

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

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

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

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

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## 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
<b>ASSETS</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>555,303</b>	<b>527,296</b>
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>1,892,928</b>	<b>1,868,594</b>
<b>TOTAL ASSETS</b>		<b>2,448,231</b>	<b>2,395,890</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>309,863</b>	<b>238,761</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>508,430</b>	<b>591,917</b>
<b>Stockholders' equity</b>			
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)
<b>Total stockholders' equity</b>		<b>1,629,938</b>	<b>1,565,212</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>2,448,231</b>	<b>2,395,890</b>

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)
<b>Gross profit</b>		<b>112,136</b>	<b>11,693</b>
Selling and marketing expenses	13	(48,939)	(39,547)
General and administrative expenses	14	(18,420)	(16,641)
<b>Profit (loss) from operations</b>		<b>44,777</b>	<b>(44,495)</b>
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
<b>Net income (loss) before zakat</b>		<b>44,315</b>	<b>(39,804)</b>
Zakat	12	(9,847)	(9,988)
<b>NET INCOME (LOSS)</b>		<b>34,468</b>	<b>(49,792)</b>
<b>Earnings per share</b>	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

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

NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)

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

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