

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

**Interim condensed consolidated financial information and review
report for the nine month period ended 30 September 2014 (Unaudited)**

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

**Interim condensed consolidated financial information (Unaudited)
For the nine month period ended 30 September 2014**

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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 2014, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for preparation and fair 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 Auditor of the Entity." A review of interim condensed consolidated 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 books of account 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 2014 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: 6 November 2014



Barrak Al-Ateeqi
License No. 69 "A"
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**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 2014**

		(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2013
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment	3	8,590,460	8,831,688	8,699,714
Investment in associate		2,498,155	2,550,930	2,520,043
Available for sale financial assets	4	36,843	36,843	140,228
		<u>11,125,458</u>	<u>11,419,461</u>	<u>11,359,985</u>
Current assets				
Inventories		3,662,650	3,258,961	3,442,270
Trade receivables		2,657,588	2,618,960	2,522,096
Other receivables		162,079	130,525	164,002
Financial assets at fair value through profit or loss	5	297,020	347,740	496,144
Cash and cash equivalents	6	1,626,754	1,766,750	801,231
		<u>8,406,091</u>	<u>8,122,936</u>	<u>7,425,743</u>
Total assets		<u>19,531,549</u>	<u>19,542,397</u>	<u>18,785,728</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	7	6,444,275	6,137,405	6,137,405
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,653,044	1,653,044	1,505,648
Voluntary reserve		1,562,036	1,562,036	1,414,640
Treasury shares	8	(253,265)	(253,265)	(253,265)
Treasury shares reserve		404,979	404,979	404,979
Foreign currency translation reserve		155,171	20,668	45,249
Retained earnings		4,601,962	4,579,106	4,661,836
Total equity		<u>16,862,646</u>	<u>16,398,417</u>	<u>16,210,936</u>
Non-current liabilities				
Non-current portion of term loans	9	548,000	477,941	547,941
Provision for staff indemnity		465,343	408,119	379,593
		<u>1,013,343</u>	<u>886,060</u>	<u>927,534</u>
Current liabilities				
Trade and other payables		1,435,619	2,057,920	1,189,232
Current portion of term loans	9	219,941	200,000	200,000
Notes payable		-	-	258,026
		<u>1,655,560</u>	<u>2,257,920</u>	<u>1,647,258</u>
Total liabilities		<u>2,668,903</u>	<u>3,143,980</u>	<u>2,574,792</u>
Total equity and liabilities		<u>19,531,549</u>	<u>19,542,397</u>	<u>18,785,728</u>

The notes on pages 7 to 15 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)
Period ended 30 September 2014

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2014	2013	2014	2013
Note	KD	KD	KD	KD
Sales	3,449,982	3,364,944	10,006,193	9,885,046
Cost of sales	<u>(2,718,754)</u>	<u>(2,686,029)</u>	<u>(7,861,988)</u>	<u>(7,926,344)</u>
Gross profit	731,228	678,915	2,144,205	1,958,702
Unrealised gain / (loss) on financial assets at fair value through profit or loss	24,912	(42,220)	(50,720)	1,245
Gain on sale of financial assets at fair value through profit or loss	-	-	-	86,592
Gain on sale of available for sale financial assets	-	-	-	38,877
Share of results of associate	33,586	50,593	75,861	254,326
Foreign exchange gain / (loss)	36,163	(19,872)	32,265	(8,578)
Profit on disposal of property, plant and equipment	-	1,564	-	2,255
Other income	18,652	13,305	66,465	50,696
General and administrative expenses	(192,754)	(157,786)	(571,238)	(501,801)
Selling and distribution expenses	(204,125)	(190,590)	(559,255)	(618,323)
Finance costs	<u>(12,952)</u>	<u>(12,436)</u>	<u>(38,794)</u>	<u>(39,642)</u>
Profit before provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat	434,710	321,473	1,098,789	1,224,349
KFAS	(3,913)	(2,893)	(9,889)	(11,019)
NLST	(10,868)	(8,037)	(27,470)	(30,609)
Zakat	<u>(4,468)</u>	<u>(3,299)</u>	<u>(11,559)</u>	<u>(12,654)</u>
Profit for the period	415,461	307,244	1,049,871	1,170,067
Earnings per share (basic and diluted) (fils)	10 <u>6.59 Fils</u>	<u>4.88 Fils</u>	<u>16.66 Fils</u>	<u>18.57 Fils</u>

The notes on pages 7 to 15 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)
Period ended 30 September 2014

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	KD	KD	KD	KD
Profit for the period	<u>415,461</u>	<u>307,244</u>	<u>1,049,871</u>	<u>1,170,067</u>
Other comprehensive income: <i>Items that may be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Foreign currency translation adjustments	134,363	(13,651)	134,503	29,033
Change in fair value of available for sale financial assets	-	-	-	70,573
Transfer to consolidated statement of income on sale of available for sale financial assets	-	-	-	<u>(38,877)</u>
Other comprehensive income / (loss) for the period	<u>134,363</u>	<u>(13,651)</u>	<u>134,503</u>	<u>60,729</u>
Total comprehensive income for the period	<u>549,824</u>	<u>293,593</u>	<u>1,184,374</u>	<u>1,230,796</u>

The notes on pages 7 to 15 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)
Period ended 30 September 2014

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total equity KD
Balance at 1 January 2014	6,137,405	2,294,444	1,653,044	1,562,036	(253,265)	404,979	-	20,668	4,579,106	16,398,417
Profit for the period	-	-	-	-	-	-	-	-	1,049,871	1,049,871
Other comprehensive income for the period	-	-	-	-	-	-	-	134,503	-	134,503
Total comprehensive income for the period	-	-	-	-	-	-	-	134,503	1,049,871	1,184,374
Bonus shares issued	306,870	-	-	-	-	-	-	-	(306,870)	-
Dividends paid	-	-	-	-	-	-	-	-	(720,145)	(720,145)
Balance at 30 September 2014	6,444,275	2,294,444	1,653,044	1,562,036	(253,265)	404,979	-	155,171	4,601,962	16,862,646
Balance at 1 January 2013	6,137,405	2,294,444	1,505,648	1,414,640	(253,265)	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	-	-	-	-	-	-	-	-	(600,120)	(600,120)
Balance at 30 September 2013	6,137,405	2,294,444	1,505,648	1,414,640	(253,265)	404,979	-	45,249	4,661,836	16,210,936

The notes on pages 7 to 15 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)
Period ended 30 September 2014**

	Nine month period ended 30 September	
	2014	2013
Note	KD	KD
OPERATING ACTIVITIES		
Profit for the period	1,049,871	1,170,067
Adjustments for:		
Depreciation	337,189	334,343
Unrealised loss / (gain) on financial assets at fair value through profit or loss	50,720	(1,245)
Gain on sale of financial assets at fair value through profit or loss	-	(86,592)
Share of results of associate	(75,861)	(254,326)
Profit on disposal of property, plant and equipment	-	(2,255)
Gain on sale of available for sale investment	-	(38,877)
Finance costs	38,794	39,642
Provision for staff indemnity	74,437	36,879
Provision for doubtful debts	-	10,000
	<u>1,475,150</u>	<u>1,207,636</u>
Movements in working capital:		
Inventories	(403,689)	(319,581)
Trade receivables	(38,628)	(746,411)
Other receivables	(31,554)	(58,271)
Due from related parties	-	66,000
Trade and other payables	(622,301)	(331,058)
Notes payable	-	53,261
Cash generated from \ (used in) operations	<u>378,978</u>	<u>(128,424)</u>
Staff indemnity paid	(17,333)	(5,826)
Net cash generated from \ (used in) operating activities	<u>361,645</u>	<u>(134,250)</u>
INVESTING ACTIVITIES		
Net movement of financial assets at fair value through profit or loss	-	(277,586)
Proceed from disposal of financial assets at fair value through profit or loss	-	347,276
Purchase of property, plant and equipment	(31,224)	(101,037)
Proceeds on sale of available for sale financial assets	-	118,877
Proceeds on disposal of property, plant and equipment	-	8,692
Dividend received from associate	180,366	100,540
Net cash generated from investing activities	<u>149,142</u>	<u>196,762</u>
FINANCING ACTIVITIES		
Receipt of term loans	220,000	-
Repayment of term loans	(130,000)	(130,000)
Dividends paid	(720,145)	(600,120)
Finance costs paid	(38,794)	(36,657)
Net cash used in financing activities	<u>(668,939)</u>	<u>(766,777)</u>
Effect of foreign currency translation	18,156	(39,503)
Net decrease in cash and cash equivalents	<u>(139,996)</u>	<u>(743,768)</u>
Cash and cash equivalents at beginning of the period	1,766,750	1,544,999
Cash and cash equivalents at end of the period	<u>6</u> <u>1,626,754</u>	<u>801,231</u>

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

1. GENERAL INFORMATION

Shuaiba Industrial Company K.P.S.C. ("the Parent Company"), is a public shareholding company incorporated in 1978 under the Laws of the State of Kuwait and is 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 2014 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 5 November 2014.

2. 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 2013 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 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2013, except for the following:

- ***Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)***
Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to:
 - provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
 - require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries;
 - require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

These amendments became effective on 1 January 2014. These amendments had no impact on the Group.

2. BASIS OF PREPARATION (continued)

▪ ***IAS 32 Offsetting Financial Assets and Financial Liabilities***

The amendment to IAS 32 Financial Instruments: Presentation clarifies certain aspects because of diversity in application of the requirements on offsetting, focusing on the following aspects:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realisation and settlement;
- the offsetting of collateral amounts;
- the unit of account for applying the offsetting requirements.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group.

▪ ***IAS 36 Recoverable Amount Disclosures for Non-Financial Assets***

The amendment to IAS 36 Impairment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group.

Basis of consolidation

This interim condensed consolidated financial information for the nine month period ended 30 September 2014 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 2014.

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

Notes to the interim condensed consolidated financial information (Unaudited)
Period ended 30 September 2014

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Leasehold	Buildings	Machinery	Furniture and fixtures	Motor vehicles	Capital work in progress	Total
	land						
Balance at 1 January 2013	555,000	3,569,483	6,863,020	648,320	253,747	10,349	11,899,919
Additions	-	-	-	-	-	317,489	317,489
Transfers	-	30,988	-	79,428	21,400	(131,816)	-
Disposals	-	-	-	-	(54,048)	-	(54,048)
Foreign currency exchange difference	-	1,980	2,253	(178)	44	(2)	4,097
Balance at 31 December 2013	555,000	3,602,451	6,865,273	727,570	221,143	196,020	12,167,457
Additions	-	-	-	-	-	31,224	31,224
Transfers	-	-	201,328	12,951	6,000	(220,279)	-
Foreign currency exchange difference	-	31,680	36,056	2,251	705	3	70,695
Balance at 30 September 2014	555,000	3,634,131	7,102,657	742,772	227,848	6,968	12,269,376
Accumulated depreciation							
Balance at 1 January 2013	-	715,823	1,570,735	495,739	195,135	-	2,977,432
Charge for the year	-	136,451	234,743	56,191	18,654	-	446,039
Relating to disposals	-	-	-	-	(47,609)	-	(47,609)
Reversal of impairment	-	-	(40,184)	-	-	-	(40,184)
Foreign currency exchange difference	-	27	43	18	3	-	91
Balance at 31 December 2013	-	852,301	1,765,337	551,948	166,183	-	3,335,769
Charge for the period	-	104,701	176,729	41,851	13,908	-	337,189
Foreign currency exchange difference	-	2,275	2,591	788	304	-	5,958
Balance at 30 September 2014	-	959,277	1,944,657	594,587	180,395	-	3,678,916
Carrying amount							
As at 30 September 2014	555,000	2,674,854	5,158,000	148,185	47,453	6,968	8,590,460
As at 31 December 2013	555,000	2,750,150	5,099,936	175,622	54,960	196,020	8,831,688
As at 30 September 2013	555,000	2,776,292	5,124,923	172,199	44,625	26,675	8,699,714
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 9).
The buildings are constructed on leasehold land from the government of Kuwait and the government of Dubai.

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

**Notes to the interim condensed consolidated financial information (Unaudited)
Period ended 30 September 2014**

4. AVAILABLE FOR SALE FINANCIAL ASSETS

	(Unaudited) 30 September 2014 KD	(Audited) 31 December 2013 KD	(Unaudited) 30 September 2013 KD
Quoted securities	-	-	103,385
Unquoted securities	36,843	36,843	36,843
	<u>36,843</u>	<u>36,843</u>	<u>140,228</u>

Unquoted securities amounting to KD 36,843 (31 December 2013: KD 36,843 and 30 September 2013: KD 36,843) 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.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2014 KD	(Audited) 31 December 2013 KD	(Unaudited) 30 September 2013 KD
Trading:			
Local quoted securities	214,520	249,740	394,144
Local funds	82,500	98,000	102,000
	<u>297,020</u>	<u>347,740</u>	<u>496,144</u>

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

6. CASH AND CASH EQUIVALENTS

	(Unaudited) 30 September 2014 KD	(Audited) 31 December 2013 KD	(Unaudited) 30 September 2013 KD
Cash at bank and on hand	1,375,719	1,339,010	685,201
Short term deposits	250,000	425,000	112,500
Cash balance with portfolio manager	1,035	2,740	3,530
	<u>1,626,754</u>	<u>1,766,750</u>	<u>801,231</u>

The Group's short term deposits with banks yield an average rate of 0.75% (31 December 2013: 0.62% and 30 September 2013: 0.625%) per annum and mature within 90 days from the date of deposit.

7. SHARE CAPITAL

The authorized, issued and paid up share capital is KD 6,444,275 (31 December 2013: KD 6,137,405 and 30 September 2013: KD 6,137,405) comprising of 64,442,750 shares of 100 fils each (31 December 2013 and 30 September 2013: 61,374,047 shares of 100 fils each) and all shares are in cash.

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

**Notes to the interim condensed consolidated financial information (Unaudited)
Period ended 30 September 2014**

8. TREASURY SHARES

	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2013
Number of shares	1,430,352	1,362,240	1,361,956
Percentage of issued shares	2.22%	2.22%	2.22%
Market value (KD)	340,560	347,371	347,299
Cost (KD)	253,265	253,265	253,265

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

9. TERM LOANS

	(Unaudited) 30 September 2014 KD	(Audited) 31 December 2013 KD	(Unaudited) 30 September 2013 KD
Current portion	219,941	200,000	200,000
Non-current portion	548,000	477,941	547,941
	<u>767,941</u>	<u>677,941</u>	<u>747,941</u>

Term loans from local banks carry finance cost at 3.5% (31 December 2013 and 30 September 2013: 3.5%) per annum.

Group's certain property, plant and equipment and time deposits are pledged as collateral against the term loans obtained from a local bank (note 3).

10. EARNINGS PER SHARE

Earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period, excluding treasury shares.

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
Earnings per share is calculated as follows:				
Profit for the period (KD)	415,461	307,244	1,049,871	1,170,067
Weighted average number of shares outstanding:				
Number of issued shares	64,442,750	64,442,750	64,442,750	64,442,750
Less: Weighted average number of treasury shares	(1,430,352)	(1,430,352)	(1,430,352)	(1,430,352)
Weighted average number of shares outstanding	<u>63,012,398</u>	<u>63,012,398</u>	<u>63,012,398</u>	<u>63,012,398</u>
Earnings per share (Basic and diluted) (fils)	<u>6.59 Fils</u>	<u>4.88 Fils</u>	<u>16.66 Fils</u>	<u>18.57 Fils</u>

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

**Notes to the interim condensed consolidated financial information (Unaudited)
Period ended 30 September 2014**

11. 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:

	Nine months ended 30 September	
	2014	2013
	KD	KD
Statement of profit or loss		
b) Key management compensation		
• Salaries and other short-term benefits	197,452	116,908
• Termination benefits	11,663	5,969

12. SEGMENT INFORMATION

The Group identifies its operating segments based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Parent Company's Chief Executive Officer is the Group's chief operating decision maker and has 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 chains.
- *Flexible Packaging Division:* Produces and supplies multi-ply printed and laminated films, including aluminum foil lamination.
- *Trading Division:* Importing and trading in various types of paper related products such as photo copier paper, offset paper, NCR, coated paper and ink.

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**Notes to the interim condensed consolidated financial information (Unaudited)
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12. SEGMENT INFORMATION (Continued)

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

	Three month period ended 30 September			
	2014	2013	2014	2013
	KD	KD	KD	KD
	Revenue		Segment result	
Industrial Packaging Division	2,332,512	2,271,174	460,420	389,662
Consumer Packaging Division	889,508	804,009	248,577	256,249
Flexible Packaging Division	168,293	224,259	14,035	26,057
Trading Division	59,669	65,502	8,196	6,947
	<u>3,449,982</u>	<u>3,364,944</u>	<u>731,228</u>	<u>678,915</u>
Unrealised gain / (loss) on financial assets at fair value through profit or loss			24,912	(42,220)
Share of results of associate			33,586	50,593
Foreign exchange gain / (loss)			36,163	(19,872)
Profit on disposal of property, plant and equipment			-	1,564
Other income			18,652	13,305
General and administrative expenses			(192,754)	(157,786)
Selling and distribution expenses			(204,125)	(190,590)
Finance costs			(12,952)	(12,436)
KFAS			(3,913)	(2,893)
NLST			(10,868)	(8,037)
Zakat			(4,468)	(3,299)
Profit for the period			<u>415,461</u>	<u>307,244</u>
	Nine month period ended 30 September			
	2014	2013	2014	2013
	KD	KD	KD	KD
	Revenue		Segment result	
Industrial Packaging Division	6,638,538	6,792,013	1,320,018	1,228,532
Consumer Packaging Division	2,581,378	2,307,522	730,871	634,800
Flexible Packaging Division	539,486	658,992	60,804	82,680
Trading Division	246,791	126,519	32,512	12,690
	<u>10,006,193</u>	<u>9,885,046</u>	<u>2,144,205</u>	<u>1,958,702</u>
Unrealised (loss) / gain on financial assets at fair value through profit or loss			(50,720)	1,245
Gain on sale of financial assets at fair value through profit or loss			-	86,592
Gain on sale of available for sale financial assets			-	38,877
Share of results of associate			75,861	254,326
Foreign exchange gain / (loss)			32,265	(8,578)
Profit on disposal of property, plant and equipment			-	2,255
Other income			66,465	50,696
General and administrative expenses			(571,238)	(501,801)
Selling and distribution expenses			(559,255)	(618,323)
Finance costs			(38,794)	(39,642)
KFAS			(9,889)	(11,019)
NLST			(27,470)	(30,609)
Zakat			(11,559)	(12,654)
Profit for the period			<u>1,049,871</u>	<u>1,170,067</u>

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12. SEGMENT INFORMATION (Continued)

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

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	KD	KD	KD	KD
	Revenue		Revenue	
Kuwait	1,061,715	1,041,990	3,439,947	3,213,190
GCC	1,626,459	1,584,566	5,045,865	4,580,370
Asia	337,329	352,263	815,732	994,860
Africa	424,479	386,125	704,649	1,096,626
	<u>3,449,982</u>	<u>3,364,944</u>	<u>10,006,193</u>	<u>9,885,046</u>

For the purpose of monitoring segment performance the Group does not allocate its total assets and liabilities between segments.

13. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meetings of shareholders held on 16 April 2014, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2013 and approved a cash dividend of 12% equivalent to 12 fils per share (2012: 10% equivalent to 10 fils per share) and bonus share of 5% equivalent to 5 shares for each 100 shares (2012: Nil) to the shareholders of record as of the date of the Annual General Assembly.

14. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

30 September 2014	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	214,520	-	214,520
Local funds	-	82,500	82,500
Total	<u>214,520</u>	<u>82,500</u>	<u>297,020</u>

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14. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

31 December 2013	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	249,740	-	249,740
Local funds	-	98,000	98,000
Total	249,740	98,000	347,740
30 September 2013	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	394,144	-	394,144
Local funds	-	102,000	102,000
Total	394,144	102,000	496,144

15. CONTINGENT LIABILITIES AND COMMITMENTS

	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2013
	KD	KD	KD
Contingent liabilities			
Letters of credit	349,734	376,778	74,203
Letters of guarantee	37,197	12,520	122,176
	386,931	389,298	196,379

Operating lease commitments

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

	(Unaudited) 30 September 2014	(Audited) 31 December 2013	(Unaudited) 30 September 2013
	KD	KD	KD
Not later than one year	50,879	34,089	34,127
Later than one year but not later than five years	203,516	132,356	136,508