



Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
Interim Consolidated Financial Statements (Un-audited)
For the three month period ended 31 March 2015
Together with the Review Report



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REVIEW REPORT
TO THE SHAREHOLDERS OF ABDULLAH AL-OTHAIM MARKETS COMPANY
A SAUDI JOINT STOCK COMPANY

Scope of Review

We have reviewed the accompanying interim consolidated balance sheet of **Abdullah Al-Othaim Markets Company – A Saudi Joint Stock Company** (“the Company”) and its subsidiaries (“the Group”) as at 31 March 2015, and the related interim consolidated statement of income for three-month ended 31 March 2015, and interim consolidated statements of cash flows and changes in equity for the three months period then ended and notes 1 to 17 which form an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are the responsibility of Group’s management and have been prepared by them and submitted to us together with all information and explanations which we required. We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA).

A review consists principally of applying analytical procedure to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than the audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

For KPMG Al Fozan & Al Sadhan

Khalil Ibrahim Al Sedais
License No. 371

Riyadh on: 2 Rajab 1436 H
Corresponding to: 21 April 2015

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED BALANCE SHEET
As at 31 March 2015
(Saudi Riyals)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents		287,482,875	200,689,865
Inventories, net		509,883,209	423,067,057
Prepayments and other current assets		170,205,961	125,541,873
Total current assets		<u>967,572,045</u>	<u>749,298,795</u>
Non-current assets			
Investments, net	(5)	239,787,124	182,126,602
Property and equipment, net	(6)	928,809,562	736,803,001
Investment property, net	(7)	485,316,323	506,276,748
Biological assets, net	(8)	1,125,967	1,955,260
Intangible assets, net		12,657,906	14,456,133
Total non-current assets		<u>1,667,696,882</u>	<u>1,441,617,744</u>
TOTAL ASSETS		<u>2,635,268,927</u>	<u>2,190,916,539</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
LIABILITIES			
Current liabilities			
Trade payables		1,014,698,957	930,542,321
Current portion of long term loans and Murabahas	(9b)	103,038,400	73,636,364
Short term loans and Murabahas	(9a)	70,359,957	20,032,267
Accrued expenses and other current liabilities		164,880,489	142,191,209
Total current liabilities		<u>1,352,977,803</u>	<u>1,166,402,161</u>
Non-current liabilities			
Long term loans and Murabahas	(9b)	219,600,000	120,000,000
Employees' end of service benefits		59,157,267	50,746,823
Total non-current liabilities		<u>278,757,267</u>	<u>170,746,823</u>
TOTAL LIBILATIES		<u>1,631,735,070</u>	<u>1,337,148,984</u>
SHAREHOLDERS' EQUITY			
Share capital	(10)	450,000,000	225,000,000
Statutory reserve	(11)	21,477,889	93,409,588
Voluntary reserve	(12)	--	12,453,336
Retained earnings		530,067,382	520,981,115
Unrealized gains from investment in available for sale securities		442,138	120,588
Equity attributable to shareholders		<u>1,001,987,409</u>	<u>851,964,627</u>
Non – controlling interest		<u>1,546,448</u>	<u>1,802,928</u>
Total Equity		<u>1,003,533,857</u>	<u>853,767,555</u>
TOTAL LIABILITIES AND EQUITY		<u>2,635,268,927</u>	<u>2,190,916,539</u>

The accompanying notes (1) to (17) form an integral part of these interim consolidated financial statements.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF INCOME
For the three months period ended 31 March 2015
(Saudi Riyals)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Sales		1,408,029,874	1,222,977,382
Cost of sales		<u>(1,195,672,662)</u>	<u>(1,018,316,694)</u>
Gross profit		212,357,212	204,660,688
Rental income, net		13,937,282	13,518,311
Selling and distribution expenses		(164,731,371)	(159,812,270)
General and administrative expenses		(19,316,515)	(15,690,515)
Income from operations		42,246,608	42,676,214
Share in profits of equity accounted investees		6,984,397	5,573,721
Finance expenses		(2,061,594)	(1,837,293)
Other income, net		2,748,427	990,513
Net income before zakat & income tax and non - controlling interest		49,917,838	47,403,155
Zakat and income tax		(1,125,042)	(1,000,862)
Net income before non - controlling interest		48,792,796	46,402,293
Non - controlling interest in net loss of the subsidiary		98,595	66,749
Net income for the period		48,891,391	46,469,042
Earnings per share from:	(13)		
Operations		0.94	0.95
Non operations		0.17	0.11
Net income		1.09	1.03
Weighted average number of shares		45,000,000	45,000,000

The accompanying notes (1) to (17) form an integral part of these interim consolidated financial statements.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
IIINTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months period ended 31 March 2015
(Saudi Riyals)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		48,891,391	46,469,042
<i>Adjustments to reconcile net income to net cash generated</i>			
<i>from operating activities</i>			
Depreciation		27,698,324	24,404,253
Amortization		449,556	449,556
Gain on disposal of property and equipment		(473,082)	(21,980)
Loss on disposal of biological assets		28,447	--
Zakat charge for the period		1,125,042	1,000,000
Company's share in the profit of an equity accounted investees		(6,984,397)	(5,573,721)
End of service benefits provision, net		2,578,369	2,255,788
Non - controlling interest in net loss of the subsidiary		(98,595)	(66,749)
<i>Changes in working capital:</i>			
Inventories		(44,377,427)	(55,056,947)
Prepayments and other current assets		(33,058,449)	(35,236,581)
Trade payables, Accrued expenses and other current liabilities		77,069,307	183,410,286
Net cash generated by operating activities		72,848,486	162,032,947
CASH FLOW USED IN INVESTING ACTIVITIES			
Property and equipment		(85,498,516)	(44,070,320)
Investment properties		(7,450)	(581,766)
Investments, net		(36,023,181)	--
Dividends received from associated company		--	17,000,000
Proceeds from sale of property and equipment		2,675,198	187,081
Proceeds from the sale of biological assets		--	--
Net cash used in investing activities		(118,853,949)	(27,499,149)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceed from Loans and Murabaha		349,126,227	240,162,726
Repayments of Loans and Murabaha		(199,127,380)	(284,337,647)
Net cash used in financing activities		149,998,847	(44,174,921)
Net increase in cash and cash equivalents		103,993,384	90,358,877
Cash and cash equivalents at beginning of the period		183,489,491	110,330,988
Cash and cash equivalents at end of the period		287,482,875	200,689,865
Non - cash transactions			
Unrealized (gain) / loss from investment in available for sale securities		(491,150)	15,000

The accompanying notes (1) to (17) form an integral part of these interim consolidated financial statements.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Three months period ended 31 March 2015

	<u>Share Capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Retained earnings</u>	<u>Investment in available for sale securities</u>	<u>Equity Attributable to the shareholder s of company</u>	<u>Non- controllin g interest</u>	<u>Total</u>
Balance at 1 January 2015	450,000,000	21,477,889	--	481,175,991	(49,012)	952,604,868	1,645,043	954,249,911
Net income for the period	--	--	--	48,891,391	--	48,891,391	(98,595)	48,792,796
Unrealized gain/(loss) on investment in available for sale securities	--	--	--	--	491,150	491,150	--	491,150
Balance at 31 March 2015	<u>450,000,000</u>	<u>21,477,889</u>	<u>--</u>	<u>530,067,382</u>	<u>442,138</u>	<u>1,001,987,409</u>	<u>1,546,448</u>	<u>1,003,533,857</u>
Balance at 1 January 2014	225,000,000	93,409,588	12,453,336	474,512,073	135,588	805,510,585	1,869,677	807,380,262
Net income for the period	--	--	--	46,469,042	--	46,469,042	(66,749)	46,402,293
Unrealized gain/(loss) on investment in available for sale securities	--	--	--	--	(15,000)	(15,000)	--	(15,000)
Balance at 31 March 2014	<u>225,000,000</u>	<u>93,409,588</u>	<u>12,453,336</u>	<u>520,981,115</u>	<u>120,588</u>	<u>851,964,627</u>	<u>1,802,928</u>	<u>853,767,555</u>

The accompanying notes (1) to (17) form an integral part of these interim consolidated financial statements

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015

1. ORGANIZATION AND ACTIVITIES

Abdullah Al-Othaim Markets Company (the "Company") is a Saudi joint stock company registered in Riyadh on Rajab 7, 1400 (May 21, 1980) under Commercial Registration Number 1010031185. The Company was converted from a limited liability company into a joint stock company according to the ministerial decree No. 227/G on Ramadan 3, 1428 (corresponding to September 15, 2007).

The main activities of the Company is to deal in wholesale, retail of food supplies, electronics through their commercial outlets across the Kingdom of Saudi Arabia.

These interim consolidated financial statements comprise of the financial statements of the Company and its subsidiaries, together referred to as the "Group".

<u>Name of the Subsidiaries</u>	Effective ownership (%) at 31 March	
	2015	2014
Haley Holding Company	100%	100%
Universal Marketing Centre Company	100%	100%
Seven services Company	100%	100%
Bayt Alwatan Company	100%	100%
Marafeq Al Tashgheel Company	100%	100%
Haley Holding Company – Turkey	100%	100%
Haley Holding Company – Bosnia and Herzegovina	100%	100%
Al Othaim Markets Egypt	100%	100%
Thamarat Al Qassim Company	90%	90%

2. BASIS OF PREPARATION

a- Statement of compliance

These interim consolidated financial statements have been presented in accordance with the requirements of accounting standards on interim financial reporting issued by the Saudi Organization of Certified Public Accountants (SOCPA). These interim financial statements do not include all the information presented in the annual financial statements; therefore, these interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2014.

b- Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost convention (except for available for sale investments which carried at fair value) using the accrual basis of accounting and the going concern concept

c- Use of estimates and judgments

The interim consolidated financial statements prepared by the management require the use of estimates and assumptions which has an effect on the financial position and results of operation. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Abdullah Al- Othaim Markets Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)

For the three months period ended 31 March 2015

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

d- Basis of consolidation

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries as disclosed in note (1) above. Subsidiaries are entities controlled by the Company. Control exist when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are excisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commence until the date control ceases.

All intra transactions and resulting balances between the Company and the subsidiaries and those arising between the subsidiaries are eliminated in preparing these consolidated financial statements. Any unrealized gains and losses arising from intra group transactions are eliminated on consolidation.

Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the polices adopted by the Company. Non-controlling interests represent the portion of result's and net assets not controlled by the Group and are presented separately in the consolidated statement of income and under equity in the consolidated balance sheet.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Group for the preparation of these interim consolidated financial statements are consistent with those of the Group's annual consolidated financial statements. These accounting policies have been applied consistently to all the periods presented in the interim consolidated financial statements.

a- Revenue recognition

- Revenue from sale of goods is recognized at the time of check-out sales where there is no continuing management involvement with the goods.
- Opening fees, based on agreements with the suppliers, are recognized at the time of opening of the store and is presented net of cost of sales.
- Income from rebates and other suppliers benefits are recognized on accrual basis according to the agreements with the suppliers. For the presentation purposes, cost of sales is stated net of rebates.

b- Expenses

Selling and distribution expenses principally comprise of costs incurred in the distribution and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of revenues, when required, are made on consistent basis.

c- Investments

- Equity accounted investees

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investee) and are initially recognized at cost. The financial statements include the Company's share of income and expenses and equity movement of the equity accounted investees from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of an associate. The Company's share of profits or losses of the investee companies is credited or charged to the interim consolidation statement of income.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments(Continued)

- Investments available for sale

Investments which are neither for trading purposes nor have fixed or determinable maturity and where the Company has no significant influence over its activities are classified as investments available for sale. These investments are initially recognized at cost which represents the fair value of the consideration paid including expenses related to acquisition of the investments, but and are subsequently measured at fair value. Fair value changes other than impairment losses are recognized in equity. Fair value is determined by reference to the market value in an open market, if exists. In the absence of an open market, cost is considered to be the fair value for these investments. Permanent diminution in the value of the above mentioned investments, if any, is charged to the interim consolidated statement of income. Profit and loss resulted from disposing those investments are recognized in the period in which disposal occurs. Cash dividends from those investments are recorded in statement of income upon declaration by investees and are reduced from the carrying value of these investments.

d- Inventories

Inventories are stated at the lower of cost or market value. Cost is determined using the moving average cost method.

e- Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount, when the Company has legal or constructive obligation arising as a result of a past event, it is probable, that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

f- Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements and buildings constructed on leased lands are amortized over the shorter of the estimated useful life of the leasehold improvements and buildings or the remaining term of the lease. The estimated lives of the principal classes of assets are as follows:

	<u>Years</u>
Machinery and equipment	10
Buildings	5 – 25
Vehicles	5 – 7
Computers	5 – 7
Furniture and fixtures	7
Leasehold improvements	10

g- Investment property

Investment properties in the form of buildings and land held by the Company to earn rentals or for capital appreciation is recognized at cost less accumulated depreciation, and impairment if any. No depreciation is computed on lands.

h- Impairment of non-current assets

The Company reviews on regular basis the carrying amount of its non-current assets to determine whether there is any indication that those assets have suffered impairment in value. In case such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognized as income in the interim consolidated statement of income immediately.

i- Biological Assets

Biological assets are stated at cost of purchase or at the cost of rearing or growing to the point of commercial production, less accumulated depreciation. The costs of immature biological assets are determined by the cost of rearing or growing to their respective age. Biological assets are depreciated on a straight line basis to their estimated life of 5 years.

j- Intangible assets

Intangible assets represent costs incurred for the purpose of using rented stores (key money). These assets are amortized over the term of the related lease contracts.

k- Borrowing costs

Borrowing costs directly attributable to acquisitions or constructions of qualifying assets, which are the assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the interim consolidated statement of income in the period in which they are incurred.

l- Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Transactions denominated in foreign currencies are translated to Saudi Riyal at a weighted average exchange rates for the period. Gains and losses from settlement and translation of foreign currency transactions are included in the interim consolidated statement of income.

m- Accounting for lease contracts

All leases entered into by the Group are classified as operating leases. Rental payments are charged to the interim consolidated statement of income using the straight-line method over the term of the operating lease contract.

The lease amounts received by the Group as lessor in operating lease contracts are recognized in the interim consolidated statement of income using the straight-line method over the period of the related leases.

n- Provision for end-of-service benefits

End-of-service benefits are provided in accordance with the Saudi Arabian Labor Law based on total benefits due to an employee in case his services are terminated at the balance sheet date and are reduced by any payments in advance to employees. Differences in indemnities, if any, are computed and paid to employees upon termination.

o- Zakat and tax

The Company and its subsidiaries registered in Saudi Arabia are subject to the regulations of the Directorate of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. The zakat charge is computed on the zakat base. All the overseas subsidiaries are subject to the tax regulation in the registered countries. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

4. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties of the Company comprises of its shareholders, subsidiaries, equity accounted investees and other affiliated companies under common control.

During the period, the company transacted mainly with Al Othaim Holding Company (founding shareholder), Abdullah Al Othaim Real Estate Investment and Development Company and Riyadh Foods Company (equity accounted investee).

The Company transacts with related parties on mutually agreed prices and terms which are approved by the management.

<u>Nature of transactions</u>	<u>Amount of transactions</u>	
	<u>2015</u>	<u>2014</u>
Purchases	<u>16,456,574</u>	13,513,974
Rent expense	<u>2,788,219</u>	2,796,219
Rent income	<u>9,521,173</u>	9,391,098

- Prepayments include an amount of SR 6.9 million (2014: SR 11.7 million) which represent rents paid to a related party in advance against early payment discount.
- Accounts payable includes an amount of SR 6.6 million (2014 :7.9 million) which represents payable to a related party against the purchases made during the year.

5. INVESTMENTS

Investments consist of the following:

		<u>2015</u>	<u>2014</u>
Investment in equity accounted investee	5.1	<u>221,838,897</u>	174,499,925
Investments in available-for-sale securities		<u>17,948,227</u>	7,626,677
		<u>239,787,124</u>	182,126,602

5.1 Investment in equity accounted investees

	<u>2015</u>	<u>2014</u>
Balance, January 1	<u>178,831,319</u>	185,926,204
Company's share in net profits	<u>6,984,397</u>	5,573,721
Additions during the period*	<u>36,023,181</u>	--
Cash dividends received	<u>--</u>	(17,000,000)
Balance, March 31	<u>221,838,897</u>	174,499,925

The investment in associated company includes 13.65% of the share capital of Abdullah Al-Othaim Real Estate Investment and Development Company.

*The additions during the period represent 25% of the share capital of the Al – Woustah Food Services Company incorporated during the period having a share capital SR 25 million and 5% increase in the investment in Riyadh Food Industries Company. The legal formalities in relation to the transfer of shares for Riyadh Food Industries Company has not been completed as at 31 March 2015.

Abdullah Al- Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

6. PROPERTY AND EQUIPMENT, NET

	Land	Machinery and equipment	Buildings	Vehicles	Computers	Furniture and fixtures	Leasehold improvements	Capital Work in progress	Total
Cost									
January 1, 2015	279,451,999	278,606,504	194,351,925	82,255,457	96,087,588	150,307,191	161,856,078	90,858,854	1,333,775,596
Additions	26,596,023	7,138,496	2,170,394	5,046,716	2,786,168	3,616,537	2,119,589	36,024,593	85,498,516
Transferred from CWIP	--	502,303	4,911,589	--	105,000	4,756,150	26,449	(10,301,491)	--
Transfer from Investment properties	--	--	2,477,828	--	--	--	--	--	2,477,828
Disposals	--	(2,044,546)	--	(2,489,011)	(2,993,787)	(1,921,560)	--	--	(9,448,904)
March 31, 2015	<u>306,048,022</u>	<u>284,202,757</u>	<u>203,911,736</u>	<u>84,813,162</u>	<u>95,984,969</u>	<u>156,758,318</u>	<u>164,002,116</u>	<u>116,581,956</u>	<u>1,412,303,036</u>
Accumulated depreciation									
January 1, 2015	--	139,044,425	55,060,211	51,118,437	49,298,243	92,055,910	81,665,357	--	468,242,583
Transfer from investment properties	--	--	680,718	--	--	--	--	--	680,718
Charge for the period	--	6,921,218	2,600,097	2,189,715	2,775,141	3,502,797	3,827,992	--	21,816,960
Eliminated disposals	--	(1,511,021)	--	(1,229,470)	(2,622,324)	(1,883,972)	--	--	(7,246,787)
March 31, 2015	<u>--</u>	<u>144,454,622</u>	<u>58,341,026</u>	<u>52,078,682</u>	<u>49,451,060</u>	<u>93,674,735</u>	<u>85,493,349</u>	<u>--</u>	<u>483,493,474</u>
Net book value									
March 31, 2015	<u>306,048,022</u>	<u>139,748,135</u>	<u>145,570,710</u>	<u>32,734,480</u>	<u>46,533,909</u>	<u>63,083,583</u>	<u>78,508,767</u>	<u>116,581,956</u>	<u>928,809,562</u>
March 31, 2014	245,130,732	135,422,531	126,055,628	23,141,352	46,190,427	49,375,427	78,956,171	32,530,733	736,803,001

6-1 Title deeds of certain lands amounting to SR 37 million are still under progress to be transferred to the Company and are under the name of Abdullah Al Othaim Real Estate Investment and Development Company.

6-2 Land mentioned above amounting to SR 214 million (2014: SR 40 million) is mortgaged to some local banks as collateral against bank facilities (Note 9b). No capital commitments associated with these projects existed as at the interim consolidated balance sheet date.

Abdullah Al - Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

7. INVESTMENT PROPERTY

	<u>2015</u>	<u>2014</u>
Cost		
1 January	588,457,694	583,071,888
Additions	7,450	581,766
Transfer to property and equipment	<u>(2,477,828)</u>	--
Balance at 31 March	<u>585,987,316</u>	<u>583,653,654</u>
Accumulated depreciation		
1 January	95,549,199	71,685,135
Charge for the period	5,802,512	5,691,771
Transfer to property and equipment	<u>(680,718)</u>	--
Balance at 31 March	<u>100,670,993</u>	<u>77,376,906</u>
Net Book value	<u>485,316,323</u>	<u>506,276,748</u>

8. BIOLOGICAL ASSETS, NET

The biological assets include Sheep and Cows owned by one of the subsidiaries (Thamarat Al Qassim) and the movement at 31 March 2015:

	<u>2015</u>	<u>2014</u>
Cost		
1 January	1,603,667	2,250,813
Additions	--	34,144
Disposals	<u>(42,186)</u>	--
Balance at 31 March	<u>1,561,481</u>	<u>2,284,957</u>
Accumulated depreciation		
1 January	370,402	227,739
Charge for the period	78,851	101,958
Eliminated on Disposals	<u>(13,739)</u>	--
Balance at 31 March	<u>435,514</u>	<u>329,697</u>
Net Book value	<u>1,125,967</u>	<u>1,955,260</u>

9. LOANS AND MURABAHAS

a) Short-term murabahas:

The Company has facilities from local commercial banks in the form of short-term murabahas to finance working capital. Unutilized balance of these murabahas loans as at 31 March 2015 amounted to SR 199.6 million (31 March 2014: SR 250 million).

b) Long-term loans and murabahas:

	<u>2015</u>	<u>2014</u>
Current portion	103,038,400	73,636,364
Non-current portion	<u>219,600,000</u>	<u>120,000,000</u>
Total	<u>322,638,400</u>	<u>193,636,364</u>

These facilities are secured by personal guarantees of chairman of the company and mortgage of land title deeds owned by the Company with a book value of SR 214 million as at 31 March 2015 (31 March 2014: SR 40 million).

Abdullah Al - Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

10. SHARE CAPITAL

In the shareholders' General Assembly meeting held on 6 April, 2014 the shareholders has approved the company to issue 22.5 million bonus shares, as a result the number of shares increased from 22.5 million to 45 million and the share capital increased from Saudi Riyal 225 million to Saudi Riyal 450 million. This increase in capital made by transferring statutory reserve, voluntary reserve and retained earnings.

11. STATUTORY RESERVE

In accordance with the Regulations for Companies in Saudi Arabia and the Company's bylaws, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve reaches 50% of the share capital. This reserve is not available for dividend distribution. In the shareholders' General Assembly meeting held on 6 April 2014 the shareholders approved the transfer of the statutory reserve balance as of 31 December, 2013 to the share capital of the company.

12. VOLUNTARY RESERVE

The extraordinary general assembly in its meeting held on Jumad Al-Awal 2, 1430 (corresponding to April 27, 2009) approved a voluntary reserve of 20% from the profits for the year ended 31 December 2008 and appropriated it as voluntary reserve for the expansion of the Company's operations. In the shareholders' General Assembly meeting held on 6 April 2014, the shareholders approved the transfer of the voluntary reserve balance as of 31 December 2013 to the share capital of the company.

13. EARNINGS PER SHARE

Earnings per share are calculated based on net income for the period, income from operations and income from other sources retroactively (which includes: Share in profits of equity accounted investees, Finance expenses and Other income, net) divided by the weighted average number of shares in issue which are amounting to 45 million shares.

14. DIVIDENDS

On 13 April, 2015 the shareholders' General Assembly approved the distribution of cash dividends of SR 78.75 million represents SR 1.75 per share.

15. SEGMENTAL INFORMATIONS

The Company's activities are focused on retail and wholesale of food stuff and carries out its operations in the Kingdom of Saudi Arabia. The company also invest in developing of commercial malls. Some selected information was summarized for each business segment as at December 31:

	For the period ended March 31, 2015	
	Retail and wholesale	Real estate and leasing (Rent)
Sales	1,408,029,874	--
Rental revenue	--	26,153,450
Gross Profit	212,357,212	13,937,282
Property and equipment, net	928,809,562	485,316,323
Biological Assets, net	1,125,967	--

Abdullah Al - Othaim Markets Company
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
For the three months period ended 31 March 2015
(Saudi Riyals)

15. SEGMENTAL INFORMATIONS: (CONTINUED)

	For the period ended March 31, 2014	
	Retail and wholesale	Real estate and leasing (Rent)
Sales	1,222,977,382	--
Gross rental revenue	--	24,025,046
Gross Profit	204,660,688	13,518,311
Property and equipment, net	736,803,001	506,276,748
Biological assets, net	1,955,260	--

16. CONTINGENCIES AND COMMITMENTS

- a) As at March 31, the Company had the following commitments and contingent liabilities:

	<u>2015</u>	<u>2014</u>
Letters of credit	<u>54,727,576</u>	<u>45,860,467</u>
Letters of guarantee	<u>9,096,815</u>	<u>10,823,840</u>
Capital commitments on projects in progress	<u>104,541,661</u>	<u>20,661,561</u>

- b) Commitment against operating lease agreements:

The outstanding lease commitments of the Company related to non-cancelable long term operating leases for the Company's branches and malls as at March 31 were as follows:

	<u>2015</u>	<u>2014</u>
Up to one year	70,412,409	40,884,531
More than one year, and up to 5 years	217,224,682	142,177,331
More than 5 years, and up to 25 years	242,408,890	212,708,069

17. DATE OF AUTHORISATION

The financial statements were authorized for issue by the board of directors on 2 Rajab 1436 H corresponding to 21 April 2015.