

**BOUBYAN PETROCHEMICAL COMPANY K.S.C.
AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 JANUARY 2013

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN PETROCHEMICAL COMPANY K.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Petrochemical Company K.S.C. (the "parent company") and its subsidiaries (the "group") as at 31 January 2013 and the related interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 basis of presentation set out in Note 2.

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, we have not become aware of any violations of the Companies Law No 25 of 2012 or of the articles of association of the parent company during the nine month period ended 31 January 2013 that might have had a material effect on the business of the parent company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS



ALI KHALED AL-FARAJ
LICENCE NO. 28 A
OF AL-FARAJ AUDITING OFFICE

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 January 2013 (Unaudited)

	Notes	3 months ended 31 January		9 months ended 31 January	
		2013 KD	2012 KD	2013 KD	2012 KD
Sales		6,704,838	5,665,883	19,994,157	16,665,856
Cost of sales		(5,383,914)	(4,765,308)	(16,439,557)	(13,860,044)
GROSS PROFIT		1,320,924	900,575	3,554,600	2,805,812
Dividend income		1,138,028	929,189	1,419,248	1,254,774
Investment income	5	4,728,403	10,813,604	6,885,482	20,905,144
Share of results of associates		411,138	(90,656)	1,006,390	2,172,447
Other income		83,692	66,373	445,546	162,639
General and administrative expenses		(912,344)	(591,988)	(2,311,887)	(2,379,748)
Finance cost		(1,579,293)	(2,120,159)	(5,059,566)	(6,000,917)
Foreign exchange gain (loss)		85,174	57,967	108,296	(287,647)
Profit before impairment of investments available for sale		5,275,722	9,964,905	6,048,109	18,632,504
Impairment of investments available for sale (others)	6	(41,095)	(9,459,296)	(566,848)	(13,007,591)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT		5,234,627	505,609	5,481,261	5,624,913
Contribution to KFAS		(45,320)	(7,126)	(45,320)	(28,280)
Contribution to NLST		(117,797)	(37,008)	(117,797)	(120,724)
Zakat		-	(1,726)	-	(29,282)
PROFIT FOR THE PERIOD		5,071,510	459,749	5,318,144	5,446,627
<i>Other comprehensive income:</i>					
Realised gain on partial sale of investments available for sale (Equate)	5	(4,488,931)	-	(4,488,931)	(5,398,253)
Realised (gain) loss on sale of investments available for sale (others)		(239,472)	(304,191)	(1,417,016)	654,686
Unrealised gain (loss) on investments available for sale (others)		2,138,845	1,221,137	1,975,763	(7,271,840)
Transfer to profit for the period on impairment of investments available for sale (others)		41,095	9,459,296	566,848	13,007,591
Change in other comprehensive loss of associates		-	-	-	(845,908)
Revaluation of property, plant and equipment		884	126,574	58,164	19,211
OTHER COMPREHENSIVE (LOSS) INCOME		(2,547,579)	10,502,816	(3,305,172)	165,487
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,523,931	10,962,565	2,012,972	5,612,114
Profit attributable to:					
Equity holders of the parent company		5,132,383	439,604	5,333,684	5,399,318
Non-controlling interests		(60,873)	20,145	(15,540)	47,309
		5,071,510	459,749	5,318,144	5,446,627
Total comprehensive income attributable to:					
Equity holders of the parent company		2,584,805	10,932,274	2,013,640	5,576,551
Non-controlling interests		(60,874)	30,291	(668)	35,563
		2,523,931	10,962,565	2,012,972	5,612,114
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	10.73 fils	0.91 fils	11.12 fils	11.17 fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2013 (Unaudited)

		(Audited)	
	31 January 2013	30 April 2012	31 January 2012
	KD	KD	KD
Notes			
ASSETS			
Bank balances and short term deposits	13,281,169	35,469,950	11,168,230
Accounts receivable and prepayments	11,066,592	8,218,169	11,009,936
Inventories	4,482,277	4,341,284	3,288,809
Investments carried at fair value through income statement	4 100,998,029	100,998,029	85,213,735
Investments available for sale (Equate)	5 135,147,608	138,301,724	129,914,634
Investments available for sale (others)	6 79,143,443	92,547,114	135,255,821
Investment in associates	7 33,638,920	18,075,152	21,521,950
Exchange of deposits	944,211	4,059,955	4,360,309
Property, plant and equipment	19,381,408	20,350,466	15,926,151
Goodwill	6,002,464	6,002,464	6,002,464
TOTAL ASSETS	404,086,121	428,364,307	423,662,039
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	55,910,478	60,016,694	79,660,227
Islamic financing payables	72,350,115	73,058,925	82,739,000
Accounts payable and accruals	12,579,858	12,520,574	9,412,102
Dividend payable	3,552,743	2,948,207	3,307,164
Total liabilities	144,393,194	148,544,400	175,118,493
EQUITY			
Share capital	48,510,000	48,510,000	48,510,000
Share premium	2,400,000	2,400,000	2,400,000
Treasury shares	8 (3,908,347)	(949,972)	(949,972)
Treasury shares reserve	993,574	993,574	993,574
Statutory reserve	24,255,000	24,255,000	24,255,000
Voluntary reserve	24,255,000	24,255,000	24,255,000
Other reserves	(181,744)	(181,744)	(181,744)
Revaluation reserve	5,850,076	5,806,784	5,844,320
Cumulative changes in fair value	112,637,666	116,001,002	103,946,811
Retained earnings	43,511,595	57,359,488	38,049,064
Equity attributable to equity holders of the parent company	258,322,820	278,449,132	247,122,053
Non-controlling interests	1,370,107	1,370,775	1,421,493
Total equity	259,692,927	279,819,907	248,543,546
TOTAL LIABILITIES AND EQUITY	404,086,121	428,364,307	423,662,039

Marzouq A. Alghanim
(Chairman)

Dabbous M. Al-Dabbous
(Deputy Chairman)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 January 2013 (Unaudited)

	Attributable to shareholders of the parent company										Non-controlling interests		Total equity
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Other reserves KD	Revaluation reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Sub Total		
											KD	KD	
Balance at 1 May 2012	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	(181,744)	5,806,784	116,001,002	57,359,488	278,449,132	1,370,775	279,819,907
Profit for the period	-	-	-	-	-	-	-	-	-	5,333,684	5,333,684	(15,540)	5,318,144
Other comprehensive income (loss)	-	-	-	-	-	-	-	43,292	(3,363,336)	-	(3,320,044)	14,872	(3,305,172)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	43,292	(3,363,336)	5,333,684	2,013,640	(668)	2,012,972
Purchase of treasury shares	-	-	(2,958,375)	-	-	-	-	-	-	(19,181,577)	(2,958,375)	-	(2,958,375)
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(19,181,577)	(19,181,577)	-	(19,181,577)
Balance at 31 January 2013	48,510,000	2,400,000	(3,908,347)	993,574	24,255,000	24,255,000	(181,744)	5,850,076	112,637,666	43,511,595	258,322,820	1,370,107	259,692,927
Balance at 1 May 2011	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	(181,744)	5,813,363	103,800,535	49,562,552	258,458,308	1,385,930	259,844,238
Profit for the period	-	-	-	-	-	-	-	-	-	5,399,318	5,399,318	47,309	5,446,627
Other comprehensive income	-	-	-	-	-	-	-	30,957	146,276	-	177,233	(11,746)	165,487
Total comprehensive income for the period	-	-	-	-	-	-	-	30,957	146,276	(16,912,806)	5,576,551	35,563	5,612,114
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(16,912,806)	(16,912,806)	-	(16,912,806)
Balance at 31 January 2012	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	(181,744)	5,844,320	103,946,811	38,049,064	247,122,053	1,421,493	248,543,546

During the nine months ended 31 January 2013, unrealised loss on investments available for sale (others) include an amount of KD (217,573) (nine months ended 31 January 2012: unrealised gain amounting to KD 1,727,987 in respect of foreign currency movement).

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 January 2013 (Unaudited)

	Notes	9 months ended 31 January	
		2013 KD	2012 KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		5,481,261	5,624,913
Adjustments for:			
Finance cost		5,059,566	6,000,917
Depreciation		841,166	722,728
Employees' end of service benefits		64,753	48,133
Realised gain on partial sale of investments available for sale (Equate)	5	(4,488,931)	(5,398,253)
Realised (gain) loss on sale of investments available for sale (others)		(1,417,016)	654,686
Impairment of investment available for sale (others)	6	566,848	13,007,591
Other income		(445,546)	(162,639)
Share of results of associates		(1,006,390)	(2,172,447)
Foreign exchange (gain) loss		(108,296)	287,647
Unrealised gain on investments carried at fair value through income statement		-	(14,854,002)
		<u>4,547,415</u>	<u>3,759,274</u>
Operating assets and liabilities:			
Accounts receivable and prepayments		(2,848,423)	(2,257,615)
Inventories		(140,993)	604,841
Accounts payable and accruals		622,027	(2,818,514)
Net movement in investments carried at fair value through income statement		-	1,243,321
Taxation paid		(232,576)	(271,745)
Net cash from operating activities		<u>1,947,450</u>	<u>259,562</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(73,818)	(1,029,284)
Proceeds from partial sale of investments available for sale (Equate)	5	5,061,600	6,135,748
Additions to investments available for sale (others)		(2,139,345)	(9,153,426)
Proceeds from sale of investments available for sale (others)		10,084,034	23,238,598
Acquisition of associates	7	(9,398,860)	-
Net cash from investing activities		<u>3,533,611</u>	<u>19,191,636</u>
FINANCING ACTIVITIES			
Dividends paid		(18,577,041)	(16,314,528)
Net movement in term loans		(4,351,809)	(15,160,935)
Net movement in islamic financing payables		(1,000,000)	21,889,000
Movement in exchange of deposits		3,997,294	-
Finance cost paid		(4,779,911)	(5,283,341)
Purchase of treasury shares		(2,958,375)	-
Net cash used in financing activities		<u>(27,669,842)</u>	<u>(14,869,804)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(22,188,781)	4,581,394
Cash and cash equivalents at the beginning of the period		<u>35,469,950</u>	<u>6,586,836</u>
CASH AND CASH EQUIVALENTS AT 31 JANUARY		<u>13,281,169</u>	<u>11,168,230</u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2013 (Unaudited)

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Boubyan Petrochemical Company K.S.C. (the "parent company") and its subsidiaries (the "group") for the nine month period ended 31 January 2013 were authorised for issue in accordance with a resolution of the directors on 14 March 2013.

The parent company is a Kuwaiti Public Shareholding Company incorporated in the State of Kuwait on 12 February 1995 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is listed on the Kuwait Stock Exchange.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. According to article 2 of the Decree, the Company has a period of 6 months from 29 November 2012 to regularize its affairs in accordance with the Companies Law.

The parent company's main activity since inception has been direct investment in industrial projects in general and in chemical and petrochemical projects in particular.

The parent company's primary investment to date is in Equate Petrochemical Company K.S.C. (Closed) ("Equate") and The Kuwait Olefins Company K.S.C. (Closed) ("TKOC"). Equate and TKOC are both closed shareholding companies incorporated in the State of Kuwait to build and operate petrochemical plants in the Shuaiba Industrial Area of State of Kuwait.

The parent company's registered office is at Al Khaleejia Building, 5th and 6th Floor, P.O. Box 2383, 13024 Safat, Kuwait.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the 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 period ended 31 January 2013 are not necessarily indicative of the results that may be expected for the financial year ending 30 April 2013. For more details, please refer to the audited consolidated financial statements for the year ended 30 April 2012.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD").

Changes in accounting policy and disclosures

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 30 April 2012, except for the adoption of the following new and amended International Accounting Standards Board ("IASB") standards during the period:

IFRS 3: Business Combinations (Amendment) (effective 1 July 2011)

The measurement options available for non controlling interest have been amended. Only components of non controlling interest that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value. The amendment has no effect on the interim condensed consolidated financial information of the group.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2013 (Unaudited)

2 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures (continued)

IFRS 7: Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements (Amendment) (effective 1 July 2011)

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the group's financial position or performance.

The adoption of the above mentioned amendments did not have any impact on the financial position or performance of the group. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding after adjusting for treasury shares as follows:

	<i>3 months ended 31 January</i>		<i>9 months ended 31 January</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Earnings:				
Profit attributable to equity holders of the parent company	<u>5,132,383</u>	<u>439,604</u>	<u>5,333,684</u>	<u>5,399,318</u>
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	<u>485,100,000</u>	<u>485,100,000</u>	<u>485,100,000</u>	<u>485,100,000</u>
Weighted average number of treasury shares	<u>(6,614,536)</u>	<u>(1,876,793)</u>	<u>(5,358,407)</u>	<u>(1,876,793)</u>
Weighted average number of shares for basic and diluted earnings per share	<u>478,485,464</u>	<u>483,223,207</u>	<u>479,741,593</u>	<u>483,223,207</u>
Basic and diluted earnings per share	<u>10.73 fils</u>	<u>0.91 fils</u>	<u>11.12 fils</u>	<u>11.17 fils</u>

4 INVESTMENTS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT

Unquoted investments

The fair value of unquoted investments carried at fair value through income statement have been determined by the directors of the parent company using an appropriate valuation method based on the latest information available of the results and future projections. As a result of this exercise, unrealised gain of KD Nil (31 January 2012: KD 14,634,600) [included in investment income] was recognised in the profit for the period.

5 INVESTMENTS AVAILABLE FOR SALE (EQUATE)

During the period ended 31 January 2013, the parent company sold a portion of its shares in Equate Petrochemicals Company K.S.C. (Closed) ("Equate") for KD 5,061,600 (USD 18,000,000) and realised a gain of KD 4,488,931 (included in investment income) in the profit for the period.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2013 (Unaudited)

6 INVESTMENTS AVAILABLE FOR SALE (OTHERS)

Management has performed a review of investments to assess whether impairment has occurred in the value of these investments. Based on specific information, management has recorded impairment loss of KD 566,848 (nine months ended 31 January 2012: KD 13,007,591) in the profit for the period in respect of investments available for sale (others).

At 31 January 2013, certain unquoted investments available for sale amounting to KD 5,603,912 (30 April 2012: KD 5,603,912 and 31 January 2012: KD 4,922,220) are carried at cost due to the non availability of reliable measures of their fair values. The management is not aware of any circumstances that would indicate impairment in the value of these investments as at 31 January 2013.

7 INVESTMENT IN ASSOCIATES

During the period, the parent company acquired an additional 10% equity interest in Arabian Waterproofing Industries Company ("Awazel", previously classified as investment available for sale - others) for a total consideration of KD 3,700,000 from a related party (note 12). As a result, the group's equity interest in Awazel increased to 21% and Awazel became an associate of the group.

The group's total investment in Awazel amounting to KD 8,858,518 has therefore been recognised as investment in associates in accordance with the requirements of IAS 28: "Investments in associates".

In addition to the above, the parent company also acquired a 20% equity interest in Al Borg Medical Laboratories for a total consideration of KD 5,698,860 during the period and this acquisition has been accounted for in accordance with the requirements of IAS 28: "Investment in associates".

8 TREASURY SHARES

	<i>31 January</i> <i>2013</i>	<i>(Audited)</i> <i>30 April</i> <i>2012</i>	<i>31 January</i> <i>2012</i>
Number of treasury shares	<u>6,863,299</u>	<u>1,876,973</u>	<u>1,876,973</u>
Percentage of issued shares	<u>1.41%</u>	<u>0.39%</u>	<u>0.38%</u>
Market value (KD)	<u>3,912,080</u>	<u>1,144,953</u>	<u>1,051,105</u>

9 DIVIDENDS

On 23 July 2012, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 April 2012 and approved a cash dividend of 40 fils per share amounting to KD 19,181,577 (cash dividend of 35 fils per share amounting to KD 16,912,806 in respect of the year ended 30 April 2011) in respect of the year ended 30 April 2012.

10 SEGMENTAL INFORMATION

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on a gross profit or loss for manufacturing and trading segments and return on investment for investment segment.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2013 (Unaudited)

10 SEGMENTAL INFORMATION (continued)

For management purposes, the group is organised into two major business segments. The group does not have material inter-segment transactions. The principal activities and services under these segments are as follows:

- Investments : Investing of group funds in Petrochemical (Equate and TKOC), Industrial, Utilities, Services and other related sectors in addition to managing the group's liquidity requirements.
- Manufacturing and trading : Manufacturing of goods and providing services.

Manufacturing and trading activities represent the activities of the subsidiaries, Boubyan Plastic Industries Company K.S.C. (Closed), National Waste Management Co. K.S.C. (Closed), Olayan Arabian Packaging Company L.L.C. and Muna Noor Manufacturing and Trading Co L.L.C.; whereas the investment activity represents the activities of the parent company.

<i>Period ended 31 January 2013</i>	<i>Investments KD</i>	<i>Manufacturing and trading KD</i>	<i>Consolidated KD</i>
Segment revenue	9,311,120	19,994,157	29,305,277
Segment profit	3,573,484	1,744,660	5,318,144
Total assets	366,575,678	37,510,443	404,086,121

<i>Period ended 31 January 2012</i>	<i>Investments KD</i>	<i>Manufacturing and trading KD</i>	<i>Consolidated KD</i>
Segment revenue	24,332,365	16,665,856	40,998,221
Segment profit	3,874,934	1,571,693	5,446,627
Total assets	393,429,663	30,232,376	423,662,039

11 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 January 2013 KD</i>	<i>(Audited) 30 April 2012 KD</i>	<i>31 January 2012 KD</i>
Acquisition of investments	724,483	724,483	724,353

The parent company has given corporate guarantees amounting to KD 12,965,359 to foreign banks on behalf of its subsidiaries.

12 RELATED PARTY TRANSACTIONS

These represent transactions with related parties i.e. associated companies, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2013 (Unaudited)

12 RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties included in the interim condensed consolidated financial statements are as follows:

	Associates KD	Other related parties KD	Nine months ended 31 January	
			2013 KD	2012 KD
Sales	-	792,154	792,154	819,225
Purchases	-	677,655	677,655	810,810
Other income	-	-	-	22,500
Acquisition of an associate (note 7)	3,700,000	-	3,700,000	-

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	Nine months ended 31 January	
	2013 KD	2012 KD
Short-term benefits	121,500	112,500
Employees' end of service benefits	9,476	7,880
	<u>130,976</u>	<u>120,380</u>

13 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of the derivative financial instruments, recorded as assets or liabilities, together with their notional amounts analysed by the term to maturity. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk:

	Positive fair value KD	Negative fair value KD	Notional amount KD	Notional amounts by term to maturity	
				Within one year KD	1 – 5 years KD
31 January 2013					
<i>Derivatives held for trading:</i>					
Interest rate swaps	-	155,870	23,782,525	23,782,525	-
30 April 2012 (Audited)					
<i>Derivatives held for trading:</i>					
Interest rate swaps	5,643	520,752	26,941,750	26,941,750	-
31 January 2012					
<i>Derivatives held for trading:</i>					
Interest rate swaps	5,624	651,319	26,936,900	3,471,250	23,465,650