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**Shuaiba Industrial Company K.S.C. (Closed) and its Subsidiary  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)  
and Independent auditors' review report for the nine month period ended  
30 September 2012**

**Shuaiba Industrial Company K.S.C. (Closed) and its Subsidiary  
State of Kuwait**

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30 September 2012**

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**Interim condensed consolidated financial information (Unaudited)**

For the nine month period ended 30 September 2012

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Al Johara Tower, 6<sup>th</sup> Floor  
Khaled Ben Al Waleed Street, Sharq  
P.O. Box 25578, Safat 13116  
Kuwait  
Tel: +965 2242 6999  
Fax: +965 2240 1666  
www.bdo.com.kw



P.O. Box : 636, Safat - 13007 Kuwait  
Tel : + 965 - 22412880 / 22410885  
Fax: + 965 - 22454248  
Ali Al-Salem Str., Thuwaini Bldg. 3<sup>rd</sup> Flr.  
E-Mail: [alateeqi@ateeqipas.com](mailto:alateeqi@ateeqipas.com)  
Website: [www.ateeqipas.com](http://www.ateeqipas.com)

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

### **To the Board of Directors' of Shuaiba Industrial Company K.S.C. (Closed)**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Shuaiba Industrial Company K.S.C. (Closed) ("the Parent Company") and its subsidiary (together referred to as "the Group") as at 30 September 2012, and the related interim condensed consolidated statements of income, 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 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 nothing has come to our attention indicating any contravention during the nine month period ended 30 September 2012, of the Kuwait Commercial Companies Law of 1960, as amended, or of the Parent Company's articles of association, that would materially affect the Group's activities or its financial position.

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

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

**Kuwait: 12 November 2012**

**Shuaiba Industrial Company K.S.C. (Closed) and its Subsidiary  
Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)  
As at 30 September 2012**

		30 September 2012	(Audited) 31 December 2011	30 September 2011
	Notes	KD	KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	8,998,552	8,837,528	8,667,424
Investment in associate	4	2,267,019	2,121,623	2,011,764
Available for sale investments	5	206,365	217,366	237,633
		<u>11,471,936</u>	<u>11,176,517</u>	<u>10,916,821</u>
<b>Current assets</b>				
Inventories		2,633,021	2,514,423	2,519,425
Trade receivables		1,769,742	1,770,341	1,773,628
Other receivables		215,247	121,366	167,868
Due from related parties	13	-	978	14,036
Investments at fair value through statement of income	6	604,895	456,056	452,940
Cash and cash equivalents	7	1,639,358	1,667,733	1,553,447
		<u>6,862,263</u>	<u>6,530,897</u>	<u>6,481,344</u>
<b>Total assets</b>		<u>18,334,199</u>	<u>17,707,414</u>	<u>17,398,165</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	8	6,137,405	5,845,147	5,845,147
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,398,098	1,398,098	1,292,574
Voluntary reserve		1,307,090	1,307,090	1,201,566
Treasury shares	9	(253,265)	(253,265)	(253,265)
Treasury shares reserve		404,979	404,979	404,979
Fair value reserve		(54,196)	(125,871)	(114,650)
Foreign currency translation reserve		1,830	(43,699)	(61,976)
Retained earnings		4,207,837	3,586,535	3,517,852
<b>Total equity</b>		<u>15,444,222</u>	<u>14,413,458</u>	<u>14,126,671</u>
<b>Non-current liabilities</b>				
Term loans	10	747,941	323,370	454,566
Provision for staff indemnity		331,711	296,868	288,704
		<u>1,079,652</u>	<u>620,238</u>	<u>743,270</u>
<b>Current liabilities</b>				
Trade and other payables		1,481,610	1,183,018	1,328,438
Current portion of term loans	10	130,000	191,032	170,000
Notes payable	11	198,715	1,299,668	1,029,786
		<u>1,810,325</u>	<u>2,673,718</u>	<u>2,528,224</u>
<b>Total liabilities</b>		<u>2,889,977</u>	<u>3,293,956</u>	<u>3,271,494</u>
<b>Total equity and liabilities</b>		<u>18,334,199</u>	<u>17,707,414</u>	<u>17,398,165</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

  
Chairman of the Board of Directors

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Interim condensed consolidated statement of income (Unaudited)**

*For the period ended 30 September 2012*

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2012	2011	2012	2011
		KD	KD	KD	KD
Sales		2,772,479	2,808,778	7,737,681	7,602,335
Cost of sales		(2,203,251)	(2,411,582)	(5,974,311)	(6,300,594)
<b>Gross profit</b>		<u>569,228</u>	<u>397,196</u>	<u>1,763,370</u>	<u>1,301,741</u>
Unrealized loss on investments at fair value through statement of income		(9,938)	(16,192)	(51,610)	(6,064)
Realized (Loss) / profit on sale of investments at fair value through statement of income		(8,474)	(703)	(24,541)	11,159
Loss on sale of available for sale investments		-	-	-	(153,206)
Impairment loss on available for sale investments		-	-	(82,800)	-
Share of results of associate	4	112,125	121,011	310,610	309,013
Foreign exchange (loss) / gain		(7,751)	(19)	1,165	18,755
Profit on disposal of property, plant and equipment		-	-	-	6,381
Investment income				1,500	4,650
Other (loss) / income		(25,225)	(7,914)	5,014	6,760
General and administrative expenses		(145,399)	(116,452)	(409,784)	(345,011)
Selling and distribution expenses		(214,304)	(131,366)	(533,996)	(363,915)
Finance costs		(13,469)	(8,007)	(23,012)	(29,643)
<b>Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration</b>		<u>256,793</u>	<u>237,554</u>	<u>955,916</u>	<u>760,620</u>
KFAS		(2,311)	(2,138)	(8,603)	(6,846)
NLST		(6,419)	(5,939)	(23,860)	(18,899)
Zakat		(2,733)	(2,483)	(9,893)	(7,986)
Directors' remuneration		-	-	-	(3,750)
<b>Profit for the period</b>		<u>245,330</u>	<u>226,994</u>	<u>913,560</u>	<u>723,139</u>
<b>Earnings per share (fils)</b>	12	<u>4.09</u>	<u>3.78</u>	<u>15.22</u>	<u>12.05</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Interim condensed consolidated statement of comprehensive income (Unaudited)**  
*For the period ended 30 September 2012*

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	KD	KD	KD	KD
Profit for the period	245,330	226,994	913,560	723,139
<b>Other comprehensive income:</b>				
Exchange differences arising on translation of associates	38,618	24,959	45,529	(14,370)
Change in fair value of available for sale investments	(1,997)	(33,159)	(11,125)	(32,389)
Transferred to consolidated statement of income on impairment of available for sale investments	-	-	82,800	-
<b>Total other comprehensive income / (loss)</b>	<b>36,621</b>	<b>(8,200)</b>	<b>117,204</b>	<b>(46,759)</b>
<b>Total comprehensive income for the period</b>	<b>281,951</b>	<b>218,794</b>	<b>1,030,764</b>	<b>676,380</b>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Interim condensed consolidated statement of changes in equity (Unaudited)  
For the period ended 30 September 2012**

	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
<b>Balance at 1 January 2011</b>	5,566,807	2,294,444	1,292,574	1,201,566	404,979	(253,265)	(100,280)	(29,587)	3,617,380	13,994,618
Exchange differences on translation of associates	-	-	-	-	-	-	-	(32,389)	-	(32,389)
Net change in fair value of available for sale investments	-	-	-	-	-	-	(14,370)	-	-	(14,370)
Other comprehensive loss	-	-	-	-	-	-	(14,370)	(32,389)	-	(46,759)
Profit for the period	-	-	-	-	-	-	-	-	723,139	723,139
Total comprehensive income for the period	-	-	-	-	-	-	(14,370)	(32,389)	723,139	676,380
Issue of bonus shares (note 16)	278,340	-	-	-	-	-	-	-	(278,340)	-
Dividend paid	-	-	-	-	-	-	-	-	(544,327)	(544,327)
<b>Balance at 30 September 2011</b>	<u>5,845,147</u>	<u>2,294,444</u>	<u>1,292,574</u>	<u>1,201,566</u>	<u>404,979</u>	<u>(253,265)</u>	<u>(114,650)</u>	<u>(61,976)</u>	<u>3,517,852</u>	<u>14,126,671</u>
<b>Balance at 1 January 2012</b>	5,845,147	2,294,444	1,398,098	1,307,090	404,979	(253,265)	(125,871)	(43,699)	3,586,535	14,413,458
Exchange differences on translation of associates	-	-	-	-	-	-	-	45,529	-	45,529
Net change in fair value of available for sale investments	-	-	-	-	-	-	71,675	-	-	71,675
Other comprehensive loss	-	-	-	-	-	-	71,675	45,529	-	117,204
Profit for the period	-	-	-	-	-	-	-	-	913,560	913,560
Total comprehensive income for the period	-	-	-	-	-	-	-	45,529	913,560	913,560
Issue of bonus shares (note 16)	292,258	-	-	-	-	-	-	-	(292,258)	-
<b>Balance at 30 September 2012</b>	<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>(253,265)</u>	<u>(54,196)</u>	<u>1,830</u>	<u>4,207,837</u>	<u>15,444,222</u>

Transfer to statutory and voluntary reserve is made at the end of each financial year.

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.



**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)**  
*For the period ended 30 September 2012*

	Note	Nine months ended 30 September	
		2012 KD	2011 KD
<b>Operating activities</b>			
Profit for the period		913,560	723,139
Adjustments for:			
Depreciation		258,627	203,950
Finance costs		23,012	29,643
Provision for staff indemnity		37,197	51,600
Profit on disposal of property, plant and equipment		-	(6,381)
Share of results of associate		(310,610)	(309,013)
Loss on available for sale investments		-	153,206
Unrealised loss on investments at fair value through statement of income		51,610	6,064
Realised loss / (profit) on investment at fair value through statement of income		24,541	(11,159)
Impairment loss on available for sale investments		82,800	-
		<u>1,080,737</u>	<u>841,049</u>
Movements in working capital:			
Inventories		(118,598)	736,498
Trade receivables		599	(534,827)
Other receivables		(93,879)	367,994
Due from related parties		978	(3,789)
Trade and other payables		297,083	717,216
Notes payable		(1,100,953)	(108,965)
<b>Cash generated from operations</b>		<u>65,967</u>	<u>2,015,176</u>
Staff indemnity paid		(2,354)	(8,970)
<b>Net cash from operating activities</b>		<u>63,613</u>	<u>2,006,206</u>
<b>Investing activities</b>			
Net movement in investments at fair value through statement of income		(224,990)	(104,284)
Purchase of property, plant and equipment		(370,813)	(2,750,160)
Proceeds from property, plant and equipment		-	10,140
Dividend received from associate		177,115	-
Net movement in available for sale investments		11,001	235,081
<b>Net cash used in investing activities</b>		<u>(407,687)</u>	<u>(2,609,223)</u>
<b>Financing activities</b>			
Dividend paid		-	(544,327)
Receipt of term loan		1,252,163	544,566
Repayment of term loan		(888,624)	(140,000)
Finance costs paid		(21,501)	(26,922)
<b>Net cash from / (used in) financing activities</b>		<u>342,038</u>	<u>(166,683)</u>
Effect of foreign currency translation		(26,339)	32,389
<b>Net decrease in cash and cash equivalents</b>		<u>(28,375)</u>	<u>(737,311)</u>
<b>Cash and cash equivalents at beginning of the period</b>		<u>1,667,733</u>	<u>2,290,758</u>
<b>Cash and cash equivalents at end of the period</b>	7	<u>1,639,358</u>	<u>1,553,447</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
*For the period ended 30 September 2012*

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**1. GENERAL INFORMATION**

Shuaiba Paper Products Company K.S.C. (Closed) (“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 K.S.C. (Closed). 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 consolidation financial information includes the Parent Company and its subsidiary – Advance Technologies (International Agencies) Company W.L.L

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, and State of Kuwait.

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2012 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 12 November 2012.

**2. BASIS OF PREPARATION**

The interim condensed consolidated financial information have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting, accordingly, they do not include all information and footnotes required of complete financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2011.

In the opinion of management all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the nine-month period ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2011.

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the period ended 30 September 2012**

**3. PROPERTY, PLANT AND EQUIPMENT**

Cost	Leasehold	Buildings	Machinery	Furniture and	Motor	Capital work	Total
	land			fixtures	vehicles	in progress	
	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2011	555,000	1,980,972	4,277,436	498,783	221,793	880,340	8,414,324
Additions	-	-	1,200	3,087	-	3,197,320	3,201,607
Transfers	-	69,859	897,048	58,511	-	(1,025,418)	-
Disposals	-	-	(159,016)	(1,469)	-	-	(160,485)
Balance at 31 December 2011	555,000	2,050,831	5,016,668	558,912	221,793	3,052,242	11,455,446
Additions	-	75,324	17,328	21,707	7,306	249,148	370,813
Transfers	-	1,411,596	1,709,269	57,440	25,984	(3,204,289)	-
Foreign exchange difference	-	22,035	25,948	579	437	4	49,003
Balance at 30 September 2012	555,000	3,559,786	6,769,213	638,638	255,520	97,105	11,875,262
<b>Accumulated depreciation</b>							
Balance at 1 January 2011	-	527,169	1,314,591	424,673	168,692	-	2,435,125
Charge for the year	-	80,585	152,718	30,444	15,653	-	279,400
Relating to disposals	-	-	(106,077)	(1,465)	-	-	(107,542)
Impairment loss	-	-	10,935	-	-	-	10,935
Balance at 31 December 2011	-	607,754	1,372,167	453,652	184,345	-	2,617,918
Charge for the period	-	74,696	141,026	30,480	12,425	-	258,627
Foreign exchange difference	-	66	75	15	9	-	165
Balance at 30 September 2012	-	682,516	1,513,268	484,147	196,779	-	2,876,710
<b>Carrying amount</b>							
As at 30 September 2012	555,000	2,877,270	5,255,945	154,491	58,741	97,105	8,998,552
As at 31 December 2011	555,000	1,443,077	3,644,501	105,260	37,448	3,052,242	8,837,528
As at 30 September 2011	555,000	1,463,840	3,031,535	62,741	41,038	3,513,270	8,667,424
<b>Annual depreciation rates</b>	-	3.33%	3.33%	20%	20%	-	-

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.S.C. (Closed) and its subsidiary  
Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
*For the period ended 30 September 2012*

**4. INVESTMENT IN ASSOCIATE**

Name of associate	Country of incorporation	Ownership interest		Carrying value		
		30 September		30 September 2012	(Audited)	
		2012	2011		31 December 2011	30 September 2011
		%	%	KD	KD	KD
Yanbu Saudi Kuwaiti Paper Products Company ("YSKPPC")	Saudi Arabia	40	40	2,267,019	2,121,623	2,011,764

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

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
<b>Associate's financial position:</b>			
Total assets	6,735,328	6,680,196	6,760,292
Total Liabilities	1,067,781	1,376,138	1,730,884
Net assets	5,667,547	5,304,058	5,029,408
Group share of net assets of associate	2,267,019	2,121,623	2,011,764
<b>Associate's revenue and results:</b>			
Total revenue	5,966,619	7,437,571	5,448,604
Total profits	776,526	1,001,490	772,533
Share of results of associate	310,610	400,596	309,013

**5. AVAILABLE FOR SALE INVESTMENTS**

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
Quoted securities	154,522	165,523	176,725
Unquoted securities	51,843	51,843	60,908
	206,365	217,366	237,633

Unquoted securities amounting to KD 51,843 (31 December 2011: KD 51,843 and 30 September 2011: KD 60,908) 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 investments are managed by a portfolio manager, under a portfolio management agreement.

Notes to the interim condensed consolidated financial information (Unaudited)  
For the period ended 30 September 2012

6. INVESTMENTS AT FAIR VALUE THROUGH STATEMENT OF INCOME

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
<b>Trading:</b>			
Local quoted securities	408,895	228,556	217,940
Local unquoted securities	92,000	108,000	108,000
Local funds	104,000	119,500	127,000
	<u>604,895</u>	<u>456,056</u>	<u>452,940</u>

Investments at fair value through statement of income are managed by a portfolio manager, under a portfolio management agreement.

7. CASH AND CASH EQUIVALENTS

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
Cash and bank balances	1,254,624	1,104,272	1,035,044
Time deposits	346,585	549,478	503,725
Cash balance with portfolio manager	38,149	13,983	14,678
	<u>1,639,358</u>	<u>1,667,733</u>	<u>1,553,447</u>

The Group's time deposits with banks yield an average rate of 0.55% to 1.125% (31 December 2011: 1% to 1.125% and 30 September 2011: 1% to 1.5%) per annum and mature within three months 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 2011 and 30 September 2011: KD 5,845,147 (31 December 2011 and 30 September 2011: 58,451,474 shares of 100 fils each).

At the extraordinary general assembly meeting held on 17 April 2012, the shareholders approved the increase in the authorised, issued and paid up capital from 58,451,474 shares to 61,374,047 shares, by offering 2,292,573 shares to be issued at a nominal value of 100 fils.

9. TREASURY SHARES

	30 September 2012	(Audited) 31 December 2011	30 September 2011
Number of shares	1,361,956	1,297,101	1,297,101
Percentage of issued shares	2.22%	2.22%	2.22%
Market value (KD)	258,771	233,478	212,725
Cost (KD)	<u>253,265</u>	<u>253,265</u>	<u>253,265</u>

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

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
*For the period ended 30 September 2012*

**10. TERM LOANS**

	<b>30 September 2012</b>	<b>(Audited) 31 December 2011</b>	<b>30 September 2011</b>
	KD	KD	KD
Current portion	130,000	191,032	170,000
Non-current portion	747,941	323,370	454,566
	<u>877,941</u>	<u>514,402</u>	<u>624,566</u>

Term loans from local banks carry finance cost at 3.5% (31 December 2011 and 30 September 2011: 3.5%) per annum.

Certain property, plant and equipment 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 5.75% (31 December 2011: 5.75% and 30 September 2011: 5.25%) per annum.

**12. EARNINGS PER SHARE**

Earnings per share are computed by dividing profit for the period by the weighted average number of shares outstanding during the period.

	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Profit for the period (KD)	<u>245,330</u>	<u>226,994</u>	<u>913,560</u>	<u>723,139</u>
Number of shares outstanding:				
Weighted average number of paid up shares	61,374,050	61,374,050	61,374,050	61,374,050
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 outstanding shares	<u>60,012,094</u>	<u>60,012,094</u>	<u>60,012,094</u>	<u>60,012,094</u>
<b>Earnings per share (fils)</b>	<u>4.09</u>	<u>3.78</u>	<u>15.22</u>	<u>12.05</u>

Earnings per share were 3.97 fils and 12.65 fils for the three month and nine month period ended 30 September 2011 respectively, before retrospective adjustment to the number of shares following the bonus issue during 2012.

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
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**Notes to the interim condensed consolidated financial information (Unaudited)**  
*For the period ended 30 September 2012*

**13. RELATED PARTY TRANSACTIONS**

Related parties represent subsidiaries, associated companies, 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. Transactions with related parties are as follows:

	<b>30 September 2012</b>	<b>(Audited) 31 December 2011</b>	<b>30 September 2011</b>
	KD	KD	KD
<b>Balances:</b>			
a) Due from related parties	-	978	14,036
		<b>Nine months ended 30 September</b>	
		<b>2012</b>	<b>2011</b>
		KD	KD
<b>Transactions:</b>			
b) <b>Key management compensation</b>			
• Salaries and other short-term benefits		30,600	30,600
• Terminal benefits		4,414	4,414

**14. SEGMENT INFORMATION**

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

	<b>Three months ended 30 September</b>			
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Segment result</b>	
Industrial Packaging Division	1,898,807	1,482,830	354,668	200,266
Commercial Packaging Division	627,204	698,378	183,385	169,718
Flexible Packaging Division	221,342	281,672	27,597	18,804
Trading Division	25,126	345,898	3,578	8,408
	<u>2,772,479</u>	<u>2,808,778</u>	569,228	397,196
Unrealized loss on investments at fair value through statement of income			(9,938)	(16,192)
Realized loss on sale of investments at fair value through statement of income			(8,474)	(703)
Share of results of associate			112,125	121,011
Foreign exchange loss			(7,751)	(19)
Other loss			(25,225)	(7,914)
General and administrative expenses			(145,399)	(116,452)
Selling and distribution expenses			(214,304)	(131,366)
Finance costs			(13,469)	(8,007)
KFAS			(2,311)	(2,138)
NLST			(6,419)	(5,939)
Zakat			(2,733)	(2,483)
Profit for the period			<u>245,330</u>	<u>226,994</u>

**Shuaiba Industrial Company K.S.C. (Closed) and its subsidiary  
Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
*For the period ended 30 September 2012*

**14. SEGMENT INFORMATION (continued)**

	Nine months ended 30 September			
	2012	2011	2012	2011
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Segment result</b>	
Industrial Packaging Division	4,772,044	4,063,506	1,060,730	686,761
Commercial Packaging Division	2,039,798	2,017,426	585,229	516,612
Flexible Packaging Division	690,781	759,599	90,183	49,425
Trading Division	235,058	761,804	27,228	48,943
	<u>7,737,681</u>	<u>7,602,335</u>	<u>1,763,370</u>	<u>1,301,741</u>
Unrealized loss on investments at fair value through statement of income			(51,610)	(6,064)
Realized (loss) / profit on investments at fair value through statement of income			(24,541)	11,159
Loss on sale of available for sale investments			-	(153,206)
Impairment loss on available for sale investments			(82,800)	-
Share of results of associates			310,610	309,013
Foreign exchange gain			1,165	18,755
Profit on disposal of property, plant and equipment			-	6,381
Investment income			1,500	4,650
Other income			5,014	6,760
General and administrative expenses			(409,784)	(345,011)
Selling and distribution expenses			(533,996)	(363,915)
Finance costs			(23,012)	(29,643)
KFAS			(8,603)	(6,846)
NLST			(23,860)	(18,899)
Zakat			(9,893)	(7,986)
Directors remuneration			-	(3,750)
Profit for the period			<u>913,560</u>	<u>723,139</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	
	2012	2011	2012	2011
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Revenue</b>	
Kuwait	886,385	1,451,412	3,214,615	4,083,706
GCC	932,542	876,855	2,643,410	2,588,836
Asia	296,490	85,624	819,956	234,931
Africa	657,062	394,887	1,059,700	694,862
	<u>2,772,479</u>	<u>2,808,778</u>	<u>7,737,681</u>	<u>7,602,335</u>



15. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
<b>Contingent liabilities</b>			
Capital commitments	-	67,420	193,976
Letters of credit	458,714	905,200	474,246
Letters of guarantee	120,208	169,530	167,709

**Operating lease commitments**

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

	30 September 2012	(Audited) 31 December 2011	30 September 2011
	KD	KD	KD
Not later than one year	5,000	5,000	5,000
Later than one year but not later than five years	10,000	10,000	10,000

16. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly held on 17 April 2012, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2011 and approved a cash dividend nil (2010: 10 fils per share) and bonus share of 5% equivalent to 5 shares for each 100 shares (2010: 5 shares for each 100 shares) to the shareholders of record as of the date of the Annual General Assembly.