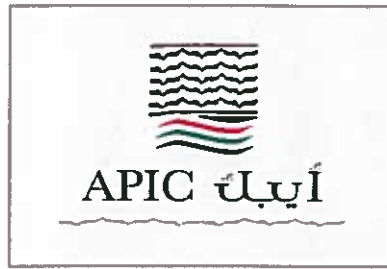




Arab Palestinian Investment Company (APIC)
Consolidated Statement of Financial Position as at 30 June 2014
(Currency: USD)

| Assets | 30/06/2014 | 31/12/2013 |
|--|---------------------------|---------------------------|
| Current assets | | |
| Cash and cash equivalents | 9,861,102 | 8,635,529 |
| Financial Assets at Fair Value | 161,407 | 13,616 |
| Accounts & Notes Receivables | 74,996,855 | 66,554,004 |
| Inventory | 51,587,865 | 51,360,087 |
| Prepaid Expenses & Other Current Assets | 19,198,848 | 16,991,189 |
| Due from Affiliates | 191,237 | 181,613 |
| Total Current Assets | <u>155,997,314</u> | <u>143,736,038</u> |
| Other investments | 10,827,333 | 11,127,138 |
| Other assets | 1,677,893 | 1,693,522 |
| Property, Plant & Equipment, (Net) | 72,380,928 | 72,747,374 |
| Intangible assets | 7,908,192 | 7,908,192 |
| Total Assets | <u>248,791,660</u> | <u>237,212,264</u> |
| Liabilities | | |
| Current liabilities | | |
| Due to banks | 49,889,384 | 44,882,380 |
| Accounts & Notes Payable | 40,959,059 | 41,572,708 |
| Other Payables | 1,728,686 | 10,692,241 |
| Accrued Expenses | 15,364,108 | 4,216,767 |
| Dividends to be distributed | 50,463 | 50,463 |
| Due to Affiliates | 0 | 948,959 |
| Total current liabilities | <u>107,991,700</u> | <u>102,363,518</u> |
| Deferred Liabilities & Reserves | 8,258,338 | 7,413,933 |
| Long Term Debt | 12,321,481 | 14,161,981 |
| Bonds | 20,000,000 | 20,000,000 |
| Total Non-current Liabilities | <u>40,579,819</u> | <u>41,575,914</u> |
| Total liabilities | <u>148,571,519</u> | <u>143,939,432</u> |
| Shareholders' equity | | |
| Paid up capital | 60,000,000 | 50,009,398 |
| Retained earnings | 5,224,132 | 15,214,734 |
| Cumulative change in fair value of fixed assets and available for sale investments | 4,297,524 | 4,746,681 |
| Current Year Profit (Losses) | 5,688,869 | |
| Total Shareholders' Equity | <u>75,210,525</u> | <u>69,970,813</u> |
| Minority Interest | 25,009,616 | 23,302,019 |
| Total Equity | <u>100,220,141</u> | <u>93,272,832</u> |
| Total liabilities and owners' Equity | <u>248,791,660</u> | <u>237,212,264</u> |



**Arab Palestinian Investment Company (APIC)
Consolidated Income Statement**

**From 01/01/2014 to 30/06/2014 and the same period for previous years
(Currency: USD)**

| Description | 30/6/2014 | 30/6/2013 |
|--|-------------------|-------------------|
| Sales (net) | 252,525,550 | 198,100,862 |
| Gross Profit | 36,984,166 | 28,483,264 |
| Gain (Loss) on Fin. Investment | 241,328 | 193,684 |
| Administrative Expenses | 29,781,391 | 23,610,917 |
| Allocation Of Overheads | 8,793,825- | 8,151,464- |
| Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) | 16,237,928 | 13,217,495 |
| Depreciation and amortization | 3,703,924 | 3,562,588 |
| Earnings Before Interest, Taxes, (EBIT) | 12,534,004 | 9,654,907 |
| Financing charges | 2,711,910 | 2,670,416 |
| Operational profits | 9,822,094 | 6,984,491 |
| Non-operational Income | 145,303- | 58,315 |
| Net Profit (Loss) Before Tax (EBT) | 9,676,791 | 7,042,806 |
| Income tax | 1,877,467 | 1,439,418 |
| Net Profit (Loss) | 7,799,324 | 5,603,388 |
| Minority Interest | 2,110,455 | 1,599,382 |
| Company net profits/ APIC share | 5,688,869 | 4,004,006 |



Arab Palestinian Investment Company (APIC)
(Holding Company)
British Virgin Islands

Consolidated Statement of Changes in Owners Equity
For the period ended 30 June 2014

| | Paid up | Retained | Cumulated Change in Fair | Total Shareholders' | Minority | Total Owners' |
|------------------------------------|-------------------|-------------------|-----------------------------------|---------------------|-------------------|--------------------|
| | Capital | Earnings | Value and Re-evaluation of Assets | Equity | Interest | Equity |
| | USD | USD | USD | USD | USD | USD |
| Year 2014 | | | | | | |
| Balance at the beginning of 2014 | 50,009,398 | 15,214,734 | 4,746,681 | 69,970,813 | 23,302,019 | 93,272,832 |
| Capital Increase | 9,990,602 | (9,990,602) | - | - | - | - |
| Change in fair value | - | - | (453,137) | (453,137) | - | (453,137) |
| FX differences | - | - | - | - | - | - |
| Profits for the period | - | 5,688,869 | 3,980 | 5,692,849 | 2,110,455 | 7,803,304 |
| Net change in minority interest | - | - | - | - | (402,858) | (402,858) |
| Balance as at 31 March 2014 | 60,000,000 | 10,913,001 | 4,297,524 | 75,210,525 | 25,009,616 | 100,220,141 |
| Year 2013 | | | | | | |
| Balance at the beginning of 2013 | 50,009,398 | 7,298,942 | 3,640,219 | 60,948,559 | 22,535,317 | 83,483,876 |
| Capital Increase | - | - | 976,229 | 976,229 | - | 976,229 |
| Change in fair value | - | - | 3,608 | 3,608 | 1,404 | 5,012 |
| FX differences | - | - | - | - | - | - |
| Profits for the year | - | 7,915,792 | - | 7,915,792 | 3,064,903 | 10,980,695 |
| Net change in minority interest | - | - | 126,625 | 126,625 | (2,299,605) | (2,172,980) |
| Balance at the end of 2013 | 50,009,398 | 15,214,734 | 4,746,681 | 69,970,813 | 23,302,019 | 93,272,832 |



Arab Palestinian Investment Company (APIC)
Consolidated Statement of Cash Flow
From 01/01/2014 to 30/6/2014, and as at 31 December 2013
(Currency: USD)

| Cash flow from operating activities | 30/06/2014 | 31/12/2013 |
|---|-------------------|-------------------|
| Net income - Comprehensive | 7,346,187 | 10,980,695 |
| Depreciation | 3,703,924 | 7,364,558 |
| Provision for doubtful debts | 154,382 | 359,465 |
| Change in accounts receivable and other debit balances | 10,650,510- | 15,393,230- |
| Change in inventory | 227,778- | 5,427,055- |
| Change in accounts payable and other credit balances | 768,031- | 9,016,966 |
| Change in due from/to related companies | 9,624- | 764,161- |
| Change in accrued expenses and provisions | 2,079,232 | 403,976 |
| Net Cash flow from operating activities | 1,627,782 | 6,541,214 |
| Cash flow from investing activities | | |
| Change in other assets - disbursements | 15,629 | 59,810 |
| Change in other investments- disbursements | 299,805 | 375,183 |
| Change in fixed assets- net | 3,337,478- | 5,620,418- |
| Change in investing in available for sale investments and bonds | 147,791- | 32,525 |
| Net Cash flow from investing activities | 3,169,835- | 5,152,900- |
| Cash flow from financing activities | | |
| Change in due to banks | 5,007,004 | 531,441- |
| Increase in deferred liabilities- borrowing | 1,840,500- | 2,649,745 |
| Net change in minority rights and others | 398,878- | 215,609- |
| Net Cash flow from financing activities | 2,767,626 | 1,902,695 |
| Total | 1,225,573 | 3,291,009 |
| Cash on hand- beginning of period | 8,635,529 | 5,344,520 |
| Cash on hand- end of period | 9,861,102 | 8,635,529 |



Arab Palestinian Investment Company (APIC)
Consolidated Statement of Comprehensive Income
From 01/01/2014 - 30/06/2014
(Currency: USD)

| Description | 2014 | 2013 |
|---|------------------|------------------|
| Profit for the year | 7,799,324 | 5,603,388 |
| Other comprehensive income items: | | |
| Change in fair value- available for sale financial assets | 453,137- | 160,130 |
| Total comprehensive income | 7,346,187 | 5,763,518 |
| Attributable to: | | |
| Company's shareholders | 5,235,732 | 4,164,136 |
| Minority rights | 2,110,455 | 1,599,382 |