

NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2010

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INDEX	PAGE
Auditors' report	1
Consolidated balance sheet	2
Consolidated statement of income	3
Consolidated statement of stockholders' equity	4
Consolidated statement of cash flows	5
Notes to the consolidated financial statements	6 – 17

AUDITORS' REPORT

To the stockholders
NAMA Chemicals Company
Al-Jubail, Saudi Arabia

Scope of Audit

We have audited the consolidated balance sheet of NAMA Chemicals Company (a Saudi Joint Stock Company) and subsidiaries as of December 31, 2010 and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended, and notes 1 to 19 which form an integral part of these consolidated financial statements as prepared by the Company in accordance with Article 123 of the Regulations for Companies and presented to us with all the necessary information and explanations. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2010 and the results of their operations and cash flows for the year then ended in conformity with generally accepted accounting standards appropriate to the nature of the Company and its subsidiaries, and comply with the relevant provisions of the Regulations for Companies and the articles of the Company as these relate to the preparation and presentation of these consolidated financial statements.

Deloitte & Touche
Bakr Abulkhair & Co.

Waleed Moh'd Sobahi
License No. 378
22 Safar, 1432
January 26, 2011



NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2010

	Note	2010 SR 000	2009 SR 000
ASSETS			
Current assets			
Cash and cash equivalents	3	215,674	23,456
Time deposits		66,213	301,493
Trade receivables		157,662	91,604
Inventories	4	85,256	76,102
Prepayments and other debit balances		30,498	34,641
Total current assets		555,303	527,296
Non-current assets			
Investments in development and Islamic bonds		-	157,126
Available for sale investments		182,340	146,211
Cost of projects under development	5	340,728	1,253,383
Property, plant and equipment	6	1,300,234	294,008
Intangible assets	7	69,626	17,866
Total non-current assets		1,892,928	1,868,594
TOTAL ASSETS		2,448,231	2,395,890
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Short term borrowings	8	64,126	40,005
Current portion of long term debts	9	118,391	94,093
Accounts payable		77,676	70,885
Accrued expenses and other payables		49,670	33,778
Total current liabilities		309,863	238,761
Non-current liabilities			
Long-term debts	9	477,459	567,850
End-of-service indemnities	10	16,658	12,451
Interest rate swap	9,15	14,313	11,616
Total non-current liabilities		508,430	591,917
Stockholders' equity			
Share capital	1	1,285,200	1,285,200
Statutory reserve	1,11	273,382	273,382
Revaluation surplus		94,773	58,644
Foreign currency translation adjustments		(3,498)	(324)
Changes in cash flow hedge position	15	(14,313)	(11,616)
Accumulated losses		(5,606)	(40,074)
Total stockholders' equity		1,629,938	1,565,212
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,448,231	2,395,890

The accompanying notes form an integral part of these consolidated financial statements

NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2010

	Note	2010 SR 000	2009 SR 000
Sales		628,245	397,658
Cost of sales		(516,109)	(385,965)
Gross profit		112,136	11,693
Selling and marketing expenses	13	(48,939)	(39,547)
General and administrative expenses	14	(18,420)	(16,641)
Profit (loss) from operations		44,777	(44,495)
Financial expenses	8,9	(5,351)	(5,311)
Investment income, net		3,157	19,767
Write-off of cost of projects under development		-	(15,309)
Write-off of property, plant and equipment		(1,687)	-
Other income, net		3,419	5,544
Net income (loss) before zakat		44,315	(39,804)
Zakat	12	(9,847)	(9,988)
NET INCOME (LOSS)		34,468	(49,792)
Earnings per share	18		
Earnings (loss) per share from net income (loss) (in SR)		0.27	(0.39)
Earnings (loss) per share from continuing main operations (in SR)		0.22	(0.58)
Earning per share from other operations (in SR)		0.05	0.19
Weighted average number of shares		128,520,000	128,520,000

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CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2010

	Share capital SR 000	Statutory reserve SR 000	Revaluation surplus SR 000	Foreign currency translation adjustments SR 000	Changes in cash flow hedge position SR 000	(Accumulated losses) retained earnings SR 000	Total SR 000
January 1, 2009	1,285,200	273,382	9,703	604	(21,321)	9,718	1,557,286
Net loss for 2009	-	-	-	-	-	(49,792)	(49,792)
Net changes in cash flow hedge position	-	-	-	-	9,705	-	9,705
Unrealized gain on investments	-	-	48,941	-	-	-	48,941
Foreign currency translation adjustments	-	-	-	(928)	-	-	(928)
December 31, 2009	1,285,200	273,382	58,644	(324)	(11,616)	(40,074)	1,565,212
Net income for 2010	-	-	-	-	(2,697)	34,468	34,468
Net changes in cash flow hedge position	-	-	-	-	-	-	(2,697)
Unrealized gain on investments	-	-	36,129	-	-	-	36,129
Foreign currency translation adjustments	-	-	-	(3,174)	-	-	(3,174)
December 31, 2010	1,285,200	273,382	94,773	(3,498)	(14,313)	(5,606)	1,629,938

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