

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

**Interim condensed consolidated financial information and independent auditors'
review report for the three month period ended 31 March 2015 (Unaudited)**

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

**Interim condensed consolidated financial information and independent auditors' review report
(Unaudited)**

For the three month period ended 31 March 2015

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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 31 March 2015, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three 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 Auditor 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 books of accounts 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, and its Executive Regulations or of the Memorandum and Articles of Association of the Parent Company, as amended, have occurred during the three month period ended 31 March 2015 that might have had a material effect on the business of the Group or its consolidated financial position.



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

Kuwait: 10 May 2015



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 31 March 2015**

		31 March 2015	(Audited) 31 December 2014	31 March 2014
	Note	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment	3	8,543,736	8,541,058	8,737,667
Investment in associate	4	2,536,798	2,590,021	2,560,297
Available for sale financial assets	5	36,843	36,843	36,843
		<u>11,117,377</u>	<u>11,167,922</u>	<u>11,334,807</u>
Current assets				
Inventories		4,224,414	3,694,810	3,553,888
Trade receivables		2,986,699	2,249,904	2,659,108
Other receivables		318,330	241,089	209,055
Due from related parties	13	121,752	-	680
Financial assets at fair value through profit or loss	6	229,195	253,406	302,117
Cash and cash equivalents	7	2,629,144	2,854,587	2,657,104
		<u>10,509,534</u>	<u>9,293,796</u>	<u>9,381,952</u>
Total assets		<u>21,626,911</u>	<u>20,461,718</u>	<u>20,716,759</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	6,444,275	6,444,275	6,137,405
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,803,237	1,803,237	1,653,044
Voluntary reserve		1,712,229	1,712,229	1,562,036
Treasury shares	9	(253,265)	(253,265)	(253,265)
Treasury shares reserve		404,979	404,979	404,979
Foreign currency translation reserve		447,978	263,838	12,304
Retained earnings		5,104,885	4,659,964	4,818,617
Total equity		<u>17,958,762</u>	<u>17,329,701</u>	<u>16,629,564</u>
Non-current liabilities				
Non-current portion of term loans	10	456,000	456,000	667,941
Provision for staff indemnity		496,499	482,090	441,238
		<u>952,499</u>	<u>938,090</u>	<u>1,109,179</u>
Current liabilities				
Trade and other payables		2,503,709	1,951,986	2,778,016
Current portion of term loans	10	211,941	241,941	200,000
		<u>2,715,650</u>	<u>2,193,927</u>	<u>2,978,016</u>
Total liabilities		<u>3,668,149</u>	<u>3,132,017</u>	<u>4,087,195</u>
Total equity and liabilities		<u>21,626,911</u>	<u>20,461,718</u>	<u>20,716,759</u>

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


Saleh Omran Abdullah Kannan
Chairman

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

**Interim condensed consolidated statement of profit or loss (Unaudited)
For the three month period ended 31 March 2015**

	Notes	Three months ended 31 March	
		2015	2014
		KD	KD
Sales		4,051,231	3,023,836
Cost of sales		<u>(3,126,940)</u>	<u>(2,407,051)</u>
Gross profit		924,291	616,785
Unrealised loss on financial assets at fair value through profit or loss		(24,211)	(45,623)
Share of results of associate	4	5,127	12,776
Foreign exchange gain / (loss)		10,556	(4,016)
Other income		13,809	21,031
General and administrative expenses	11	(197,881)	(181,124)
Selling and distribution expenses		(255,599)	(158,184)
Finance costs		<u>(10,179)</u>	<u>(10,764)</u>
Profit before provisions for Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		465,913	250,881
KFAS		(4,193)	(2,258)
NLST		(11,999)	(6,272)
Zakat		<u>(4,800)</u>	<u>(2,840)</u>
Profit for the period		<u>444,921</u>	<u>239,511</u>
Earnings per share (basic and diluted)	12	<u>7.06 fils</u>	<u>3.80 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 profit or loss and other comprehensive income (Unaudited)
For the three month period ended 31 March 2015**

	Three months ended 31 March	
	2015	2014
	KD	KD
Profit for the period	<u>444,921</u>	<u>239,511</u>
Other comprehensive income		
Foreign exchange translation adjustments	<u>184,140</u>	<u>(8,364)</u>
Other comprehensive income/ (loss) for the period	<u>184,140</u>	<u>(8,364)</u>
Total comprehensive income for the period	<u>629,061</u>	<u>231,147</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 three month period ended 31 March 2015

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total equity KD
Balance at 1 January 2015	6,444,275	2,294,444	1,803,237	1,712,229	(253,265)	404,979	263,838	4,659,964	17,329,701
Profit for the period	-	-	-	-	-	-	-	444,921	444,921
Other comprehensive income for the period	-	-	-	-	-	-	184,140	-	184,140
Total comprehensive income for the period	-	-	-	-	-	-	184,140	-	184,140
Balance at 31 March 2015	6,444,275	2,294,444	1,803,237	1,712,229	(253,265)	404,979	447,978	5,104,885	17,958,762
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	-	-	-	-	-	-	-	239,511	239,511
Other comprehensive loss for the period	-	-	-	-	-	-	(8,364)	-	(8,364)
Total comprehensive income for the period	-	-	-	-	-	-	(8,364)	-	(8,364)
Balance at 31 March 2014	6,137,405	2,294,444	1,653,044	1,562,036	(253,265)	404,979	12,304	4,818,617	16,629,564

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 three month period ended 31 March 2015**

	Note	Three months ended 31 March	
		2015	2014
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		444,921	239,511
Adjustments for:			
Depreciation		113,532	112,094
Unrealised loss on financial assets at fair value through profit or loss		24,211	45,623
Share of results of associate		(5,127)	(12,776)
Gain on disposal of property, plant and equipment		(109)	-
Finance costs		10,179	10,764
Provision for staff indemnity		17,698	35,136
		<u>605,305</u>	<u>430,352</u>
<i>Movements in working capital:</i>			
Inventories		(529,604)	(294,927)
Trade receivables		(736,795)	(40,148)
Other receivables		(77,241)	(78,530)
Due from related parties		(121,752)	(680)
Trade and other payables		551,723	720,096
Cash (used in) / generated from operations		<u>(308,364)</u>	<u>736,163</u>
Staff indemnity paid		(3,642)	(2,017)
Net cash (used in) / generated from operating activities		<u>(312,006)</u>	<u>734,146</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(32,419)	(22,232)
Proceeds on disposal of property, plant and equipment		110	-
Dividend received from investment in associate		128,160	-
Net cash generated from / (used in) investing activities		<u>95,851</u>	<u>(22,232)</u>
FINANCING ACTIVITIES			
Net movement in term loans		(30,000)	190,000
Finance costs paid		(10,179)	(10,764)
Net cash (used in) / generated from financing activities		<u>(40,179)</u>	<u>179,236</u>
Effect of foreign currency translation		30,891	(796)
Net (decrease) / increase in cash and cash equivalents		<u>(225,443)</u>	<u>890,354</u>
Cash and cash equivalents at beginning of the period		2,854,587	1,766,750
Cash and cash equivalents at end of the period	7	<u>2,629,144</u>	<u>2,657,104</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**

**Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2015**

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 three month period ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 10 May 2015.

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 2014 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 three month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

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 the consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new standards and amendments effective as of 1 January 2015. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

The nature and the impact of each new standard or amendment are described below:

IAS 19 Employee Benefits (Amendment)

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

2. **BASIS OF PREPARATION (Continued)**

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial information. They include:

- **IFRS 2 Share-based Payment**

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

These amendments do not impact the Group's accounting policies.

- **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not impact the Group's accounting policy.

- **IFRS 8 Operating Segments**

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12 and has not presented a reconciliation of the total of the reportable segments' assets to the Group's assets and the total of the reportable segments' liabilities to the Group's liabilities as such reconciliations are not reported to the Group's chief operating decision maker.

- **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

2. BASIS OF PREPARATION (Continued)

• **IAS 24 Related Party Disclosures**

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial information. They include:

• **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

This amendment is not relevant for the Group and its subsidiaries.

• **IFRS 13 Fair Value Measurement**

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

• **IAS 40 Investment Property**

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

Basis of consolidation

This interim condensed consolidated financial information for the three month period ended 31 March 2014 includes the Parent Company and its wholly owned subsidiary - Advance Technologies (International Agencies) Company W.L.L. together (the "Group"). 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 for the period ended 31 March 2015.

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

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2015

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 2014	555,000	3,602,451	6,865,273	727,570	221,143	196,020	12,167,457
Additions	-	-	-	-	-	42,009	42,009
Transfers	-	-	201,327	30,702	6,000	(238,029)	-
Foreign currency exchange difference	-	57,420	65,352	4,069	1,278	-	128,119
Balance at 31 December 2014	555,000	3,659,871	7,131,952	762,341	228,421	-	12,337,585
Additions	-	-	-	-	-	32,419	32,419
Disposals	-	-	-	-	(1,850)	-	(1,850)
Transfers	-	-	-	350	4,500	(4,850)	-
Foreign currency exchange difference	-	41,580	47,323	2,788	926	279	92,896
Balance at 31 March 2015	555,000	3,701,451	7,179,275	765,479	231,997	27,848	12,461,050
Accumulated depreciation							
Balance at 1 January 2014	-	852,301	1,765,337	551,948	166,183	-	3,335,769
Charge for the year	-	141,384	237,251	56,193	18,504	-	453,332
Foreign currency exchange difference	-	2,868	3,268	906	384	-	7,426
Balance at 31 December 2014	-	996,553	2,005,856	609,047	185,071	-	3,796,527
Charge for the period	-	35,692	59,395	14,125	4,320	-	113,532
Relating to disposals	-	-	-	-	(1,849)	-	(1,849)
Foreign currency exchange difference	-	3,463	3,944	1,234	463	-	9,104
Balance at 31 March 2015	-	1,035,708	2,069,195	624,406	188,005	-	3,917,314
Carrying amount							
As at 31 March 2015	555,000	2,665,743	5,110,080	141,073	43,992	27,848	8,543,736
As at 31 December 2014	555,000	2,663,318	5,126,096	153,294	43,350	-	8,541,058
As at 31 March 2014	555,000	2,713,424	5,039,368	169,656	56,369	203,850	8,737,667
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 leasehold land from the Government of Kuwait and the Government of Dubai.

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2015

4. INVESTMENT IN ASSOCIATE

Name of associate	Country of incorporation	Ownership interest		Carrying value		
		31 March		31 March 2015 KD	(Audited)	
		2015 %	2014 %		31 December 2014 KD	31 March 2014 KD
Yanbu Saudi Kuwaiti Paper Products Company ("YSKPPC")	Saudi Arabia	40	40	2,536,798	2,590,021	2,560,297

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

	31 March 2015 KD	(Audited) 31 December 2014 KD	31 March 2014 KD
Associate's financial position:			
Total assets	7,163,317	7,780,985	7,675,731
Total liabilities	821,323	1,305,932	1,274,987
Net assets	6,341,994	6,475,053	6,400,744
Group share of net assets of associate	2,536,798	2,590,021	2,560,298
Associate's revenue and results:			
Total revenue	1,306,880	6,747,556	1,437,693
Total profits	12,818	319,436	31,941
Share of results of associate	5,127	127,774	12,776

5. AVAILABLE FOR SALE FINANCIAL ASSETS

	31 March 2015 KD	(Audited) 31 December 2014 KD	31 March 2014 KD
Unquoted securities	36,843	36,843	36,843

Unquoted securities amounting to KD 36,843 (31 December 2014: KD 36,843 and 31 March 2014: KD 36,843) are carried at cost less impairment (if any) 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.

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

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2015

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2015	(Audited) 31 December 2014	31 March 2014
	KD	KD	KD
Trading:			
Local quoted securities	169,695	188,906	208,117
Local funds	59,500	64,500	94,000
	<u>229,195</u>	<u>253,406</u>	<u>302,117</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

	31 March 2015	(Audited) 31 December 2014	31 March 2014
	KD	KD	KD
Cash at bank and on hand	2,429,144	2,354,112	2,437,835
Short term deposits	200,000	500,000	217,000
Cash balance with portfolio manager	-	475	2,269
	<u>2,629,144</u>	<u>2,854,587</u>	<u>2,657,104</u>

The Group's short term deposits with banks yield at an average rate of 0.56% (31 December 2014: 0.62% and 31 March 2014: 0.62%) per annum and mature within 90 days from the date of deposit.

8. SHARE CAPITAL

The authorized, issued and paid up share capital is KD 6,444,275 (31 December 2014: KD 6,444,275 and 31 March 2014: KD 6,137,405) comprising of 64,442,750 shares of 100 fils each (31 December 2014: 64,442,750 and 31 March 2014: 61,374,047 shares of 100 fils each) and all shares are in cash.

9. TREASURY SHARES

	31 March 2015	(Audited) 31 December 2014	31 March 2014
Number of shares	1,430,462	1,430,462	1,362,240
Percentage of issued shares	2.22%	2.22%	2.22%
Market value (KD)	407,682	357,616	340,560
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.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2015**

10. TERM LOANS

	31 March 2015	(Audited) 31 December 2014	31 March 2014
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Non-current portion	456,000	456,000	667,941
Current portion	211,941	241,941	200,000
	<u>667,941</u>	<u>697,941</u>	<u>867,941</u>

Term loans from local banks carry finance cost at 3.5% (31 December 2014 and 31 March 2014: 3.5%) per annum.

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

11. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	<u>2015</u>	<u>2014</u>
	KD	KD
Staff cost	149,591	138,863
Depreciation	6,201	6,972
Communication	6,385	6,800
Travel	1,516	1,400
Membership and advertisement	978	1,100
Share market expenses	1,642	1,642
Repairs and maintenance	1,392	1,162
Software and hardware maintenance	2,677	3,525
Rental	5,150	4,671
Stationery expenses	1,813	1,233
Professional charges	4,296	3,076
Employees food and refreshment	2,112	2,134
Miscellaneous expenses	10,462	4,418
Local conveyance	3,666	2,821
	<u>197,881</u>	<u>181,124</u>

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12. 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 months ended 31 March	
	2015	2014
Profit for the period (KD)	<u>444,921</u>	<u>239,511</u>
Weighted average number of shares outstanding:		
Number of issued shares (shares)	64,442,750	64,442,750
Weighted average number of treasury shares (shares)	<u>(1,430,462)</u>	<u>(1,430,462)</u>
Weighted average number of shares outstanding (shares)	<u>63,012,288</u>	<u>63,012,288</u>
Earnings per share (basic and diluted) (fils)	<u>7.06</u>	<u>3.80</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:

	31 March 2015	(Audited) 31 December 2014	31 March 2014
	KD	KD	KD
Statement of financial position			
a) Due from related parties:			
• Other related parties	<u>121,752</u>	<u>-</u>	<u>680</u>
		Three months ended 31 March	
		2015	2014
		KD	KD
Statement of profit or loss			
b) Key management compensation			
• Salaries and other short-term benefits		103,721	97,801
• Termination benefits		<u>5,009</u>	<u>5,009</u>

14. SEGMENTAL 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.

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14. SEGMENTAL INFORMATION (Continued)

- *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.

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

	Three months ended 31 March			
	2015	2014	2015	2014
	KD	KD	KD	KD
	Revenue		Segment result	
Industrial Packaging Division	2,808,294	1,932,835	588,495	355,784
Consumer Packaging Division	943,870	816,339	313,572	217,827
Flexible Packaging Division	236,309	202,335	14,546	34,175
Trading Division	62,758	72,327	7,678	8,999
	<u>4,051,231</u>	<u>3,023,836</u>	924,291	616,785
Unrealised loss on financial assets at fair value through profit or loss			(24,211)	(45,623)
Share of results of associate			5,127	12,776
Foreign exchange gain / (loss)			10,556	(4,016)
Other income			13,809	21,031
General and administrative expenses			(197,881)	(181,124)
Selling and distribution expenses			(255,599)	(158,184)
Finance costs			(10,179)	(10,764)
KFAS			(4,193)	(2,258)
NLST			(11,999)	(6,272)
Zakat			(4,800)	(2,840)
Profit for the period			<u>444,921</u>	<u>239,511</u>

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

	Three months ended 31 March	
	2015	2014
	KD	KD
Kuwait	1,348,658	1,145,211
GCC	2,063,165	1,501,467
Asia	322,049	276,453
Africa	317,359	100,705
	<u>4,051,231</u>	<u>3,023,836</u>

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

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15. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meetings of shareholders held on 13 April 2015, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2014 and approved a cash dividend of 20% equivalents to 20 fils per share (2013: 12% equivalent to 12 fils per share) and bonus share of nil (2013: 5% equivalent to 5 shares for each 100 shares) to the shareholders of record as of the date of the Annual General Assembly.

16. 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.

31 March 2015	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	169,695	-	169,695
Local funds	-	59,500	59,500
Total	169,695	59,500	229,195
31 December 2014	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	188,906	-	188,906
Local funds	-	64,500	64,500
Total	188,906	64,500	253,406
31 March 2014	Level 1	Level 2	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Local quoted securities	208,117	-	208,117
Local funds	-	94,000	94,000
Total	208,117	94,000	302,117

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17. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2015	(Audited) 31 December 2014	31 March 2014
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Capital commitments			
For the acquisition of property, plant and equipment	<u>210,369</u>	<u>229,728</u>	<u>-</u>
Operating lease commitments			
Not later than one year	52,479	50,456	50,080
Later than one year but not later than five years	<u>209,916</u>	<u>201,824</u>	<u>200,320</u>
	<u>262,395</u>	<u>252,280</u>	<u>250,400</u>
Contingent liabilities			
Letters of credit	251,005	1,348,742	354,412
Letters of guarantee	<u>141,425</u>	<u>60,753</u>	<u>21,505</u>
	<u>392,430</u>	<u>1,409,495</u>	<u>375,917</u>