

SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
AND LIMITED REVIEW REPORT

SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

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LIMITED REVIEW REPORT

April 20, 2016

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 March 31, 2016 and the interim consolidated statements of income and cash flows for the three-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)

		March 31,	
	Note	2016 (Unaudited)	2015 (Unaudited)
Assets			
Current assets			
Cash and cash equivalents		1,643,555	1,846,880
Accounts receivable		968,078	1,076,313
Inventories		4,318,736	4,200,063
Prepayments and other receivables		1,529,022	2,029,968
Assets classified as held-for-sale	1,3	832,099	58,360
		9,291,490	9,211,584
Non-current assets			
Long-term receivables		175,477	333,029
Investments	4	8,534,766	8,132,009
Property, plant and equipment		7,605,352	6,979,765
Intangible assets		1,106,824	1,161,171
		17,422,419	16,605,974
Total assets		26,713,909	25,817,558
Liabilities			
Current liabilities			
Short-term borrowings	5	4,544,750	3,804,528
Current maturity of long-term borrowings	6	454,039	280,689
Accounts payable		2,354,536	2,868,571
Accrued and other liabilities		2,368,646	2,412,593
Liabilities associated with assets held-for-sale	1,3	709,711	104,928
		10,431,682	9,471,309
Non-current liabilities			
Long-term loans	6	4,489,807	4,569,983
Deferred tax		75,730	77,621
Deferred gain		171,039	188,136
Long-term payables		52,156	64,311
Employee termination benefits		410,202	375,981
		5,198,934	5,276,032
Total liabilities		15,630,616	14,747,341
Equity			
Equity attributable to shareholders' of the parent company:			
Share capital	7	5,339,807	5,339,807
Share premium reserve		342,974	342,974
Statutory reserve		1,774,085	1,594,910
General reserve		4,000	4,000
Retained earnings		4,101,223	3,936,400
Fair value reserve		(45,619)	36,451
Effect of acquisition transactions with minority	1	(171,375)	(218,851)
Currency translation differences		(1,201,310)	(932,575)
Total shareholders' equity		10,143,785	10,103,116
Non-controlling interest		939,508	967,101
Total equity		11,083,293	11,070,217
Total liabilities and equity		26,713,909	25,817,558

Contingencies and commitments

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The notes on pages 7 to 23 form an integral part of these interim consolidated financial statements.

SAVOLA GROUP COMPANY
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Interim consolidated income statement
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended March 31,	
		2016 (Unaudited)	2015 (Unaudited)
Revenues		6,023,171	6,223,714
Cost of revenues		(4,800,079)	(5,064,559)
Gross profit		1,223,092	1,159,155
Share in net income of associates and dividend income of available-for-sale investments - net	4	133,015	142,619
Total income		1,356,107	1,301,774
Operating expenses			
Selling and marketing		(909,004)	(791,858)
General and administrative		(161,604)	(139,372)
Total expenses		(1,070,608)	(931,230)
Income from operations		285,499	370,544
Other income (expense)			
Gain on disposal of investments	1	-	265,152
Financial charges – net		(92,256)	(91,116)
Income before zakat and foreign income tax		193,243	544,580
Zakat and foreign income tax		(28,592)	(38,194)
Income from continuing operations		164,651	506,386
Loss from discontinued operations	1,3	(107,307)	(37,758)
Net income for the period		57,344	468,628
Net income attributable to:			
• Shareholders' of the parent company		92,922	470,510
• Non-controlling interest's share of period's net income in subsidiaries		(35,578)	(1,882)
Net income for the period		57,344	468,628
Earnings per share:	10		
Operating income		0.53	0.69
Net income for the period attributable to the shareholders' of the parent company		0.17	0.88
Number of shares outstanding (in thousand)	10	533,981	533,981

The notes on pages 7 to 23 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)

	Three-month period ended March 31,	
	2016	2015
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Net income for the period	57,344	468,628
<u>Adjustments for non-cash items</u>		
Depreciation, amortization, impairment and amortization of deferred gain	170,156	147,484
Capital gain	-	(265,152)
Financial charges - net	92,256	143,917
Share in net income of associates	(133,015)	(142,619)
Gain on sale of property, plant and equipment	-	-
<u>Changes in working capital</u>		
Accounts receivable	(66,468)	(35,313)
Inventories	453,978	146,164
Prepayments and other receivables	(526,895)	(291,005)
Net change in long-term receivable	1,689	(10,933)
Accounts payable	(784,410)	175,339
Accrued and other liabilities	784,355	86,248
Employee termination benefits	(201)	5,223
Net cash flow from operating activities (discontinued operations)	33,030	-
Net cash generated from operating activities	81,819	427,981
Cash flow from investing activities		
Proceeds from sale of subsidiary	-	910,000
Purchase of property, plant and equipment	(421,578)	(503,383)
Additions to investments	(22,403)	
Net change in intangible assets	(7,567)	(8,757)
Net cash flow from investing activities (discontinued operations)	(2,830)	-
Net cash (utilized in) generated from investing activities	(454,378)	397,860
Cash flow from financing activities		
Net change in short-term borrowings	410,191	(58,138)
Net change in long term borrowings	(87,421)	(361,034)
Net change in long term payables	(13,798)	1,753
Net change in deferred tax liability	(15,841)	2,283
Changes in non-controlling interest	(16,959)	19,254
Financial charges paid	(92,256)	(143,917)
Dividends paid	(948)	(2,358)
Net cash flow from financing activities (discontinued operations)	(141,603)	-
Net cash generated from (utilized in) financing activities	41,365	(542,157)
Net change in cash and cash equivalents	(331,194)	283,684
Effect of currency exchange rates on cash and cash equivalents	(92,319)	(71,316)
Cash and cash equivalents at beginning of period	2,067,068	1,634,512
Cash and cash equivalents at end of period	1,643,555	1,846,880

(Continued)

SAVOLA GROUP COMPANY
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Interim consolidated cash flow statement
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	Three-month period ended March 31,	
	2016	2015
	(Unaudited)	(Unaudited)
Supplemental schedule of non-cash financial information		
Fair value reserve	(49,403)	53,916
Currency translation differences	(182,222)	(131,498)
Directors' remuneration	550	550

The notes on pages 7 to 23 form an integral part of these interim consolidated financial statements.

SAVOLA GROUP COMPANY
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Notes to the interim consolidated financial statements
For the three-month period ended March 31, 2016 (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 June 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 Savola Tower, The Headquarter Business Park, Prince Faisal Bin Fahad Street, Jeddah 23511-7333, 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 April 19, 2016.

At March 31, the Company has investments in the following subsidiaries (collectively referred to as the "Group"):

(a) Direct subsidiaries of the Company

(i) Operating subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Direct ownership interest (%) at March 31	
			2016	2015
Savola Foods Company ("SFC")	Saudi Arabia	Foods	100	100
Panda Retail Company ("Panda")	Saudi Arabia	Retail	91	92
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
Savola Industrial Investment Company ("SIIC")*	Saudi Arabia	Holding company	5	5

* 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"). In accordance with the share purchase agreement (the "agreement"), Geant is entitled to acquire 1% shareholding in Panda, starting 2013 for a maximum period of 3 years. Geant had exercised its right during 2013 and acquired 1% shareholding of Panda, which resulted in reduction in the ownership interest of the Group in Panda from 93% to 92%. However, Geant did not exercise its right to acquire 1% shareholding in Panda during 2014. During August, 2015, Geant had exercised its right of acquiring the final 1% ownership interest in Panda for a consideration of Saudi Riyals 52.2 million. As a result of this transaction, the Group has realized a capital gain of Saudi Riyals 25.8 million during the year ended December 31, 2015, which is recorded in the equity within "Effect of transaction with non-controlling interest without change in control". Accordingly, the ownership interest of the Group in Panda has reduced from 92% to 91% as at December 31, 2015. Further, during the year ended December 31, 2015 the share capital of Panda has been increased by Saudi Riyals 800 million by issuance of 80 million shares at Saudi Riyals 10 per share to its existing shareholders in the existing shareholder ratio.

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Pursuant to the sale purchase agreement signed during December 2014 by the Group with Takween Advanced Industries (a third party) for sale of its ownership interest in SPS, representing the Groups' plastic segment, all the legal formalities for the sale of SPS were completed during the three month period ended March 31, 2015 and resulted in the gain on disposal of investment amounting to Saudi Riyals 265 million.

During March 2016, as part of the Group's strategic assessment of its core operations, the Group's and other shareholders' of USCE signed a Shareholders' Agreement to increase the paid up share capital of USCE in the form of participation by a new shareholder, European Bank for Reconstruction and Development ("EBRD"). Upon completion of all legal formalities (including approval from certain regulatory and government authorities in Egypt) for proposed increase in USCE paid-up capital, consequently, the ownership of Savola Group and United Sugar Company, an indirect subsidiary of the Group, will be reduced from 19.32% and 56.75%, respectively, to 10.37% and 30.42%, respectively, in the increased paid up capital, whereas EBRD will own 46.32% and the Group will jointly direct the strategic, operational and financial activities of USCE.

In accordance with the generally accepted accounting standards in Saudi Arabia, the assets and liabilities of USCE as of March 31, 2016 have been classified as 'held for sale' in the interim consolidated balance sheet and results of operations of USCE for the three-month period ended March 31, 2016 has been disclosed as 'loss from discontinued operations' in the interim consolidated income statement. Also the amounts relating to USCE for the three-month period ended March 31, 2015, have also been reclassified as 'loss from discontinued operations' in the interim consolidated income statement. Also, see Note 3 for details.

(ii) Dormant and Holding subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%) at March 31	
			2016	2015
Kafazat Al Kawniah for Real Estate Limited	Saudi Arabia	Holding Company	100	100
Alwaqat Al Kawniah Limited	Saudi Arabia	Holding Company	100	100
Aalintah Al Kawniah Limited	Saudi Arabia	Holding Company	100	100
Abtkar Al Kawniah Limited	Saudi Arabia	Holding Company	100	100
Adeem Arabia Company Limited	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 Mojammat 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 Island ("BVI")	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
Al Mustabshiroun International for Real Estate Investment Company	Saudi Arabia	Dormant Company	100	100

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(b) Subsidiaries controlled through SFC

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%) at March 31	
			2016	2015
Afia International Company ("AIC")	Saudi Arabia	Manufacturing of Edible oils	95.19	95.19
SIIC	Saudi Arabia	Holding Company	95	95
Savola Foods Emerging Markets Company Limited ("SFEM")	BVI	Holding Company	95.43	95.43
Savola Foods for Sugar Company ("SFSC")	Cayman Islands	Holding Company	95	95
El Maleka for Food Industries Company	Egypt	Manufacturing of Pasta	100	100
El Farasha for Food Industries Company	Egypt	Manufacturing of Pasta	100	100
Savola Foods Company International ("SFCI") Limited	United Arab Emirates ("UAE")	Holding Company	100	100
International Foods Industries Company Limited ("IFI")*	Saudi Arabia	Manufacturing of Specialty fats	75	60
Alexandria Sugar Company Egypt ("ASCE")	Egypt	Manufacturing of Sugar	19	19
Afia International Distribution and Marketing Company ("ADC") **	Saudi Arabia	Trading and Distribution	60	-
Seafood International Two FZCO ***	UAE	Seafood Products Trading and Distribution	60	-
SFCI				
Modern Behtaam Royan Kaveh Company ("MBRK")	Iran	Food and confectionary	100	100
SIIC				
United Sugar Company ("USC")	Saudi Arabia	Manufacturing of Sugar	74.48	74.48
USC				
USCE [(see Note 1 (a))]	Egypt	Manufacturing of Sugar	56.75	56.75
ASCE	Egypt	Manufacturing of Sugar	62.13	62.13
Beet Sugar Industries	Cayman Islands	Dormant Company	100	100
USCE				
ASCE	Egypt	Manufacturing of Sugar	18.87	18.87
ASCE				
Alexandria United Company for Land Reclamation	Egypt	Agro cultivation	100	100
SFEM				
Savola Morocco Company	Morocco	Manufacturing of Edible oils	100	100
Savola Edible Oils (Sudan) Ltd.	Sudan	Manufacturing of Edible oils	100	100
AFIA International Company – Algeria	Algeria	Manufacturing of Edible oils	100	100

* During December 2015, SFC acquired additional 15% ownership interest in IFI after completing necessary legal formalities.

** During the quarter ended March 31, 2016, ADC has been formed, which is 60% owned by SFC and 40% owned by AIC. ADC is engaged in trading and distribution of wholesale and retail food products.

*** During March 2016, Seafood International Two FZCO has been incorporated in Jebel Ali Free Zone in Dubai, UAE to engage in trading and distribution of seafood products.

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(c) Subsidiaries controlled through AIC

Subsidiary name	Country of Incorporation	Principal business activity	Subsidiary ownership interest (%) at March 31	
			2016	2015
Savola Behshahr Company ("SBeC")	Iran	Holding Company	90	90
Malintra Holdings	Luxembourg	Holding Company	100	100
Savola Foods Limited ("SFL")	BVI	Holding Company	100	100
Afia International Company – Jordan	Jordan	Dormant Company	97.4	97.4
Inveskz Inc.	BVI	Holding Company	90	90
Afia Trading International	BVI	Trading Company	100	100
Savola Foods International	BVI	Dormant Company	100	100
KUGU Gida Yatum Ve Ticaret A.S ("KUGU")	Turkey	Holding Company	100	100
Afia International Distribution and Marketing Company ("ADC")	Saudi Arabia	Trading and Distribution	40	-
SBeC				
Behshahr Industrial Company ("BIC")	Iran	Manufacturing of Edible oils	79.9	79.9
Tolue Pakshe Aftab Company	Iran	Trading and Distribution	100	100
Savola Behshahr Sugar Company	Iran	Trading and Distribution	100	100
Notrika Golden Wheat Company(" Notrika ")*	Iran	Food and confectionary	90	-
SFL				
Afia International Company, Egypt	Egypt	Manufacturing of Edible oils	99.92	99.92
Latimar International Limited	BVI	Dormant Company	100	100
Elington International Limited	BVI	Dormant Company	100	100
KUGU				
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.

(d) Subsidiaries controlled through Panda

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary ownership interest (%) at March 31	
			2016	2015
<u>Panda</u>				
Giant	Saudi Arabia	Retail	90	90
Panda for Operations, Maintenance and Contracting Services	Saudi Arabia	Services & Maintenance	100	100
Panda International for Retail Trading	Egypt	Retail	100	100
Panda International Retail Trading	UAE	Retail	100	100
Panda Bakeries LLC ("Panda Bakeries") **	Saudi Arabia	Bakery	100	-
<u>Giant</u>				
Lebanese Sweets and Bakeries ("LSB")	Saudi Arabia	Dormant Company	95	95

** During December 2015, Panda Bakeries has been incorporated in Saudi Arabia and is engaged in wholesale and retail trading of bakery products.

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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 three-month period ended March 31, 2016, 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, 2015.

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. 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 purchase 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 interim consolidated balance sheet. Goodwill is tested annually for impairment and carried at cost, net of impairment losses, if any. The subsidiaries on which the Group control is temporary are not consolidated and are accounted for as an associates.

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 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. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of impairment losses, if any.

The Group's share of its associates' post-acquisition income or losses is recognized in the interim consolidated 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 interim consolidated 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 fair value reserve 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.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). At January 1, 2016, one of the Group's entity changed its functional currency, which is deemed to be more appropriately representing the underlying operations of that entity.

(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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the interim consolidated income statement.

(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:

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- (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 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 interim consolidated 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 the interim consolidated income statement 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 hyperinflationary and the functional currency of a Group entity is the currency of that hyperinflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit currency 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 interim consolidated 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.

When the economy of a country, in which the Group operates, is no more deemed a hyperinflationary economy, the Group ceases application of hyperinflationary economies accounting at the end of the reporting period that is immediately prior to the period in which hyperinflation ceases. The amounts in the Group's consolidated financial statements as at that date are considered as the carrying amounts for the subsequent interim consolidated financial statements of the Group.

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 interim consolidated 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 interim consolidated 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 interim consolidated 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:

	Years
• 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 interim consolidated income statement.

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

2.10 Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(ii) 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.

(iii) Deferred charges

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

2.11 Impairment

(a) Tangibles and Intangible assets

At each fiscal year end, the Group reviews the carrying amounts of its long term tangible and intangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amounts are determined on the basis of value-in-use calculations. Where 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.

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If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized in the interim consolidated income statement.

(b) Financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the interim consolidated income statement. Impairment is determined as follows:

- (i) For assets carried at fair value, impairment is the difference between the carrying amount and fair value, less any impairment loss previously recognized in the interim consolidated income statement; and
- (ii) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.
- (iii) For impairment of available for sale investments, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement and is removed from equity and recognised in the interim consolidated income statement.

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 interim consolidated income statement. Impairment losses recognized on equity investments classified as available for sale and goodwill are not reversible.

2.12 Assets and liabilities classified as held for sale

Non-current assets (or disposal group) are classified as assets held for sale when their carrying amounts is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at a lower of carrying amount and fair value less costs to sell.

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 zakat and tax results from discontinued operations as a single separate component of the interim consolidated income statement. Revenues, expenses, taxes, gains or losses on the measurement to fair value less costs to sell and cash flows are additionally disclosed.

2.13 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 interim consolidated income statement.

2.14 Sukuk

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

2.15 Accounts payable and accruals

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

2.16 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.

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2.17 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 accompanying interim consolidated 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 interim consolidated income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

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 interim consolidated 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.

2.18 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 interim consolidated income statement. The liability is calculated; at 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.

2.19 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 after eliminating sales within the Group.

Rental income from operating leases is recognized in the interim consolidated 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 it is earned.

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

2.20 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.

2.21 Dividends

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

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2.22 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.

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 interim consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group 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 interim consolidated income statement within "cost of sales". The gain or loss relating to the ineffective portion is recognized in the interim consolidated income statement within 'Financial income / charges - net'. Changes in the fair value of the hedge futures are recognized in the interim consolidated income statement within 'Cost of Sales':

(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 equity. The gain or loss relating to the ineffective portion is recognized immediately in the interim consolidated income statement within 'Financial income / charges - net'.

Amounts accumulated in equity are reclassified to gain or loss in the periods when the hedged item affects gain 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 interim consolidated 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), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost. The deferred amounts are ultimately recognized in cost of sales for inventory.

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 interim consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the interim consolidated income statement within 'Financial income / charges - net'.

2.23 Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the interim consolidated income statement on a straight-line basis over the lease term.

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2.24 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 the interim consolidated income statement of the period in which the recoveries become virtually certain.

2.25 Reclassification

For better presentation, certain amounts relating to 2015 comparative interim consolidated financial statements have been reclassified to conform to 2016 presentation.

3 Assets and liabilities classified as held for sale

As disclosed in Note 1, pursuant to the Shareholders' Agreement signed in March 2016, the Group has classified the assets and liabilities of USCE, as held-for-sale at March 31, 2016. Also, during 2010, as an outcome of review of its foods business pruning strategy, the Group decided to entrench its position in core markets and assessed exiting from certain overseas operations. Accordingly, parts of manufacturing facilities within the edible oil segment of the Group are also presented as 'held for sale'.

Details of assets and liabilities held for sale at March 31, 2016 are as follows:

	2016 (Unaudited)	2015 (Unaudited)
Assets classified as held for sale, relating to		
- Foods segment	832,099	58,360
Liabilities associated with assets held for sale, relating to		
- Foods segment	709,711	104,928

Details of assets and liabilities held for sale at March 31, are as follows:

3.1 Assets and liabilities held for sale

	2016 (Unaudited)	2015 (Unaudited)
Assets		
Cash and cash equivalents	153,752	5
Accounts receivable and other receivables	194,641	13,857
Inventories	185,033	35,244
Property, plant and equipment	295,410	9,254
Other non-current assets	3,263	-
Disclosed as 'Assets classified as held for sale' in the interim consolidated balance sheet	832,099	58,360
Liabilities		
Borrowings	457,993	64,734
Accounts payable and other liabilities	217,444	40,194
Non-current liabilities	34,274	-
Disclosed as 'Liabilities associated with assets held for sale' in the interim consolidated balance sheet	709,711	104,928

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3.2 Income from discontinued operations

Details of income from food segment for the three-month period ended March 31 are as follows:

	2016 (Unaudited)	2015 (Unaudited)
Sales	199,271	329,266
Cost of sales	(210,706)	(306,824)
Gross (loss) profit	(11,435)	22,442
Operating expenses		
Selling and marketing	(865)	(1,093)
General and administrative	(4,340)	(5,706)
(Loss) / income from operations	(16,640)	15,643
Other income (expenses)		
Financial charges - net	(89,061)	(52,692)
Loss before foreign income taxes and zakat	(105,701)	(37,049)
Zakat and foreign income taxes	(1,606)	(709)
Net loss for the period disclosed as 'loss from discontinued operations' in the interim consolidated income statement	(107,307)	(37,758)

3.3 Cash flows from discontinued operations

Details of cash flows from discontinued operations have been presented within the cash flow statement for the period ended March 31, 2016.

4 Investments

	Note	2016 (Unaudited)	2015 (Unaudited)
Investments in associates	4.1	7,858,155	7,259,276
Available-for-sale (AFS) investments	4.2	676,611	872,733
		8,534,766	8,132,009

4.1 Investment in associates

	Effective ownership interest (%)		2016 (Unaudited)	2015 (Unaudited)
	2016	2015		
Almarai Company Limited ("Almarai")	36.52	36.52	6,456,978	5,896,330
Kinan International for Real Estate Development Company ("Kinan")	29.9	29.9	632,694	601,691
Intaj Capital Limited ("Intaj")	49	49	176,744	186,745
Herfy Foods Services Company	49	49	421,330	389,988
Al-Seera City Company For Real Estate Development	40	40	151,974	164,578
Knowledge Economic City Development Company	17	17	16,435	17,200
Other	Various	Various	2,000	2,744
			7,858,155	7,259,276

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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 two installments are due within a period of two 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 two installments for the above transactions are due as follows:

Years ending

2016	150,380
2017	148,960
	299,340

4.1.2. During the quarter ended March 31 2016, Seafood International One FZCO ("SIFZCO") has been formed, which is 40% owned by SFC. SIFZCO is based in Jebel Ali Free Zone, Dubai, UAE and is engaged in trading of seafood products.

4.2 Available for sale (AFS) investments

AFS investments at March 31 principally comprise the following:

	Effective ownership interest (%)		2016 (Unaudited)	2015 (Unaudited)
	2016	2015		
<u>Quoted investments</u>				
Emaar the Economic City ("Emaar")	0.9	0.9	103,837	98,180
Knowledge Economic City	6.4	6.4	296,478	498,257
Taameer Jordan Holding Company	5	5	-	-
<u>Unquoted investments</u>				
Joussor Holding Company ("Joussor")	14.81	14.81	135,869	135,869
Swicorp, Saudi Arabia	15	15	115,674	115,674
Dar Al Tamleek	5	5	24,753	24,753
			676,611	872,733

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	2016 (Unaudited)	2015 (Unaudited)
Commercial banks	(a)	3,443,846	3,350,672
Sukuk	(b)	1,500,000	1,500,000
		4,943,846	4,850,672
Current maturity shown under current liabilities		(454,039)	(280,689)
		4,489,807	4,569,983

(a) Borrowings from 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,

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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.

As at March 31, 2016, the Group has unused bank financing facilities amounting to Saudi Riyals 3.06 billion (2015: Saudi Riyals 4.6 billion).

7 Share capital and dividends declaration

At March 31, 2016 and 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.

The Board of Directors in its meeting held on April 19, 2016, approved interim dividends of Saudi Riyals 133.50 million (representing Saudi Riyals 0.25 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 2016 and 2015 principally fall in second and third quarters of the financial year.

9 Segment information

During the period ended March 31, 2016 and 2015, 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 March 31, and for the three-month period ended on those dates, summarized by segment, is as follows:

2016 (Unaudited)	Foods	USCE (discontinued operations) Note 3	Retail	Investments and other activities	Eliminations	Total
Property, plant and equipment - net	2,967,220	-	4,022,082	616,050	-	7,605,352
Other non-current assets	805,850	-	314,479	8,696,738	-	9,817,067
Revenues - net	2,819,694	-	3,271,226	13,749	(81,498)	6,023,171
Net income (loss)	163,475	(107,307)	(21,233)	79,066	(21,079)	92,922

2015 (Unaudited)	Foods	USCE (discontinued operations) Note 3	Retail	Investments and other activities	Eliminations	Total
Property, plant and equipment - net	2,865,512	313,076	3,278,601	522,576	-	6,979,765
Other non-current assets	1,132,468	3,589	341,314	8,148,838	-	9,626,209
Revenues - net	3,086,660	-	3,192,492	14,693	(70,131)	6,223,714
Net income (loss)	132,513	(37,758)	18,401	367,789	(10,435)	470,510

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The Group's operations are conducted in Saudi Arabia, Egypt, Iran and other countries. Selected financial information as of March 31 and for the three-month period ended on those dates summarized by geographic area, is as follows:

2016 (Unaudited)	Saudi Arabia	Egypt	Iran	Other countries	Total
Property, plant and equipment - net	5,529,266	1,174,445	728,542	173,099	7,605,352
Other non-current assets	9,104,377	394,688	94,485	223,517	9,817,067
Revenues – net	4,262,935	511,659	665,077	583,500	6,023,171
Net income (loss)	179,138	(140,249)	38,713	15,320	92,922
2015 (Unaudited)	Saudi Arabia	Egypt	Iran	Other countries	Total
Property, plant and equipment – net	4,478,184	1,562,616	724,840	214,125	6,979,765
Other non-current assets	8,862,893	433,008	84,351	245,957	9,626,209
Revenues – net	4,191,530	557,309	798,575	676,300	6,223,714
Net income (loss)	486,737	(77,051)	35,167	25,657	470,510

10 Earnings per share

Earnings per share for the three-month periods ended March 31, 2016 and 2015, have been computed by dividing the operating income and net income attributable to shareholders of the Company for such periods by the number of shares outstanding during such periods.

11 Contingencies and commitments

- (i) At March 31, 2016, the Group had outstanding commitments of Saudi Riyals 49.6 million (2015: Saudi Riyals 81.1 million) for investments.
- (ii) At March 31, 2016, the Department of Zakat and Income Tax (DZIT) has assessed an additional Zakat liability of Saudi Riyals 45.6 million (2015: Saudi Riyals 42.7 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.