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سوق الكويت للأوراق المالية

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**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)
and Independent auditors' review report for the period ended
30 September 2013**

3rd Quarter Report

12 NOV 2013

إدارة مركز المعلومات والتوثيق الآلي

سوق الكويت للأوراق المالية

صفحة 1 من 1	تاريخ المراجعة: 2013/10/20	مراجعة رقم: 1	تاريخ الإصدار: 2013/10/20	إصدار رقم: 1	نموذج رقم: QF-AD-0123
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State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)
and Independent auditors' review report for the period ended
30 September 2013**

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

Interim condensed consolidated financial information (Unaudited)

For the period ended 30 September 2013

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Independent auditors' report on review of interim condensed consolidated financial information

To the Board of Directors' of Shuaiba Industrial Company K.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Shuaiba Industrial Company K.P.S.C. ("the Parent Company") and its subsidiary (together referred to as "the Group") as at 30 September 2013, and the related interim condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the period then ended. The Parent Company's management is responsible for preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review


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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the IAS 34.

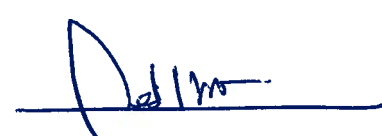
Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012, as amended, nor of the Articles and Memorandum of Association of the Parent Company, as amended, have occurred during the nine month period ended 30 September 2013 that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



Qais M. Al Nisf
Licence No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 29 October 2013



Barrak Al-Ateeqi
License No. 69 "A"
Al-Ateeqi Certified Accountants
Member firm of B.K.R. International

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)
As at 30 September 2013**

		30 September 2013	(Audited) 31 December 2012	30 September 2012
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment	3	8,699,714	8,922,487	8,998,552
Investment in associate	4	2,520,043	2,353,846	2,267,019
Available for sale financial assets	5	140,228	188,741	206,365
		<u>11,359,985</u>	<u>11,465,074</u>	<u>11,471,936</u>
Current assets				
Inventories		3,442,270	3,122,689	2,633,021
Trade receivables		2,522,096	1,785,685	1,769,742
Other receivables		164,002	105,731	215,247
Due from related parties	13	-	66,000	-
Financial assets at fair value through profit or loss	6	496,144	477,997	604,895
Cash and cash equivalents	7	801,231	1,544,999	1,639,358
		<u>7,425,743</u>	<u>7,103,101</u>	<u>6,862,263</u>
Total assets		<u>18,785,728</u>	<u>18,568,175</u>	<u>18,334,199</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	6,137,405	6,137,405	6,137,405
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,505,648	1,505,648	1,398,098
Voluntary reserve		1,414,640	1,414,640	1,307,090
Treasury shares	9	(253,265)	(253,265)	(253,265)
Treasury shares reserve		404,979	404,979	404,979
Fair value reserve		-	(31,696)	(54,196)
Foreign currency translation reserve		45,249	16,216	1,830
Retained earnings		4,661,836	4,091,889	4,207,837
Total equity		<u>16,210,936</u>	<u>15,580,260</u>	<u>15,444,222</u>
Non-current liabilities				
Non-current portion of term loans	10	547,941	677,941	747,941
Provision for staff indemnity		379,593	348,538	331,711
		<u>927,534</u>	<u>1,026,479</u>	<u>1,079,652</u>
Current liabilities				
Trade and other payables		1,189,232	1,556,671	1,481,610
Current portion of term loans	10	200,000	200,000	130,000
Notes payable	11	258,026	204,765	198,715
		<u>1,647,258</u>	<u>1,961,436</u>	<u>1,810,325</u>
Total liabilities		<u>2,574,792</u>	<u>2,987,915</u>	<u>2,889,977</u>
Total equity and liabilities		<u>18,785,728</u>	<u>18,568,175</u>	<u>18,334,199</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Chairman of the Board of Directors



**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

Interim condensed consolidated statement of profit or loss (Unaudited)
For the period ended 30 September 2013

	Note	Three months ended 30 September		Nine months ended 30 September	
		2013 KD	2012 KD	2013 KD	2012 KD
Sales		3,364,944	2,772,479	9,885,046	7,737,681
Cost of sales		(2,686,029)	(2,203,251)	(7,926,344)	(5,974,311)
Gross profit		<u>678,915</u>	<u>569,228</u>	<u>1,958,702</u>	<u>1,763,370</u>
Unrealised (loss)/gain on financial assets at fair value through profit or loss		(42,220)	(9,938)	1,245	(51,610)
(Loss)/gain on sale of financial assets at fair value through profit or loss		-	(8,474)	86,592	(24,541)
Profit on sale of available for sale financial assets		-	-	38,877	-
Impairment loss on available for sale financial assets		-	-	-	(82,800)
Share of results of associate	4	50,593	112,125	254,326	310,610
Foreign exchange (loss)/gain		(19,872)	(7,751)	(8,578)	1,165
Profit on disposal of property, plant and equipment		1,564	-	2,255	-
Investment income		-	-	-	1,500
Other income / (loss)		13,305	(25,225)	50,696	5,014
General and administrative expenses		(157,786)	(145,399)	(501,801)	(409,784)
Selling and distribution expenses		(190,590)	(214,304)	(618,323)	(533,996)
Finance costs		(12,436)	(13,469)	(39,642)	(23,012)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat		<u>321,473</u>	<u>256,793</u>	<u>1,224,349</u>	<u>955,916</u>
KFAS		(2,893)	(2,311)	(11,019)	(8,603)
NLST		(8,037)	(6,419)	(30,609)	(23,860)
Zakat		(3,299)	(2,733)	(12,654)	(9,893)
Profit for the period		<u><u>307,244</u></u>	<u><u>245,330</u></u>	<u><u>1,170,067</u></u>	<u><u>913,560</u></u>
Earnings per share (basic and diluted)	12	<u>5.12 Fils</u>	<u>4.09 Fils</u>	<u>19.50 Fils</u>	<u>15.22 Fils</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

Interim condensed consolidated statement of comprehensive income (Unaudited)
For the period ended 30 September 2013

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
	KD	KD	KD	KD
Profit for the period	<u>307,244</u>	<u>245,330</u>	<u>1,170,067</u>	<u>913,560</u>
Other comprehensive income				
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation adjustments	(13,651)	38,618	29,033	45,529
Change in fair value of available for sale financial assets	-	(1,997)	70,573	(11,125)
Transferred to consolidated profit or loss on sale of available for sale financial assets	-	-	(38,877)	-
Transferred to consolidated profit or loss on impairment of available for sale financial assets	-	-	-	82,800
Other comprehensive income for the period	<u>(13,651)</u>	<u>36,621</u>	<u>60,729</u>	<u>117,204</u>
Total comprehensive income for the period	<u>293,593</u>	<u>281,951</u>	<u>1,230,796</u>	<u>1,030,764</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)
For the period ended 30 September 2013

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total equity KD
Balance at 1 January 2012	5,845,147	2,294,444	1,398,098	1,307,090	404,979	(125,871)	(43,699)	3,586,535	14,413,458
Profit for the period	-	-	-	-	-	-	-	913,560	913,560
Other comprehensive income for the period	-	-	-	-	-	71,675	45,529	-	117,204
Total comprehensive income for the period	-	-	-	-	-	71,675	45,529	913,560	1,030,764
Issue of bonus shares (note 16)	292,258	-	-	-	-	-	-	(292,258)	-
Balance at 30 September 2012	<u>6,137,405</u>	<u>2,294,444</u>	<u>1,398,098</u>	<u>1,307,090</u>	<u>404,979</u>	<u>(54,196)</u>	<u>1,830</u>	<u>4,207,837</u>	<u>15,444,222</u>
Balance at 1 January 2013	6,137,405	2,294,444	1,505,648	1,414,640	404,979	(31,696)	16,216	4,091,889	15,580,260
Profit for the period	-	-	-	-	-	-	-	1,170,067	1,170,067
Other comprehensive income for the period	-	-	-	-	-	31,696	29,033	-	60,729
Total comprehensive income for the period	-	-	-	-	-	31,696	29,033	1,170,067	1,230,796
Dividends paid (note 16)	-	-	-	-	-	-	-	(600,120)	(600,120)
Balance at 30 September 2013	<u>6,137,405</u>	<u>2,294,444</u>	<u>1,505,648</u>	<u>1,414,640</u>	<u>404,979</u>	<u>-</u>	<u>45,249</u>	<u>4,661,836</u>	<u>16,210,936</u>

Transfer to reserves is made at the end of each financial year.

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

Interim condensed consolidated statement of cash flows (Unaudited)
For the period ended 30 September 2013

	Note	Nine months ended 30 September	
		2013 KD	2012 KD
Operating activities			
Profit for the period		1,170,067	913,560
Adjustments for:			
Depreciation		334,343	258,627
Finance costs		39,642	23,012
Provision for staff indemnity		36,879	37,197
Share of results of associate		(254,326)	(310,610)
Unrealised (gain) / loss on financial assets at fair value through profit or loss		(1,245)	51,610
(Profit) / loss on sale of financial assets at fair value through profit or loss		(86,592)	24,541
Profit on disposal of property, plant and equipment		(2,255)	-
Profit on sale of available for sale financial assets		(38,877)	-
Provision for doubtful receivables		10,000	-
Impairment loss on available for sale financial assets		-	82,800
		<u>1,207,636</u>	<u>1,080,737</u>
Movements in working capital:			
Increase in inventories		(319,581)	(118,598)
(Increase) / decrease in trade receivables		(746,411)	599
Increase in other receivables		(58,271)	(93,879)
Decrease in due from related parties		66,000	978
(Decrease) / increase in trade and other payables		(370,424)	297,083
Increase / (decrease) in notes payable		53,261	(1,100,953)
Cash (used in) / generated from operations		<u>(167,790)</u>	<u>65,967</u>
Staff indemnity paid		(5,826)	(2,354)
Net cash (used in) / from operating activities		<u>(173,616)</u>	<u>63,613</u>
Investing activities			
Purchase of financial assets at fair value through profit or loss		(277,586)	(224,990)
Proceed from disposal of financial assets at fair value through profit or loss		347,276	-
Purchase of property, plant and equipment		(101,037)	(370,813)
Proceeds on disposal of property, plant and equipment		8,692	-
Dividend received from investment in associate		100,540	177,115
Proceeds from disposal of available for sale financial assets		118,877	11,001
Net cash from / (used in) investing activities		<u>196,762</u>	<u>(407,687)</u>
Financing activities			
Receipt of term loan		-	1,252,163
Repayment of term loan		(130,000)	(888,624)
Dividend paid		(560,754)	-
Finance costs paid		(36,657)	(21,501)
Net cash (used in) / from financing activities		<u>(727,411)</u>	<u>342,038</u>
Effect of foreign currency translation		(39,503)	(26,339)
Net decrease in cash and cash equivalents		<u>(743,768)</u>	<u>(28,375)</u>
Cash and cash equivalents at beginning of the period		1,544,999	1,667,733
Cash and cash equivalents at end of the period	7	<u>801,231</u>	<u>1,639,358</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

1. GENERAL INFORMATION

Shuaiba Paper Products Company (“the Parent Company”) is a Kuwaiti Shareholding Company established in 1978. At the extraordinary general assembly meeting held on 29 May 2007, the shareholders approved the change of the name of the Company to Shuaiba Industrial Company. The Parent Company’s shares are listed on the Kuwait Stock Exchange.

The Parent Company is engaged in the manufacture and sale of paper products. At the annual general assembly held on 29 March 2009, the shareholders approved the Group to conduct its activities in accordance with Islamic Sharia Principles.

The Parent Company is domiciled in Kuwait and the address of its principal place of business is Plot No. 150, Street No. 30, Block No.3, Subhan, State of Kuwait.

The interim condensed consolidated financial information of the Group for the nine month period ended 30 September 2013 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 29 October 2013.

The Companies Law issued on 26 November 2012 by Decree Law No. 25 of 2012 (the “Companies Law”), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law No. 97 of 2013 (the Decree).

According to articles 2 and 3 of the Decree, Executive Regulations, which were issued by the Ministry of Commerce and Industry on 26 September 2013 and published in the Official Gazette on 6 October 2013, determine the basis and rules which the Parent Company shall adopt to regularise its affairs with the Companies Law as amended, within a period of one year from date of its issuance in the Official Gazette.

2. a) BASIS OF PREPARATION

These interim condensed consolidated financial information have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 annual consolidated financial statements. In the opinion of management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine month period ended 30 September 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013. The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD).

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2012, except for the following:

2. a) **BASIS OF PREPARATION (CONTINUED)**

- ***Amendment to IAS 1, 'Presentation of financial statements', regarding other comprehensive income***

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The amendment affects presentation only and had no impact on the Group's financial position or performance.

- ***Amendment to IFRS 7, 'Financial Instruments: Disclosures' — assets liability offsetting***

The amendments to IFRS 7 require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments became effective on 1 January 2013. The amendment had no impact on the Group.

- ***IFRS 10 'Consolidated financial statements'***

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has:

- 1 Power over the investee;
- 2 Exposure or rights, to variable returns from its involvement with the investee; and
- 3 The ability to use its power over the investee to affect the amount of the returns.

The amendments became effective on 1 January 2013. The newly adopted standard had no impact on the Group.

- ***IFRS 12 Disclosure of Interests in Other Entities***

IFRS 12 requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities. The amendments became effective on 1 January 2013. The newly adopted standard had no impact on the Group.

- ***IFRS 13 'Fair value measurement'***

IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. The amendments became effective on 1 January 2013. The newly adopted standard had no impact on the Group.

3. a) BASIS OF PREPARATION (CONTINUED)

• *Amendment to IFRSs 10, 11 and 12 on transition guidance*

These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The amendments became effective on 1 January 2013. These amendments had no impact on the Group.

2. b) BASIS OF CONSOLIDATION

This interim condensed consolidated financial information for the nine month period ended 30 September 2013 includes the Parent Company and its wholly owned subsidiary - Advance Technologies (International Agencies) Company W.L.L. The financial information of this subsidiary has been consolidated based on management accounts. The Group's management do not expect any material differences in the figures if reviewed financial information would have been available as at 30 September 2013.

Notes to the interim condensed consolidated financial information (Unaudited)
For the period ended 30 September 2013

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Buildings	Machinery	Furniture and fixtures	Motor vehicles	Capital work in progress	Total
	KD	KD	KD	KD	KD	KD	KD
Cost							
Balance at 1 January 2012	555,000	2,050,831	5,016,668	558,912	221,793	3,052,242	11,455,446
Additions	-	81,245	17,464	30,565	7,325	258,275	394,874
Transfers	-	1,411,596	1,798,478	59,270	30,824	(3,300,168)	-
Disposals	-	-	-	(1,149)	(6,700)	-	(7,849)
Foreign currency exchange difference	-	25,811	30,410	722	505	-	57,448
Balance at 31 December 2012	555,000	3,569,483	6,863,020	648,320	253,747	10,349	11,899,919
Additions	-	-	-	-	-	101,037	101,037
Transfers	-	16,322	-	61,786	6,600	(84,708)	-
Disposals	-	-	-	-	(27,698)	-	(27,698)
Foreign currency exchange difference	-	7,924	9,014	191	176	(3)	17,302
Balance at 30 September 2013	555,000	3,593,729	6,872,034	710,297	232,825	26,675	11,990,560
Accumulated depreciation							
Balance at 1 January 2012	-	607,754	1,372,167	453,652	184,345	-	2,617,918
Charge for the year	-	107,932	198,417	43,215	17,471	-	367,035
Relating to disposals	-	-	-	(1,149)	(6,699)	-	(7,848)
Foreign currency exchange difference	-	137	151	21	18	-	327
Balance at 31 December 2012	-	715,823	1,570,735	495,739	195,135	-	2,977,432
Charge for the period	-	101,488	176,227	42,319	14,309	-	334,343
Relating to disposals	-	-	-	-	(21,261)	-	(21,261)
Foreign currency exchange difference	-	126	149	40	17	-	332
Balance at 30 September 2013	-	817,437	1,747,111	538,098	188,200	-	3,290,846
Carrying amount							
As at 30 September 2013	555,000	2,776,292	5,124,923	172,199	44,625	26,675	8,699,714
As at 31 December 2012	555,000	2,853,660	5,292,285	152,581	58,612	10,349	8,922,487
As at 30 September 2012	555,000	2,877,270	5,255,945	154,491	58,741	97,105	8,998,552
Annual depreciation rates	-	3.33%	3.33%	20%	20%	-	-

The Group's certain property, plant and equipment have been assigned as security for the term loan facility granted to the Group (see note 10). The buildings are constructed on the leasehold land from the government of Kuwait.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)
For the period ended 30 September 2013**

4. INVESTMENT IN ASSOCIATE

Name of associate	Country of incorporation	Ownership interest		Carrying value		
		30 September		30 September 2013	(Audited)	
		2013	2012		31 December 2012	30 September 2012
		%	%	KD	KD	KD
Yanbu Saudi Kuwaiti Paper Products Company ("YSKPPC")	Saudi Arabia	40	40	2,520,043	2,353,846	2,267,019

Summarised financial information in respect of the Group's associate is set out below:

	30 September 2013	(Audited) 31 December 2012	30 September 2012
	KD	KD	KD
Associate's financial position:			
Total assets	7,830,238	6,804,497	6,735,328
Total Liabilities	1,530,132	919,882	1,067,781
Net assets	6,300,106	5,884,615	5,667,547
Group share of net assets of associate	2,520,042	2,353,846	2,267,019
Associate's revenue and results:			
Total revenue	5,975,998	7,388,516	5,966,619
Total profits	635,815	980,534	776,526
Share of results of associate	254,326	392,213	310,610
Group's share of other comprehensive income	12,410	17,124	45,529

5. AVAILABLE FOR SALE FINANCIAL ASSETS

	30 September 2013	(Audited) 31 December 2012	30 September 2012
	KD	KD	KD
Quoted securities	103,385	151,898	154,522
Unquoted securities	36,843	36,843	51,843
	140,228	188,741	206,365

Unquoted securities amounting to KD 36,843 (31 December 2012: KD 36,843 and 30 September 2012: KD 51,843) are carried at cost since their fair values could not be measured reliably. The management is not aware of any impairment of these investments. Available for sale financial assets are managed by a portfolio manager, under a portfolio management agreement.

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6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>30 September 2013</u>	<u>(Audited) 31 December 2012</u>	<u>30 September 2012</u>
	KD	KD	KD
Trading:			
Local quoted securities	394,144	379,497	408,895
Local unquoted securities	-	-	92,000
Local funds	102,000	98,500	104,000
	<u>496,144</u>	<u>477,997</u>	<u>604,895</u>

Financial assets at fair value through profit or loss are managed by a portfolio manager, under a portfolio management agreement.

7. CASH AND CASH EQUIVALENTS

	<u>30 September 2013</u>	<u>(Audited) 31 December 2012</u>	<u>30 September 2012</u>
	KD	KD	KD
Cash and bank balances	685,201	912,241	1,254,624
Time deposits	112,500	576,806	346,585
Cash balance with portfolio manager	3,530	55,952	38,149
	<u>801,231</u>	<u>1,544,999</u>	<u>1,639,358</u>

The Group's time deposits with banks yield rate of 0.625% (31 December 2012: 0.55% to 1.125% and 30 September 2012: 0.55% to 1.125%) per annum and mature within 90 days from the date of deposit.

8. SHARE CAPITAL

The authorized, issued and paid up share capital comprises of KD 6,137,405 (61,374,047 shares of 100 fils each) and 31 December 2012 and 30 September 2012: KD 6,137,405 (31 December 2012 and 30 September 2012: 61,374,047 shares of 100 fils each).

9. TREASURY SHARES

	<u>30 September 2013</u>	<u>(Audited) 31 December 2012</u>	<u>30 September 2012</u>
Number of shares	1,361,956	1,361,956	1,361,956
Percentage of issued shares	2.22%	2.22%	2.22%
Market value (KD)	347,299	242,428	258,771
Cost (KD)	<u>253,265</u>	<u>253,265</u>	<u>253,265</u>

Reserves of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

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10. TERM LOANS

	30 September 2013	(Audited) 31 December 2012	30 September 2012
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Current portion	200,000	200,000	130,000
Non-current portion	547,941	677,941	747,941
	<u>747,941</u>	<u>877,941</u>	<u>877,941</u>

Term loans from local banks carry finance cost at 3.5% (31 December 2012 and 30 September 2012: 3.5%) per annum.

Certain Group's property, plant and equipment and time deposits are pledged as collateral against the term loans obtained from a local bank.

11. NOTES PAYABLE

Notes payable represent promissory notes issued by local banks which mature within three months from the issue date and bear an average finance cost of 4.5% (31 December 2012 and 30 September 2012: 5.75%) per annum and are unsecured.

12. EARNINGS PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Earnings per share is calculated as follows:				
Profit for the period (KD)	307,244	245,330	1,170,067	913,560
Weighted average number of shares outstanding:				
Number of issued shares	61,374,050	61,374,050	61,374,050	61,374,050
Less: Weighted average number of treasury shares	<u>(1,361,956)</u>	<u>(1,361,956)</u>	<u>(1,361,956)</u>	<u>(1,361,956)</u>
Weighted average number of shares outstanding	<u>60,012,094</u>	<u>60,012,094</u>	<u>60,012,094</u>	<u>60,012,094</u>
Earnings per share (Basic and diluted)	<u>5.12 Fils</u>	<u>4.09 Fils</u>	<u>19.50 Fils</u>	<u>15.22 Fils</u>

13. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management. Balances and transactions with related parties are as follows:

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For the period ended 30 September 2013

13. RELATED PARTY TRANSACTIONS (continued)

	30 September 2013 KD	(Audited) 31 December 2012 KD	30 September 2012 KD
Statement of financial position			
a) Due from related parties:			
• Other related parties	-	66,000	-
		Nine months ended 30 September	
		2013	2012
		KD	KD
Statement of profit or loss			
b) Key management compensation			
• Salaries and other short-term benefits		51,912	30,600
• Terminal benefits		5,536	4,414

14. SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The management grouped the Group's products into the following operating segments:

Industrial Packaging Division: Produces and supplies multi-wall paper sacks for industrial use.

Consumer Packaging Division: Produces and supplies various types of superior value and high quality bags and wrapping sheets to major regional and international flagships and chains.

Flexible Packaging Division: Produces and supplies multi-ply printed and laminated films, including aluminum foil lamination.

Trading Division: Aims at importing and trading various types of paper related products such as photo copier paper, offset paper, NCR, coated paper and ink.

Notes to the interim condensed consolidated financial information (Unaudited)
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14. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by operating segments for the period:

	Three months ended 30 September			
	2013	2012	2013	2012
	KD	KD	KD	KD
	Revenue		Segment result	
Industrial Packaging Division	2,271,174	1,898,807	389,662	354,668
Commercial Packaging Division	804,009	627,204	256,249	183,385
Flexible Packaging Division	224,259	221,342	26,057	27,597
Trading Division	65,502	25,126	6,947	3,578
	<u>3,364,944</u>	<u>2,772,479</u>	<u>678,915</u>	<u>569,228</u>
Unrealised loss on financial assets at fair value through profit or loss			(42,220)	(9,938)
Loss on sale of financial assets at fair value through profit or loss			-	(8,474)
Share of results of associate			50,593	112,125
Foreign exchange loss			(19,872)	(7,751)
Profit on disposal of property, plant and equipment			1,564	-
Other income / (loss)			13,305	(25,225)
General and administrative expenses			(157,786)	(145,399)
Selling and distribution expenses			(190,590)	(214,304)
Finance costs			(12,436)	(13,469)
KFAS			(2,893)	(2,311)
NLST			(8,037)	(6,419)
Zakat			(3,299)	(2,733)
Profit for the period			<u>307,244</u>	<u>245,330</u>

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14. SEGMENT INFORMATION (continued)

	Nine months ended 30 September			
	2013	2012	2013	2012
	KD	KD	KD	KD
	Revenue		Segment result	
Industrial Packaging Division	6,792,013	4,772,044	1,228,532	1,060,730
Commercial Packaging Division	2,307,522	2,039,798	634,800	585,229
Flexible Packaging Division	658,992	690,781	82,680	90,183
Trading Division	126,519	235,058	12,690	27,228
	<u>9,885,046</u>	<u>7,737,681</u>	<u>1,958,702</u>	<u>1,763,370</u>
Unrealised profit / (loss) on financial assets at fair value through profit or loss			1,245	(51,610)
Profit / (loss) on sale of financial assets at fair value through profit or loss			86,592	(24,541)
Profit on sale of available for sale financial assets			38,877	-
Impairment loss on available for sale financial assets			-	(82,800)
Share of results of associate			254,326	310,610
Foreign exchange (loss) / gain			(8,578)	1,165
Profit on disposal of property, plant and equipment			2,255	-
Investment Income			-	1,500
Other income			50,696	5,014
General and administrative expenses			(501,801)	(409,784)
Selling and distribution expenses			(618,323)	(533,996)
Finance costs			(39,642)	(23,012)
KFAS			(11,019)	(8,603)
NLST			(30,609)	(23,860)
Zakat			(12,654)	(9,893)
Profit for the period			<u>1,170,067</u>	<u>913,560</u>

The following is an analysis of the Group's revenue by geographical area for the period:

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	KD	KD	KD	KD
	Revenue		Revenue	
Kuwait	1,041,990	886,385	3,213,190	3,214,615
GCC	1,584,566	932,542	4,580,370	2,643,410
Asia	352,263	296,490	994,860	819,956
Africa	386,125	657,062	1,096,626	1,059,700
	<u>3,364,944</u>	<u>2,772,479</u>	<u>9,885,046</u>	<u>7,737,681</u>

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15. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2013	(Audited) 31 December 2012	30 September 2012
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Contingent liabilities			
Letters of credit	74,203	909,120	458,714
Letters of guarantee	<u>122,176</u>	<u>147,033</u>	<u>120,208</u>
	<u>196,379</u>	<u>1,056,153</u>	<u>578,922</u>

Operating lease commitments

The minimum operating lease commitments under non-cancelable operating leases are as follows:

	30 September 2013	(Audited) 31 December 2012	30 September 2012
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Not later than one year	34,127	33,150	5,000
Later than one year but not later than five years	136,508	122,600	10,000

16. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly held on 22 April 2013, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2012 and approved a cash dividend of 10% equivalents to 10 fils per share (2011: nil) and bonus share nil (2011: 5 shares for each 100 shares) to the shareholders of record as of the date of the Annual General Assembly.