>
<b>Total liabilities and equity</b>		<b>26,849,769</b>	<b>25,989,258</b>

**Contingencies and commitments**

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The notes on pages 6 to 21 form an integral part of these interim consolidated financial statements.

**SAVOLA GROUP COMPANY**  
**(A Saudi Joint Stock Company)**  
**Interim consolidated income statement**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended September 30,		Nine-month period ended September 30,	
		2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
Revenues		<b>5,877,059</b>	6,150,041	<b>19,845,513</b>	19,727,462
Cost of revenue		<b>(4,614,226)</b>	(4,999,306)	<b>(16,029,003)</b>	(16,232,408)
Gross profit		<b>1,262,833</b>	1,150,735	<b>3,816,510</b>	3,495,054
Share in net income of associates and dividend income of available-for-sale investments - net	4	<b>248,379</b>	285,587	<b>607,668</b>	787,696
<b>Total income</b>		<b>1,511,212</b>	1,436,322	<b>4,424,178</b>	4,282,750
<b>Operating expenses</b>					
Selling and marketing		<b>(852,219)</b>	(658,849)	<b>(2,529,632)</b>	(2,020,616)
General and administrative		<b>(148,374)</b>	(129,295)	<b>(443,263)</b>	(412,004)
<b>Total expenses</b>		<b>(1,000,593)</b>	(788,144)	<b>(2,972,895)</b>	(2,432,620)
Income from operations		<b>510,619</b>	648,178	<b>1,451,283</b>	1,850,130
<b>Other income (expenses)</b>					
Gain on disposal of investments		-	191,994	<b>265,152</b>	209,700
Financial charges – net		<b>(87,502)</b>	(83,519)	<b>(285,774)</b>	(245,094)
Income before zakat and foreign taxes		<b>423,117</b>	756,653	<b>1,430,661</b>	1,814,736
Zakat and foreign income taxes		<b>(31,561)</b>	(35,747)	<b>(113,774)</b>	(94,910)
Income from continuing operations		<b>391,556</b>	720,906	<b>1,316,887</b>	1,719,826
Income from discontinued operations	1	-	13,746	-	37,010
Net income for the period		<b>391,556</b>	734,652	<b>1,316,887</b>	1,756,836
Net income for the period attributable to:					
• Shareholders' of the parent company		<b>371,555</b>	701,430	<b>1,276,432</b>	1,637,963
• Non-contributing interest's share in subsidiaries		<b>20,001</b>	33,222	<b>40,455</b>	118,873
<b>Net income for the period</b>		<b>391,556</b>	734,652	<b>1,316,887</b>	1,756,836
<b>Earnings per share:</b>					
Operating income	10	<b>0.96</b>	1.21	<b>2.72</b>	3.46
Net income for the period attributable to the shareholders' of the parent company		<b>0.70</b>	1.31	<b>2.39</b>	3.07
Weighted average number of shares outstanding (in thousand)	10	<b>533,981</b>	533,981	<b>533,981</b>	533,981

The notes on pages 6 to 21 form an integral part of these interim consolidated financial statements.

**SAVOLA GROUP COMPANY**  
**(A Saudi Joint Stock Company)**  
**Interim consolidated cash flow statement**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Nine-month period ended September 30,	
		2015 (Unaudited)	2014 (Unaudited)
<b>Cash flow from operating activities</b>			
Net income for the period		1,316,887	1,756,836
<u>Adjustments for non-cash items</u>			
Depreciation, amortization and impairment		491,710	471,884
Capital gain		(265,152)	(209,700)
Financial charges - net		285,774	245,094
Share in net income of associates		(607,668)	(741,610)
Deferred gain amortization		(12,823)	(11,934)
<u>Changes in working capital</u>			
Accounts receivable		(77,801)	(105,173)
Inventories		(184,213)	46,240
Prepayments and other receivables		(282,301)	(219,377)
Net change in long-term receivable		(4,262)	3,206
Accounts payable		(211,643)	(212,925)
Accrued and other liabilities		49,952	183,904
Employee termination benefits		29,810	43,581
Net cash generated from operating activities		528,270	1,250,026
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(1,344,776)	(1,343,079)
Dividends received		289,309	309,353
Proceeds from sale of property, plant and equipment		-	114,011
Proceeds from sale of subsidiary		910,000	217,754
Net change in deferred gain		-	28,503
Net change in intangible assets		(41,306)	(26,982)
Net cash generated from investing activities		(186,773)	(700,440)
<b>Cash flow from financing activities</b>			
Net change in short-term borrowings	5	1,687,048	1,174,581
Net change in long term borrowings	6	(473,379)	(205,839)
Changes in non-controlling interest		84,041	(274,166)
Financial charges paid		(285,774)	(245,094)
Dividends paid	7	(786,386)	(796,413)
Net cash utilized in financing activities		225,550	(346,931)
Net increase in cash and cash equivalents		567,047	202,655
Effect of currency exchange rates on cash and cash equivalents		(134,592)	(1,214)
Cash and cash equivalents at beginning of period		1,634,512	1,363,724
<b>Cash and cash equivalents at end of period</b>		<b>2,066,967</b>	<b>1,565,165</b>
<b>Supplemental schedule of non-cash financial information</b>			
Fair value reserve		30,422	145,051
Currency translation differences		(233,702)	(82,801)
Consideration receivable from sale of investment classified as long-term receivable		-	448,000
Directors' remuneration		1,650	1,650

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**SAVOLA GROUP COMPANY**  
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**Notes to the interim consolidated financial statements**  
**For the three months and nine-month periods ended September 30, 2015 (Unaudited)**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**1 General information**

Savola Group Company (the "Company") and its subsidiaries (collectively the "Group") consist of the Company and its various Saudi Arabian and foreign subsidiaries. The objectives of the Company along with its subsidiaries includes the manufacturing and sale of vegetable oils and to set up related industries, retail outlets, dairy products, fast foods, packing materials, exports and imports, commercial contracting, trade agencies, development of agricultural products and real estate related investment activities.

The Company is a Saudi Joint Stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030019708 issued in Jeddah on Rajab 21, 1399H (corresponding to September 16, 1979). The Company was formed under the Regulations for Companies in the Kingdom of Saudi Arabia per Royal Decree number M/21 dated Rabi-ul-Awal 29, 1398H (March 9, 1978). The registered address of the Company is Saudi Business Centre, Madinah Road, Jeddah, Kingdom of Saudi Arabia, the Kingdom of Saudi Arabia.

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

These interim consolidated financial statements were authorized for issue by the Company's Board of Directors on October 19, 2015.

At September 30, the Company has investments in the following subsidiaries:

**(a) Direct subsidiaries of the Company**

(i) Operating subsidiaries

Subsidiary name	Country of incorporation	Principal business Activity	Direct ownership interest (%) at September 30	
			2015	2014
Savola Foods Company ("SFC")	Saudi Arabia	Foods	100	100
Panda Retail Company ("Panda") (formally known as Al-Azizia Panda United Company)	Saudi Arabia	Retail	91	92
Savola Packaging Systems Limited ("SPS")	Saudi Arabia	Manufacturing of plastic packaging products	-	100
Al Matoun International for Real Estate Investment Holding Company	Saudi Arabia	Real estate	80	80
United Sugar Company, Egypt ("USCE")*	Egypt	Manufacturing of sugar	19.32	19.32
Giant Stores Trading Company ("Giant")*	Saudi Arabia	Retail	10	10

\* Group holds controlling equity ownership interest in USCE, Giant and SIIC through indirect shareholding of other Group companies.

Effective September 16, 2009, the Group's subsidiary, Panda acquired the operations of Saudi Geant Company Limited ("Geant") for a total consideration of Saudi Riyals 469.3 million, including cash consideration of Saudi Riyals 232 million and a deferred equity consideration of Saudi Riyals 237.3 million. The Company had paid the cash consideration on October 12, 2009 whereas the deferred equity component was settled during 2010, through issuance of 45.7 million new shares of Panda at a price of Saudi Riyals 51.9 per share. Also as per the agreement, Geant is entitled to acquire 1% share of Panda each year at an option value approximate to its fair value for a period of up to 3 years. During the three month period ended September 30, 2015, Geant exercised its right of acquiring the final 1% ownership interest in Panda as per the agreement at a consideration of Saudi Riyals 52.2 million. Accordingly, the ownership interest of the Group in Panda has reduced from 92% to 91% and the Group has realized a capital gain of Saudi Riyals 25.8 million, which is recorded in the balance sheet within "effect of acquisition transaction with non-controlling interest without change in control". However, Geant did not exercise its right to acquire the 1% share in the year 2014.

During December 2014 the Group signed a sale purchase agreement with Takween Advanced Industries (a third party) for sale of its ownership interest in SPS, which represented the Groups' plastic segment. During quarter ended March 31, 2015, all legal formalities for the sale of SPS were completed. In accordance with the generally accepted accounting standards in Saudi Arabia, financial information relating to SPS in the 2014 interim consolidated income statement have also been reclassified as 'Income from discontinued operations'.

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SPS controlled the following subsidiaries:

Subsidiary name	Country of incorporation	Principal business Activity	Direct ownership interest (%) at September 30	
			2015	2014
New Marina for Plastic Industries	Egypt	Manufacturing of plastic packaging products	100	100
Al Sharq Company for Plastic Industries Ltd.	Saudi Arabia	Manufacturing of plastic packaging products	100	100
(ii) Dormant and Holding subsidiaries				

Subsidiary name	Country of incorporation	Principal business Activity	Direct ownership interest (%) at September 30	
			2015	2014
Kafazat Al Kawnihah for Real Estate Limited	Saudi Arabia	Holding company	100	100
Alwaqat Al Kawnihah Limited	Saudi Arabia	Holding company	100	100
Aalinah Al Kawnihah Limited	Saudi Arabia	Holding company	100	100
Abtkar Al Kawnihah Limited	Saudi Arabia	Holding company	100	100
Adeem Arabia Company Ltd.	Saudi Arabia	Holding company	80	80
Madarek Investment Company	Jordan	Holding company	100	100
Arabian Al Utur Holding Company for Commercial Investment	Saudi Arabia	Holding company	100	100
Al Mojammal Al Mowahadah Real Estate Company	Saudi Arabia	Holding company	100	100
Marasina International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Asda'a International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Masa'ay International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Saraya International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Savola Trading International Limited	British Virgin Islands	Dormant company	100	100
United Properties Development Company	Saudi Arabia	Dormant company	100	100
Kamin Al Sharq for Industrial Investments	Saudi Arabia	Dormant company	100	100
Arabian Sadouk for telecommunications Company	Saudi Arabia	Dormant company	100	100
Al Maoun International Holding Company	Saudi Arabia	Dormant company	100	100
Afia Foods Arabia	Saudi Arabia	Dormant company	100	100

\* Group holds controlling equity ownership in SIIC through holding of SFC.



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**(b) Subsidiaries controlled through SFC**

Subsidiary name	Country of incorporation	Principal business Activity	Subsidiary direct ownership interest (%) at September 30	
			2015	2014
Afia International Company ("AIC")	Saudi Arabia	Manufacturing of edible oil	<b>95.19</b>	95.19
SIIC	Saudi Arabia	Holding company	<b>95</b>	95
Savola Foods Emerging Markets Company Limited ("SFEM")	British Virgin Islands	Holding company	<b>95.43</b>	95.43
Savola Foods for Sugar Company	Cayman Islands	Holding company	<b>95</b>	95
El Maleka for Food Industries Company	Egypt	Manufacturing of pasta	<b>100</b>	100
El Farasha for Food Industries Company	Egypt	Manufacturing of pasta	<b>100</b>	100
Savola Foods Company International ("SFCI") Limited	UAE	Holding company	<b>100</b>	100
International Foods Industries Company Limited	Saudi Arabia	Manufacturing of specialty fats	<b>60</b>	60
Alexandria Sugar Company Egypt ("ASCE")	Egypt	Manufacturing of sugar	<b>19</b>	19
<b><u>SFCI</u></b>				
Modern Behtaam Royan Kaveh Company ("MBRK")	Iran	Food and confectionary	<b>100</b>	100
<b><u>SIIC</u></b>				
United Sugar Company ("USC")	Saudi Arabia	Manufacturing of sugar	<b>74.48</b>	74.48
<b><u>USC</u></b>				
USCE	Egypt	Manufacturing of sugar	<b>56.75</b>	56.75
ASCE	Egypt	Manufacturing of sugar	<b>62.13</b>	62.13
Beet Sugar Industries	Cayman Islands	Dormant company	<b>100</b>	100
<b><u>USCE</u></b>				
ASCE	Egypt	Manufacturing of sugar	<b>18.87</b>	18.87
<b><u>ASCE</u></b>				
Alexandria United Company for Land reclamation	Egypt	Agro cultivation	<b>100</b>	100
<b><u>SFEM</u></b>				
Savola Morocco Company	Morocco	Manufacturing of edible oils	<b>100</b>	100
Savola Edible Oils (Sudan) Ltd	Sudan	Manufacturing of edible oils	<b>100</b>	100
AFIA International Company – Algeria	Algeria	Manufacturing of edible oils	<b>100</b>	100

During 2010, as an outcome of review of its foods business pruning strategy, the Group has decided to entrench its position in core markets and assess exiting from certain overseas operations. Accordingly, parts of manufacturing facilities within the edible oil segment of the Group are presented as 'held for sale'. During June 2014, the Group management sold one part of such business.

During September 2013, there was a fire incident in the Jeddah raw sugar warehouse of USC. Subsequent to the period ended September 30, 2015, USC has reached a full and final settlement with the insurance company at Saudi Riyals 548 million. Gain relating to such settlement has been recorded subsequent to period end.

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**c) Subsidiaries controlled through AIC**

Subsidiary name	Country of incorporation	Principal business Activity	Subsidiary direct ownership interest (%) at September 30	
			2015	2014
Savola Behshahr Company (SBeC)	Iran	Holding company	90	90
Malintra Holdings	Luxembourg British Virgin Islands	Holding company	100	100
Savola Foods Limited ("SFL")	Islands	Holding company	100	100
Afia International Company - Jordan	Jordan British Virgin Islands	Manufacturing of edible oils	97.4	97.4
Inveskz Inc.	Islands British Virgin Islands	Holding company	90	90
Afia Trading International	Islands British Virgin Islands	Trading company	100	100
Savola Foods International	Islands	Dormant company	100	100
KUGU Gida Yatum Ve Ticaret A.S ("KUGU")	Turkey	Holding company	100	100
<b><u>SBeC</u></b>				
Behshahr Industrial Company	Iran	Manufacturing of edible oils	79.9	79.9
Savola Beshahr Sugar Company	Iran	Trading and distribution	100	100
Tolue Pakshe Aftab Company	Iran	Trading and distribution	100	100
Notrika Golden Wheat Company (Pech Pech - Iran)	Iran	Food and confectionary	90	-
<b><u>SFL</u></b>				
Afia International Company, Egypt	Egypt British Virgin Islands	Manufacturing of edible oils	99.92	99.92
Latimar International Limited	Islands British Virgin Islands	Dormant company	100	100
Elington International Limited	Islands	Dormant company	100	100
<b><u>KUGU</u></b>				
Yudum Gida Sanayi ve Ticaret A.S ("Yudum")	Turkey	Manufacturing of edible oils	100	100

During September 2015, SBeC acquired 90% ownership interest in Notrika that is engaged in manufacturing of confectionery products.

During May 2014, AIC acquired additional 10% equity ownership interest in SBeC from Behshahr Industrial Development Company ("BID"), in exchange of disposing its indirect shareholding of 79.9% equity ownership interest in Margarine Manufacturing Company to BID. Accordingly, the Group recorded an adjustment in 'Effect of acquisition transaction with non-controlling without change in control' on this transaction.

**(d) Subsidiaries controlled through Panda**

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary direct ownership interest (%) at September 30	
			2015	2014
<b><u>Panda</u></b>				
Giant Stores Trading Company Limited ("Giant")	Saudi Arabia	Retail	90	90
Panda for Operating Services, Maintenance and Contracting Company Limited	Saudi Arabia United Arab Emirates	Services and maintenance	100	100
Panda International Retail LLC	Emirates	Retail	100	-
Panda International for Retail Trading – Giant	Egypt	Retail	100	100
Lebanese Sweets and Bakeries Company ("LSBC")	Saudi Arabia	Dormant company	95	95

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**2 Summary of significant accounting policies**

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

**2.1 Basis of preparation**

The accompanying interim consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting, as modified by revaluation of available-for-sale investments and derivative financial instruments to fair value, and in compliance with accounting standards promulgated by Saudi Organization for Certified Public Accountants.

The interim consolidated financial statements for the nine-month period ended September 30, 2015, have been prepared in accordance with SOCPA's Standard of Review of Interim Financial Reporting, on the basis of integrated periods, which views each interim period as an integral part of the financial year. Accordingly, revenues, gains, expenses and losses of the period are recognized during the period. The accompanying interim consolidated financial statements include all adjustments, comprising mainly of normal recurring accruals, considered necessary by the management to present fair statements of financial position, results of operations and cash flows. The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended December 31, 2014.

**2.2 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.3. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Impairment of available for sale investments

The Group exercises judgment to calculate the impairment loss of available for sale investments as well as their underlying assets. This includes the assessment of objective evidence which causes an other than temporary decline in the value of investments. Any significant and prolonged decline in the fair value of equity investment below its cost is considered as objective evidence for the impairment. The determination of what is 'significant' and 'prolonged' requires judgment. The Group also considers impairment to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(c) Provision for doubtful debts

A provision for impairment of account receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. For significant individual amounts, assessment is made at individual basis. Amounts which are not individually significant, but are over due, are assessed collectively and a provision is recognized considering the length of time considering the past recovery rates.

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(d) Provision for inventory obsolescence

The Group determines its provision for inventory obsolescence based upon historical experience, expected inventory turnover, inventory aging and current condition, and current and future expectations with respect to sales. Assumptions underlying the provision for inventory obsolescence include future sales trends, and the expected inventory requirements and inventory composition necessary to support these future sales and offerings. The estimate of the Group's provision for inventory obsolescence could materially change from period to period due to changes in product offerings of those products.

(e) Useful lives of property, plant and equipment

The management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

### **2.3 Investments**

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given or liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries is reported under "intangible assets" in the accompanying balance sheet. Goodwill is tested annually for impairment and carried at cost, net of any accumulated amortization and impairment losses, if any. The subsidiaries on which the Group control is temporary are not consolidated and are accounted for as an associate.

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

Changes in a group's ownership interest in a subsidiary after acquiring control, is accounted as equity transactions and the carrying amounts of the non-controlling interests is adjusted against the fair value of the consideration paid and any difference is recognized directly in equity under "Effect of acquisition transactions with non-controlling interest without change in control".

(b) Associates

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

The Group's share of its associates' post-acquisition income or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate companies equals or exceeds its interest in the associate and jointly-controlled company, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investment in associates are recognized in the income statement.

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Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Investment in available-for sale investments

Available-for-sale investments principally consist of less than 20% equity investments in certain quoted/unquoted investments. These investments are included in non-current assets unless management intends to sell such investments within twelve months from the balance sheet date. These investments are initially recognized at cost and are subsequently re-measured at fair value at each reporting date as follows:

(i) Fair values of quoted securities are based on available market prices at the reporting date adjusted for any restriction on the transfer or sale of such investments; and

(ii) Fair values of unquoted securities are based on a reasonable estimate determined by reference to the current market value of other similar quoted investment securities or is based on the expected discounted cash flows. Where fair values cannot be reliably estimated, the Group records such investment at cost.

Cumulative adjustments arising from revaluation of these investments are reported as separate component of equity as other reserves until the investment is disposed.

## **2.4 Segment reporting**

(a) Business segment

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

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

(b) Geographical segment

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

## **2.5 Foreign currency translations**

(a) Reporting currency

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

(b) Transactions and balances

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

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(c) Group companies

The results and financial position of foreign subsidiaries and associates having reporting currencies other than Saudi Riyals are translated into Saudi Riyals as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (ii) income and expenses for each the income statement are translated at average exchange rates; and
- (iii) components of the equity accounts are translated at the exchange rates in effect at the dates of the related items originated.

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

Any goodwill arising on acquisition of foreign subsidiaries and any subsequent fair value adjustments to the carrying values of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiaries and translated at the closing rate and recognized in the equity.

Dividends received from associates are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the income statement.

When investments in foreign subsidiaries and associates are partially disposed off or sold, currency translation differences that were recorded in equity are recognized in income as part of gain or loss on disposal or sale.

(d) Hyperinflationary economies

When the economy of a country in which the Group operates is deemed hyper inflationary and the functional currency of a Group entity is the currency of that hyper inflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit current at the end of the reporting period. This involves restatement of income and expenses to reflect changes in the general price index from the start of the reporting period and, restatement of non-monetary items in the balance sheet, such as property, plant and equipment and inventories, to reflect current purchasing power as at the period end using a general price index from the date when they were first recognized. The gain or loss on the net monetary position for the year is included in finance costs or income. Comparative amounts are not adjusted.

## **2.6 Cash and cash equivalents**

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

## **2.7 Accounts receivable**

Accounts receivable are carried at original invoice amount less provision for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to the income statement and reported under "General and administrative expenses". When account receivable is uncollectible, it is written-off against the provision for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited against "General and administrative expenses" in the income statement.

## **2.8 Inventories**

Inventories are carried at the lower of cost or net realizable value. Cost is determined using weighted average method. The cost of finished products include the cost of raw materials, labor and production overheads. Inventories in transit are valued at cost. Stores and spares are valued at cost, less any provision for slow moving items.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

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**2.9 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation except construction work in progress which is carried at cost. Land is not depreciated. Depreciation is charged to the income statement, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

	<b>Years</b>
• Buildings	12.5 - 33
• Leasehold improvements	3 - 33
• Plant and equipment	3 - 30
• Furniture and office equipment	3 - 16
• Vehicles	4 - 10

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

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

**2.10 Deferred charges**

Costs that are not of benefit beyond the current period are charged to the income statement, while costs that will benefit future periods are capitalized. Deferred charges, reported under "Intangible assets" in the balance sheet, include certain indirect construction costs incurred by the Group in relation to setting up its retail outlets. Such costs are amortized over periods which do not exceed five years.

**2.11 Other intangible assets with infinite useful life**

Other intangible assets comprise of trade name and certain other intangibles. Intangible assets with infinite useful life represent group acquisition of such asset in a business combination. These assets are carried at cost and are not amortized.

**2.12 Impairment of non-current assets**

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

**2.13 Non-current-assets and liabilities classified as held for sale and discontinued operations**

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. A non-current asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups). Its sale must be planned and committed and an active programme initiated to locate a buyer and complete the plan within one year. The asset (or disposal group) must be actively marketed for a price that is reasonable in relation to its current fair value.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the consolidated statement of income for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell.

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**2.13 Non-current-assets and liabilities classified as held for sale and discontinued operations (continued)**

Subsequent gains in fair value less costs to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale or while part of a disposal group held for sale.

The Group separately classifies the material non-current assets held for sale (or disposal group) in the consolidated statement of financial position. Furthermore, all major classes of assets and liabilities are disclosed. Any cumulative income or expense is disclosed as a separate item within equity. Prior period amounts are not re-presented to reflect the classification of the assets (or disposal group) in the current period.

Non-current assets, which are to be abandoned, are not classified as held for sale and are reclassified as discontinued operations, to the extent they meet the requirements of discontinued operations in the paragraph which follows.

If a non-current asset (or disposal group) ceases to be classified as held for sale or as discontinued operations, the results of operations are reclassified and included in the consolidated statement of income from continuing operations for all periods presented.

*Discontinued Operations*

A discontinued operation is a component (cash generating unit) of an entity that either has been disposed of or is classified as held for sale and a) represents a major business line or geographical area of operations; b) is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or c) is a subsidiary acquired exclusively with a view to resell.

The Group presents after tax results from discontinued operations as a single separate component of the statement of income. Revenues, expenses, taxes, gains or losses on the measurement to fair value less costs to sell and cash flows are additionally disclosed. Prior periods are reclassified in order to present all operations that have been discontinued by the statement of financial position date of the latest period presented.

**2.14 Borrowings**

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

**2.15 Sukuk**

The Group classifies its Sukuk as financial liability, in accordance with the substance of the contractual terms of the Sukuk.

**2.16 Accounts payable and accruals**

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

**2.17 Provision**

Provisions are recognized when; the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

**2.18 Zakat and taxes**

The Company is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax ("DZIT"). Foreign shareholders in the consolidated Saudi Arabian subsidiaries are subject to income taxes. Income tax provisions related to the foreign shareholders in such subsidiaries are charged to the non-controlling interest in the financial statements. Provision for zakat for the Company and zakat related to the Company's ownership in the Saudi Arabian subsidiaries is charged to the income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.



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**2.18 Zakat and taxes (continued)**

The Company and its Saudi Arabian subsidiaries withhold taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

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

Deferred income tax assets are recognized on carry-forward tax losses and on all major temporary differences between financial income and taxable income to the extent that it is probable that future taxable profit will be available against which such carry-forward tax losses and the temporary differences can be utilized. Deferred income tax liabilities are recognized on significant temporary differences expected to result in an income tax liability in future periods. Deferred income taxes are determined using tax rates which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

**2.19 Employee termination benefits**

Employee termination benefits required by Saudi Labor and Workman Law are accrued by the Company and its Saudi Arabian subsidiaries and charged to the income statement. The liability is calculated; as the current value of the vested benefits to which the employee is entitled, should the employee leave at the balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The foreign subsidiaries provide currently for employee termination and other benefits as required under the laws of their respective countries of domicile. There are no funded or unfunded benefit plans established by the foreign subsidiaries.

**2.20 Revenues**

Revenues are recognized upon delivery of products and customer acceptance, if any, or on the performance of services. Revenues are shown net of discounts and transportation expenses, and after eliminating sales within the Group.

Rental income from operating leases is recognized in the income statement over the lease term. Promotional and display income is comprised of income earned from promotion and display of various products by vendors within the Group's retail stores, and is recognized in the period in which the product is listed.

Dividend income is recognized when the right to receive payment is established.

**2.21 Selling, marketing and general and administrative expenses**

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

**2.22 Dividends**

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

**2.23 Derivative financial instruments**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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**2.23 Derivative financial instruments (continued)**

The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or
- (b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**(a) Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Company only applies fair value hedge accounting for hedging commodity (raw sugar) value risk. The gain or loss relating to the effective portion of the hedging transaction is recognized in the income statement within "cost of sales". The gain or loss relating to the ineffective portion is recognized in the income statement within 'Finance income / charges - net'.

**(b) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the shareholders' equity. The gain or loss relating to the ineffective portion is recognized in the income statement within 'Finance income / charges - net'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of commodity value is recognized in the income statement within 'Cost of sales'.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognized in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the income statement within 'Finance income / charges - net'.

**2.24 Operating leases**

Rental expenses under operating leases are charged to the income statement over the period of the respective lease.

**2.25 Insurance recoveries**

Insurance recoveries are recognized as an asset when it is virtually certain that an inflow of economic benefits will arise to the Group with the corresponding impact to income statement of the period in which the recoveries become virtually certain.

**2.26 Reclassification**

For better presentation, certain amounts relating to 2014 comparative interim consolidated financial statements have been reclassified to conform to the 2015 presentation.

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**3 Assets and liabilities classified as held for sale**

During 2010, as an outcome of review of its foods business pruning strategy, the Group has decided to entrench its position in core markets and assess exiting from certain overseas operations. Accordingly, parts of manufacturing facilities within the edible oil segment of the Group are presented as 'held for sale'. Efforts to sell these assets which are held for sale have commenced. During 2014, Group management sold one part of such business. The net profit relating to these business disposal group amounted to Saudi Riyals 2.5 million during 2015 (2014: net profit of Saudi Riyals 3 million). At September 30, 2015, the 'held for sale' business comprised assets of Saudi Riyals 50.7 million (2014: Saudi Riyals 71.2 million) after recognition of an impairment loss of Saudi Riyals 65 million during 2010 and liabilities of Saudi Riyals 93.9 million (2014: Saudi Riyals 102.2 million).

**4 Investments**

	Note	2015 (Unaudited)	2014 (Unaudited)
Investments in associates	4.1	7,553,798	7,172,622
Available-for-sale (AFS) investments	4.2	718,330	979,349
		<b>8,272,128</b>	<b>8,151,971</b>

**4.1 Investment in associates**

	Effective ownership interest (%)		2015	2014
	2015	2014	(Unaudited)	(Unaudited)
Almarai Company Limited ("Almarai")	36.52	36.52	6,207,729	5,781,068
Kinan International for Real Estate Development Company ("Kinan")	29.9	29.9	612,948	636,987
Herfy Foods Services Company	49	49	367,536	332,370
Intaj Capital Limited ("Intaj")	49	49	181,744	239,544
Al-Seera City Company For Real Estate Development	40	40	164,578	164,578
Knowledge Economic City Development Company	17	17	17,200	17,200
Other	Various	Various	2,063	875
			<b>7,553,798</b>	<b>7,172,622</b>

4.1.1 During September 2014, the Company sold its direct and indirect ownership in Diyar Al Mashreq (Masharef Project) to its associate Kinan at a total price of Saudi Riyals 593.6 million. Accordingly, the Group recorded a capital gain on this transaction amounting to Saudi Riyals 187.5 million. As per the terms of the agreement, Kinan will pay the proceeds in four installments. First instalment of Saudi Riyals 112 million was paid upon signing of contract. The remaining three installments are due within a period of three years ending in the year 2017. The abovementioned receivable amounts from Kinan are discounted at their respective present values and are included within 'Long term receivables' in the interim consolidated balance sheet. The schedules for the receipt of remaining three installments for the above transaction are due as follows:

**Years ending December 31:**

2015	153,395
2016 & onward	298,480
	<b>451,875</b>

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**4 Investments (continued)**

**4.2 Available for sale (AFS) investments**

AFS investments at September 30 principally comprise the following:

	Effective ownership interest (%)		2015	2014
	2015	2014	(Unaudited)	(Unaudited)
<u>Quoted investments</u>				
Knowledge Economic City	6.4	6.4	361,421	521,280
Emaar the Economic City ("Emaar")	0.9	0.9	80,613	129,666
Taameer Jordan Holding Company	5	5	-	-
<u>Unquoted investments</u>				
Joussour Holding Company ("Joussour")	14.81	14.81	135,869	186,298
Swicorp, Saudi Arabia	15	15	115,674	115,674
Others	Various	Various	24,753	26,431
			<b>718,330</b>	<b>979,349</b>

**5 Short-term borrowings**

Short-term borrowings consist of bank overdrafts, short-term loans and Murabaha financing arrangements from various commercial banks and financial institutions. Such debts bear financing charges at the prevailing market rates. Certain short-term borrowings of subsidiaries are secured by corporate guarantees of the Company.

**6 Long-term borrowings**

	Note	2015	2014
		(Unaudited)	(Unaudited)
Commercial banks	(a)	3,218,235	3,158,214
Saudi Industrial Development Fund (SIDF)	(a)	-	8,809
		<b>3,218,235</b>	<b>3,167,023</b>
Sukuk	(b)	1,500,000	1,500,000
		<b>4,718,235</b>	<b>4,667,023</b>
Current maturity shown under current liabilities		<b>(341,884)</b>	<b>(564,073)</b>
		<b>4,376,351</b>	<b>4,102,950</b>

(a) Borrowings from SIDF, commercial banks and other financial institutions represent financing for the Company and its consolidated subsidiaries. Certain of these borrowings are secured by a charge on the property, plant and equipment of certain subsidiaries. The loan agreements include covenants which, amongst other things, require certain financial ratios to be maintained. Some of the long-term borrowings of subsidiaries are secured by corporate guarantees of the Company.

(b) In an extraordinary general meeting held on December 15, 2012, the Company's shareholders approved the establishment of a Sukuk program pursuant to which the Company can issue Sukuk through one or more tranches for an amount that will not exceed the Company's paid-up capital.

As of January 22, 2013, the Group completed its initial offering under this program by issuing Sukuk with a total value of Saudi Riyals 1.5 billion. The Sukuk issued have a tenor of 7 years, and have been offered at nominal value with an expected variable return to the Sukuk-holders of 6 months SIBOR plus 1.10%.

The covenants of the Sukuk require the Group to maintain certain financial and other conditions.

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**7 Share capital and dividends declaration**

At September 30, 2015, the Company's share capital of Saudi Riyals 5.3 billion consists of 533.9 million fully paid shares of Saudi Riyals 10 each (September 30, 2014: Saudi Riyals 5.3 billion consisting of 533.9 million fully paid shares of Saudi Riyals 10 each). Please also refer to Note 1.

The Board of Directors on April 19, 2015, approved interim dividends of Saudi Riyals 266.99 million (representing Saudi Riyals 0.50 per share).

The Board of Directors on July 28, 2015 approved interim dividends of Saudi Riyals 266.99 million (representing Saudi Riyals 0.50 per share).

The Board of Director on October 19, 2015 approved interim dividends of Saudi Riyals 266.99 million (representing Saudi Riyals 0.50 per share).

**8 Seasonal changes**

Some of the Group's activities are affected by seasonal movements related to the holy months of Ramadan, Shawwal and Hajj season, which cause revenue to increase significantly during those periods. The effect of such period for 2015 and 2014 principally fall in second and third quarters of the financial year.

**9 Segment information**

During the period ended September 30, 2015 and 2014, the principal activities of the Group related to the Foods, Retail trading in various types of food and related products, and Investments and other related activities. Selected financial information as of September 30, and for the nine-month period ended on those dates, summarized by segment, is as follows:

<b>September 30, 2015 (Unaudited)</b>	<b>Foods</b>	<b>Retail</b>	<b>Investments and other activities</b>	<b>Eliminations</b>	<b>Total</b>
Property, plant and equipment – net	3,196,151	3,629,977	601,950	-	<b>7,428,078</b>
Other non-current assets	846,205	325,552	8,582,963	-	<b>9,754,720</b>
Revenues – net	9,991,400	10,066,033	44,078	(255,998)	<b>19,845,513</b>
Net income	416,599	117,594	759,777	(17,538)	<b>1,276,432</b>

  

<b>September 30, 2014 (Unaudited)</b>	<b>Foods</b>	<b>Retail</b>	<b>Plastic (discontinued operations)</b>	<b>Investments and other activities</b>	<b>Eliminations</b>	<b>Total</b>
Property, plant and equipment - net	3,172,075	2,732,494	534,404	483,004	-	<b>6,921,977</b>
Other non-current assets	863,773	351,639	135,373	8,612,644	-	<b>9,963,429</b>
Revenues - net	10,920,389	8,969,834	-	47,019	(209,780)	<b>19,727,462</b>
Net income	478,438	296,173	37,011	853,221	(26,880)	<b>1,637,963</b>

\* Net income represents income attributable to the shareholders' of the parent company.

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**9 Segment information (continued)**

The Group's operations are conducted in Saudi Arabia, Egypt, Iran and other countries. Selected financial information as of September 30 and for the nine-month period ended on those dates summarized by geographic area is as follows:

<b>September 30, 2015 (Unaudited)</b>	<b>Saudi Arabia</b>	<b>Egypt</b>	<b>Iran</b>	<b>Other countries</b>	<b>Total</b>
Property, plant and equipment - net	4,926,130	1,579,794	720,274	201,880	<b>7,428,078</b>
Other non-current assets	8,832,173	421,466	102,825	398,256	<b>9,754,720</b>
Revenues – net	13,072,295	2,701,111	2,108,474	1,963,633	<b>19,845,513</b>
Net income (loss)*	1,170,025	(76,368)	115,760	67,015	<b>1,276,432</b>

Segment period ended September 30,

<b>September 30, 2014 (Unaudited)</b>	<b>Saudi Arabia</b>	<b>Egypt</b>	<b>Iran</b>	<b>Other countries</b>	<b>Total</b>
Property, plant and equipment – net	4,354,958	1,634,480	688,584	243,955	<b>6,921,977</b>
Other non-current assets	8,960,701	490,319	86,528	425,881	<b>9,963,429</b>
Revenues – net	12,394,170	2,729,847	2,499,888	2,103,557	<b>19,727,462</b>
Net income (loss)*	1,469,836	(49,493)	134,246	83,374	<b>1,637,963</b>

\* Net income represents income attributable to the shareholders' of the parent company.

**10 Earnings per share**

Earnings per share for the three-month and nine-month periods ended September 30, 2015 and 2014, have been computed by dividing the operating income and net income attributable to shareholders of the Company for such periods by the weighted average number of shares outstanding during such periods.

**11 Contingencies and commitments**

- (i) At September 30, 2015, the Group had outstanding commitments of Saudi Riyals 23.3 million (2014: Saudi Riyals 156.4 million) for investments.
- (ii) At September 30, 2015, the Department of Zakat and Income Tax (DZIT) has assessed an additional Zakat liability of Saudi Riyals 42.7 million (2014: Saudi Riyals 41.4 million) relating to prior periods against the Company and certain of its consolidated subsidiaries. Management has appealed such assessments and believes that the DZIT will eventually reverse the assessments. Accordingly, no provision for such amount has been made in the accompanying interim consolidated financial statements.