



باديكو القابضة
PADICO HOLDING

PADICO HOLDING NEWS

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PALTEL Approves Distributing 50% Cash Dividends to its Shareholders

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cover Painting:
Ibrahim Al Awadi/ Gaza Strip

Painting Salim Awwad / Gaza

Editorial ...

This issue coincides with the 20th anniversary for the launch of this great investment company, which always gave relentlessly for its community. PADICO HOLDING was first established in 1993, when a group of Palestinian Arab businessmen decided to invest in the development and building of the Palestinian economy and the state of Palestine. Nowadays, 20 years after its establishment, PADICO HOLDING became a distinguished investment body which constitutes a significant part of the Palestinian investment scenery. It has diversified its investments into numerous areas of the economy to include communications, tourism, industry, agriculture as well as environmental, service and financial projects.

This Newsletter is also published along with the 19th General Assembly Meeting for PADICO HOLDING which will take place on 19 May 2014 in Amman/Jordan, while holding a video conference with Ramallah. This follows the Board of Directors recommendation on its last meeting, which was held on 5 March 2014 to distribute 6% for every share to the shareholders at an actual value of 6 cents per share. PADICO HOLDING looks now with optimism towards the future and the continuation of the development and building of our national economy, one that can support the independence of the Palestinian State.

Positive occurrences continue when the signing of reconciliation between Fatah and Hamas was agreed on to reunite Palestinians after 7 years of division. This agreement rekindled the hopes of the Palestinian people in terms of moving forward towards an independent free state without any divisions and to enhance the economy and build a brighter future.

The end of April also witnessed the expiration of the period which was set by the American mediator to reach an agreement between the Palestinian and Israeli sides, without any improvements after 9 months of negotiations and discussion. Israeli practices and prevarications, which increase during the negotiations period, managed to hinder the negotiations and stop any kind of agreement. Israel continued with the settlements' expansion on Palestinian lands, violations of human rights resolutions, and lastly stalling the release of the fourth prisoners group which was agreed upon in previous stages. Israel intentionally killed any hope of reaching an agreement by putting a precondition based on acknowledging it as a Jewish state. In the meantime, a state of anticipation surrounds the country to see what will happen in the upcoming period. At the same time, the Palestinian Authority managed to join 15 international treaties and threatened to resort to the United Nations to hold Israel accountable towards its practices.

In terms of the economy, the Palestinian Authority has approved the budget after a period of uncertainty, confusion and lack of stability despite the end of the first quarter of 2014. This shows the necessity to have a clear vision, goals and priorities in order to prepare a financial budget. The Palestinian Authority's debts for the private sector, from exporters and contractors to hospitals and gas stations, have been expanding in the past few months. Experts believe that the accumulation of debts, along with predicted cut-down in international financial aid as a result of the reconciliation agreement, and the collapse of negotiations, will most likely cause a recession in the economy and cause further disturbance in the performance of the PA and its ability to regularly pay salaries. In the meantime, unemployment rate is increasing, as it reached 25.2% by the end of the fourth quarter of 2013. Additionally, the cost of living and commodities also witnessed recorded an increase in the West Bank by 3.10% in 2013 from the previous year, while the cost of living dropped in the Gaza Strip by 0.76% from the previous year, which in return also resulted in an increase in general prices for the Palestinian consumer by a 1.72%.

Yet despite all of the difficulties facing the Palestinian political and economic situations, PADICO HOLDING persists in moving forward with profits and successful achievements. The Company has recorded a significant rise in profits for the first quarter of 2014, as consolidated net profit reached USD 7.33 million, in comparison to USD 6.51 million during the same period last year, an increase of 12.7%; while operating profits (EBIT) increased by 12.5% to reach USD 10.45 million during the first quarter of 2014 in comparison to USD 9.29 million during the same period last year.

PADICO HOLDING also continues developing and implementing of its current projects, such as the "Jericho Gate", "NA-KHEEL Palestine", "Rabiyet Al-Quds", and the "Executive Club". These projects are of a strategic and investment importance in order to achieve profits for the Company. Currently, the main source of profit for the company comes from PALTEL Group, which does not comply with the rule of dividing the sources of risk and income. For this reason, the company is currently working on the above mentioned projects in order to start generating profit in the near future.

PADICO HOLDING is looking forward towards maintaining and improving its current investments, continuing with the implementation of ongoing projects, and enhancing the performance and profitability of standing projects. The Company is also still working on decreasing its administrative and general expenses and continuing with the reduction of its debts in the upcoming few years in order to improve liquidity.

PADICO HOLDING Records Profits of USD 7.33 Million During the First Quarter of 2014

Total Consolidated Revenues Registered a Growth Rate of 16.2%, while Operational Revenues from of Subsidiaries Increased By 19.9%

PADICO HOLDING has achieved significant rise in profits for the first quarter of 2014, as consolidated net profit reached USD 7.33 million, in comparison to USD 6.51 million during the same period last year, recording an increase of 12.7%, while operating profits (EBIT) increased by 12.5% to reach USD 10.45 million during the first quarter of 2014 in comparison to USD 9.29 million during the same period last year.

Mr. Munib Rashid Masri, Chairman of the Board of Trustees, expressed his contentment with the excellent financial performance, while praising the wise investment strategies of the board of directors of PADICO HOLDING which focuses on the diversification of investments into a variety of vital sectors. Mr. Masri also pointed out that these profits coincide with PADICO HOLDING celebration of its 20 years anniversary in Palestine. He also affirmed that the process of construction and development will always be the goal of PADICO HOLDING in order to rise up with the Palestinian economy to a level that is capable of supporting its independence and national sovereignty. Mr. Masri also predicted further increase in profits in the upcoming period.

Going back to the political situation, Mr. Masri praised the signing of the reconciliation agreement and said that it has renewed the hopes of the Palestinian people and reinforced the spirit of brotherhood and national unity amongst them. He also sees it as a sign of the political maturity of Palestinian factions, as they worked on upholding national reconciliation above any other interest. He also believes that ending the Palestinian division will help set the appropriate setting to rearrange the internal Palestinian reality, making 2014 a memorable year on the path to the realization of Palestinian statehood which includes all parties and factions in Palestine, as the internal division was the primary concern of the Palestinian people during the previous period, and now after this historical achievement, the direction of the Palestinian people has become clearer. Mr. Samir Hulileh, CEO of PADICO HOLDING, said that this increase in profits comes as a result of the ongoing improvement in financial performance for a number of PADICO HOLDING projects and subsidiaries. He also added that there are a number of projects that are still in the establishment stage, as their ongoing constituent expenses weigh on the consolidated income statement like Rabiyyet Al-Quds Project, Al-Ghadeer Project, Executive Club Project, Jericho Gate Project and the Solid Waste Recycling Project, which contributed to limiting growth in operational profits during the first quarter in 2014. He went on saying that he expects that these projects will result in a significant increase in profits in the near future once they become operational.

Consolidated Revenues

Total consolidated revenues registered a growth of 16.2%, going up from USD 25.37 million during the first quarter in 2013 up to USD 29.47 million during the first quarter of 2014. This increase can be attributed to a number of reasons, as operating revenues of subsidiaries witnessed a significant increase during the first quarter of the current year to reach USD 17.30 million, in comparison to USD 14.43 million during the same period of 2014, marking an increase of 19.9%. On the other hand, gains from the financial assets portfolio witnessed a decrease during the first quarter of the current year in comparison to the same period of 2013, going from USD 0.59 million during the first quarter of 2013 down to USD 0.30 million during the first quarter of 2014.

Consolidated Expenses

Operating expenses increased from USD 11.14 million during the first quarter of 2013 up to USD 12.97 million during the first quarter of 2014, marking a 16.4% increase. This increase in operating expenses was in conjunction with a greater increase in operating revenues (19.9%), which indicate an increase in efficiency and production capacity for many subsidiaries. At the same time, administrative costs and consolidated general expenses increased by 8.8%, going from USD 3.63

million during the first quarter of 2013 up to USD 3.95 million during the first quarter of 2014. Consolidated financial costs also increased from USD 2.65 million during the first quarter of 2013 up to USD 2.88 million during the same period of 2014, coinciding with an increase in average total debt from USD 224.33 million during the first quarter of 2013 up to 229.37 million during the first quarter of 2014. No change occurred in terms of depreciation expenses and amortization between the first quarter of 2014 and the same period of 2013, as they remained at USD 2.09 million.

Financial Position

Total assets increased from USD 808.67 million by the end of 2013, up to USD 831.86 million at the end of the first quarter of 2014, marking an increase of 2.9%.

Equity attributed to equity holders of the parent company also increased from USD 418.84 million by the end of 2013, up to USD 443.23 million by the end of the first quarter of 2014, marking an increase of USD 24.39 million (5.8%). Total liabilities mounted up at USD 287.06 million by the end of the first quarter of 2014, in comparison to USD 288.11 million by the end of 2013, going down by USD 1.1 million (0.4%). Bonds, bank loans and credit facilities constituted 81% of total liabilities, and reached USD 232.62 million by the end of the first quarter of 2014, in comparison to USD 226.12 million by the end of 2013, marking an increase of 2.9%. These debts include the bonds that were issued by PADICO HOLDING in 2011 with a nominal value of USD 85 million.

Main Recent Developments for Projects

Jericho Gate Project

PADICO HOLDING is implementing Jericho Gate Project in partnership with PALTEL Group and Palestine Real Estate Investment Company (PRICO). The project is the first of its kind in Palestine and includes the development of a variety of tourist and entertainment facilities on an area of 3,000 dunums in the South of Jericho. The company has commenced with work on the infrastructure of the project and preparing the main streets that connect it to Jericho. It has also finished preparing the public square for the project on an area of 45 dunums, which will be used during the upcoming period for a number of events and activities. The company also launched the promotional campaign for the project.

Executive Club Project

PADICO HOLDING will be inaugurating the Executive Club Project during next month. This project is the first of its kind in Palestine and is implemented by Jerusalem Development and Investment Co. Ltd. (PADICO Tourism), PADICO HOLDING's investment arm in the tourism sector. The project is located on 2,600 square meters in the Tal Al Safa neighborhood of Ramallah, and with a total investment value of over USD 6 million. Additionally, it includes three restaurants of various styles, an indoor swimming pool with outdoor gardens, support services, a multipurpose hall, a spa, and a gym.

Rabiyyet Al-Quds Project

PADICO HOLDING is preparing for launching the promotional campaign for "Rabiyyet Al-Quds" Project. Selling apartments for the project will also start in the upcoming period. The project is being implemented in South of Jerusalem and consists of the construction of 22 residential buildings. The land on which the project will be established lies to the south of Jerusalem, around 5 kilometers from the Old City, in Hawd Al-Alami area near Beit Safafa, in Al-Sharfata area near Gilo Street overlooking the most prominent sites in Jerusalem.

The general assembly is scheduled to be held for its annual meeting on 19/5/2014 in Amman/ Jordan while holding a video conference communication with Ramallah. The board of directors recommended in its meeting, which was held on 5/3/2014, that cash dividends should be distributed on shareholders by the amount 6% of the nominal capital, at an actual value of 6 cents per share.

PADICO HOLDING Participates in the Private Sector Meeting with Prince Waleed Bin Talal

Mr. Munib Masri, Chairman of the board of trustees for PADICO HOLDING, participated in the meeting which was held by Prince Waleed Bin Talal in his most recent visit to Ramallah. Mr. Masri discussed the current economic and investment scenery in Palestine with prince Waleed Bin Talal, in a meeting which hosted a number of prominent economic figures and businessmen. Mr. Masri also praised the visit of Prince Talal to Palestine, pointing out that this symbolic gesture comes as proof of his interest and support for the Palestinian economy, while calling out for him to further support the Palestinian economy by investing in different sectors within Palestine. Mr. Masri went on to point out that Prince Waleed Bin Talal was one of the first people to invest in PADICO HOLDING since its establishment in 1994, as well as being a contributor in the Jerusalem Development and Investment Co. (PADICO Tourism), PADICO HOLDING's investment arm in the tourism sector investment.

Mr. Masri also handed Prince Talal an investment profile which contains a number of proposals aimed to promote investment in Palestine, in addition to asking him to support the "Jerusalem Endowments Fund", which aims to protect the city of Jerusalem and support its development and the preservation of its history and geographical integrity against all the systematic and increasing violations it faces which aim to disfigure its historical, religious and cultural identity. He also urged Prince Talal to participate in the conference scheduled to be held this summer in Palestine to promote and develop the Palestinian economy by attracting investors to Palestine. On his behalf, Prince Talal expressed his serious intention and interest in studying the proposals and the ideas put forward by Mr. Masri during the meeting, while asserting his constant support for the Palestinian people and their fair cause.

Chairman of the Board of Trustees for PADICO HOLDING Meets with a Delegation of Scandinavian Businessmen at "Beit Falasteen"



Mr. Munib Masri, Chairman of the Board of Trustees for PADICO HOLDING, met with a delegation of businessmen and representatives from major Scandinavian companies at "Beit Falasteen" in Nablus. The delegation included almost 75 figures conducting their first visit to Palestine to observe the economic situation and the possibilities for investments.

The delegation also met with a group of Palestinian businessmen, as they discussed the standings of the Palestinian economy as well as the most difficult obstacles faced due to the Israeli practices. They also discussed investment possibilities in Palestine. Later on, the delegations were presented PADICO HOLDING's most important projects and investment in different sectors, as well as the company's future plans.

News from Subsidiaries and Affiliates

PALTEL Approves Distributing 50% Cash Dividends



The General Assembly of Palestine Telecommunications (PALTEL) conducted its 17th meeting in the Moevenpick Hotel in Ramallah, while maintaining video conference connection with Al-Mashtal Hotel in Gaza. The assembly approved the distribution 50% of cash dividends for the company's shareholders, based on distributing 40% cash dividends for the year 2013 and 10% in exceptional cash dividend for the company's investments in 2013. Financial statements for last year, ending on the 31st of December 2013, have indicated an increase in earnings per share, reaching JD 0.698, in comparison to JD 0.624 in 2012.

PALTEL financial report for the year 2013 has indicated an increase in company's net profit by 11.8%, reaching almost JD 93.8 million, in comparison to JD 82.1 million in 2012. Consolidated operating revenues also witnessed an increase of 2.6%, reaching JD 375.3 million, in comparison to JD 365.9 million in 2012.

The group also achieved an increase in operational performance, as indicators for the year 2013 have shown an increase in the number of customers by 2.7% in comparison to 2012, to reach 3.25 million customers. Customers in the landline service reached 403 thousand subscribers, while cellular phone subscribers reached 2.63 million, in addition to 213 thousand subscribers in the ADSL service. Total amount of cash dividends to be distributed on shareholders will reach around JD 66 million, as the distribution process is supposed to commence in the upcoming few weeks.

"NAKHEEL Palestine" Participates in Two International Exhibitions and Welcomes Tourists

NAKHEEL Palestine has participated in the Gulfood exhibition held in Dubai in April of this year, as well as participating in The 11th International Halal Showcase exhibition in Kuala Lumpur – Malaysia.

The company was presented in both conferences by its sales and marketing team, which showcased all the company's products. It also met with a number of import and export companies, as well as companies interested in the palms and dates industry. The company also welcomed a number of tourist groups that visited the company in order to get to know it and its work better, as well as buying some of its products. Visits programs included schools, universities as well as foreign tourism groups. The company has also recently finished working on a new lab in order to test samples of water, trees, leafs and dates, all in order to improve the quality of its products and surpass the standards of quality of dates. It's worth mentioning that this is considered pioneering achievement in the private dates industry.

Palestinian Industrial Investment Company (PIIC) and Palestine Poultry Company (PPC) Approve the Distribution of Cash Dividends to Shareholders

The general assemblies for the Palestinian Industrial Investment Company (PIIC) and Palestine Poultry Company (PPC), which are subsidiaries of PADICO HOLDING, have approved the distribution of cash dividends on shareholders, with the amount of 25 pennies and 12 pennies (respectively) per share.

The general assemblies for the two companies convened for their annual meeting in Nablus late last week, as they approved the recommendations of the boards of directors to distribute cash dividends to shareholders. The general assembly to PIIC listened to the report of the board of directors which demonstrated the clear growth in the performance of the company, especially in terms of profits and revenues. The assembly also discussed the financial statements of the company for the year 2013, and then agreed unanimously to approve the recommendations of the board of trustees to distribute cash dividends on shareholders by 12% of the nominal value of shares, by a total of JD 2.25 million.

On the other hand, the general assembly for Palestine Poultry Company (PPC) discussed the company's most important activities during 2013, as well as its financial and operational performance. The assembly also went into the company's future plans in terms of starting new projects or developing standing ones. The report indicated positive developments in the company's performance in comparison to previous years. The assembly then discussed the financial statement for 2013, which indicated an increase in operational revenues by 39% and the multiplication of net profit to reach JD 3.36 million, and approved it unanimously. The assembly went on to approve the recommendations of the board of trustees to distribute cash dividends to shareholders by 12% of the nominal value of shares. It also voted on the new board of trustees for the company in the next 4 years which included: PIIC (6 seats), Palestine Investment Company (2 seats), Beit Jala Pharmaceutical (1 seat), An-Nowa for Investment Company (1 seat), as well as Al-Reef for Investment and Agriculture (1 seat).

Within the Framework of Cooperation with the Ministry of Agriculture... The National Carton Industry Company (NCI) Hands in Products for the Ministry for Agricultural Packaging

The national Carton Industry Company (NCI) has handed in the agreed on amount of cartons for agricultural packaging to the Ministry of Agriculture, in an effort targeted to support Palestinian farmers. On its part, the Ministry expressed its support to the Palestinian economy, while indicating its trust in the Palestinian industrial sector and the quality of the company's products, and the role it's playing in the development of both the agricultural and the industrial sectors in Palestine.

End of Preparations for the Inauguration of the Executive Club Project

The executive club has started providing its services to a number of customers, while preparing for the official inauguration in the upcoming few days. This project is implemented by Jerusalem Development and Investment Co. Ltd. (PADICO Tourism), PADICO HOLDING's investment arm in the tourism sector. The project is located on 2,600 square meters in the Tal Al Safa neighborhood of Ramallah. It includes three restaurants of various styles, an indoor swimming pool with outdoor gardens, support services, a multipurpose hall, a spa, and a gym.



Palestine Exchange (PEX) Conducts its General Assembly Meeting

Palestine Exchange (PEX) conducted its general assembly meeting on 9 April 2014. The meeting was held in Nablus, and headed by Dr. Farouk Zeiter, Chairman of the board of directors, with the presence of the company's general controller along with other representatives and experts.

A number of topics were discussed in the meeting. The general assembly also approved the report issued by the board of directors regarding the operations of the company during 2013. The meeting also included the approval of a number of other financial papers and reports, as well as the election of a new board of directors for the upcoming 4 years. The general assembly also re-elected Ernst and Young Company to do the auditing for PSE in 2014.

Exchange rates also witnessed an increase of 227.64%, recording USD 166,103,830 by the end of the first quarter, in comparison to the same period of 2013. The number of exchanges conducted so far during the first quarter of 2014 has surpassed the number of exchanges conducted during the first 7 months of 2013.



Palestine Poultry Company (AZIZA) Participates in the National Shopping Festival

The Palestine Poultry Company (AZIZA) has participated in the national shopping festival held at An-Najah University. This participation comes as part of the company's policy aiming to be present in different national activities and exhibitions in order to present the high standards and quality of its national products.

Moevenpick Hotel Welcomes Prince Waleed Bin Talal... And Inaugurates the Shasha Lounge

Moevenpick Hotel welcomed Prince Waleed Bin Talal in his recent visit to Ramallah. The hotel hosted the meeting with Prince Talal and his delegation, which was organized by the Palestine Investment Fund, with the presence of a number of representatives from the private sector and Palestinian businessmen.

On a different note, the hotel also inaugurated the Shasha lounge, which aims to entertain and attract football fans to watch matches from the Spanish League through high-quality screens, while enjoying the services of the lounge. The hotel also reopened Al Riwaq Terrace, which presents the best musical performance in the lovely summer open air of Ramallah.

Corporate Social Responsibility

Partners of “Tamayyaz” Program Celebrate with Students Enrolled in the Second Stage of the Program



Partners of “Tamayyaz” program (PADICO HOLDING, Sharek Youth Forum and the International Youth Foundation) organized a reception at Birzeit University to celebrate 190 university students who got accepted in “Tamayyaz 2” leadership program. This program aims to empower university students and integrate them into the job market. The program is executed in partnership with 7 Palestinian Universities: Birzeit University, An-Najah National University, Palestinian Technical University (Khadouri), Al-Quds University, The Arab American University (AAU), Palestinian Polytechnic University, as well as Al-Quds Open University. The ceremony included a number of speeches by “Tamayyaz 1” students, who described their experience in the program and how much it added to their personal and practical skills. They also showcased some of the most important activities they did in their most recent visits to a number of countries like Belgium and Abu Dhabi, and what these visits included in terms of participating in international conferences and interacting with professionals from different sectors and segments. The activities of “Tamayyaz 2” program were launched in partnering universities, as they will go on for the duration of 2 years up until the students graduate. At the end of the program, each student will be awarded a certificate of experience to endorse the experience gained in this program.

“Tamayyaz” Program Partners Participate in “Skills for Life: Improving Employment Outcomes for Youth” Conference in Jordan

Partners of “Tamayyaz” Program (PADICO HOLDING, Sharek Youth Forum and International Youth Foundation) participated in the activities of “Skills for Life: Improving Employment Outcomes for Youth” conference, which was held in Amman/Jordan. The conference was organized by the International youth Foundation, with the objective of discussing possible solutions for bridging the gap between education and the needs of the market in Palestine. Representatives from over 175 institutions from the public and private sectors and civil society participated in this conference with the aim of discussing the possible methods to solve the problem of unemployment amongst youths, which is currently standing at 28% in the Middle East and North Africa.

The partners of the “Tamayyaz” gave an overview about the program during the first session and described how the program does not intend to train fresh graduates, but rather provide them with mentorship to help them go through a number of practical experiences to develop their leadership and practical skills and prepare them to be the leaders of the future. “Tamayyaz” partners also emphasized the importance of enhancing and creating partnerships within the different sectors of the Palestinian society.

“Tamayyaz” Program Students Graduate From the First Stage in Three Partnering Universities

“Tamayyaz” program partners organized events in Birzeit University, An-Najah University and Palestinian Polytechnic University to celebrate the graduation of the first regiment of students from “Tamayyaz” program, as well as to launch the second stage. Certificates were given to over 180 students from the 3 partnering universities in the first phase of the program. The ceremony also included choosing the participants in the second stage. The program include 4 additional universities in its second stage, which are: Al-Quds University, The Arab American University, Palestinian Technical University Khadouri as well as Al-Quds Open University.

A Delegation of “Tamayyaz” Program Visits Belgium and Abu Dhabi

11 Students from “Tamayyaz” program visited Belgium and Abu Dhabi early last February, in an attempt to introduce the program internationally and improve cultural interaction with the international community. The visits also aimed to advance the spirit of leadership of the students through a number of workshops and intensive lectures that focused mainly on leadership.

The delegation included students from “Tamayyaz” program coming from Birzeit University, An-Najah University as well as Palestinian Polytechnic University. The delegation that visited Belgium included 9 students, while the delegation that visited Abu Dhabi only included 2 students. The visit also included a number of European students from different parts of the world, as it was organized with the cooperation of Sharek Youth Forum and AEGEE-Leuven Foundation, and with the funding of Erasmus Mundus.

PADICO HOLDING Participates in “The Role of the Media in Developing National Economy” Symposium at Birzeit University

PADICO HOLDING, represented by its CEO Mr. Samir Hulileh, participated in a symposium which was held at Birzeit University under the title “The Role of the Media in Developing the National Economy”. The symposium was organized by the media department at the University on Thursday, 10 April 2014. A number of journalists working in the field of economic journalism, attended the symposium, which aimed to introduce economic journalism as a concept, and to prepare future journalists on how to deal with economic information and cases that have to do with the economy from a journalism perspective.

Mr. Hulileh focused in his participation on the important role of economic journalism, and its use as a tool to change the economic reality. He added that pressures put on journalists can make them take a different direction, changing according to surrounding media circles. He pointed out that this is not limited to economic journalism, but is also applicable to journalists working in all fields. Mr. Hulileh also added that those interested in the field of economic journalism should attend as many economic meetings and conferences in order to improve their skills in writing about such events.

PADICO HOLDING Discusses the Reality of the Palestinian Economy in a Round Table Meeting with a Number of Economic Journalists

PADICO HOLDING discussed the reality of the Palestinian economy in a round table meeting with a number of economic journalists at the Internews Office in Ramallah on 1 April 2014. The CEO of the Company discussed the way the private sector views the Palestinian economy, as well as the most important issues and obstacles including: the decline in economic growth, increasing rates of unemployment, the share of the economic development plan from the Palestinian budget, and the courses of action towards economic recovery in light of the political stagnation. The meeting came as part of a project aimed to develop the media coverage of Internews office for economic and financial matters in Palestine, and was funded by the U.S. Consulate General in Jerusalem.

PADICO HOLDING Organizes and Hosts “Traces” Exhibition for artists from Gaza Strip

PADICO HOLDING organized “Traces” exhibition on the 10 May 2014, with the presence of a number of public, cultural and artistic figures. This project, which was prepared in the collaboration between PADICO HOLDING, the Artist Pension Trust, the UNDP and the French Institute in Jerusalem. The goal of the Exhibition is to support artists from Gaza Strip and promote their artworks on an international and local levels. The exhibition hosted artworks for over 40 Palestinian artists from Gaza Strip, as it remained open from the 10- 21 May, 2014. The exhibition was held on the 11th floor of PADICO HOLDING’s headquarters in Ramallah.

The idea behind the exhibition was to allow artists to showcase their artworks and go back in memory to the past in order to discover and reflect on it, in addition to symbolize the importance of documentation and its effect on the Palestinian cultural reality and heritage. Even though this exhibition was mostly focused towards Palestinian artists from the Gaza strip in order to encourage them and support them in the tough circumstances they live in; yet, the Company thinks that organizing more similar exhibitions in order to enhance the ties between artists and cultural institutions in Palestine is crucial.



PADICO HOLDING Welcomes a Delegation from Harvard University Students as Part of the University’s Annual Visit Program

PADICO HOLDING welcomed a delegation of students from John Kennedy School of Government and the Business School at Harvard University as part of its annual visit program to Palestine (TREK Program). This program, which has been implemented for the 4th consecutive year, aims to introduce students and possible future decision makers to the political, economic and social realities in Palestine. The students were introduced to the history of PADICO HOLDING in development and investment over the past 20 years. They also got introduced to the reality of the Palestinian economy, both in terms of possibilities and opportunities, as well as obstacles and challenges.

PADICO HOLDING has already signed a collaboration agreement and strategic partnership with Harvard University in the USA, which included the company’s support of the annual visits program for graduate students in order to introduce them to the Palestinian political, economic and social realities. The agreement also included hosting a number of interns from John Kennedy School of Government and Harvard University Business School and integrating them into PADICO HOLDING and a number of its subsidiaries and associates.

With the Support of PADICO HOLDING... “Give Palestine” Association Concludes its First Children’s Books Exhibition

“Give Palestine” Association organized a children’s books exhibition, which was held in the association’s quarters and lasted for 3 days. This exhibition was supported by PADICO HOLDING, and under the auspices of the mayor of Ramallah and Al-Bireh. The exhibition included the participation of a number of organizations and publishing houses specialized in children’s literature.

The “Palestine International Award for Excellence and Creativity” Honors International Creative Figures and Pioneers for the 6th Consecutive Year



The Palestine International Award for Excellence and Creativity honored both Mr. Steve Sosebee, CEO of the Palestine Childrens Relief Fund, and Mr. Arif Naqvi, Group Chief Executive of the Abraaj Group, in addition to Dr. Sohi Thai Aang for her role in Palestinian refugee camps in Lebanon and Gaza, Mr. Joseph Blatter for his constant support to sports in Palestine, as well as a number of other figures and institutions that gave a lot to Palestine in different fields. All of this took place in the award’s 6th ceremony which was held at Ramallah Cultural Palace.

This award is intended to motivate individuals and corporations to bring out their creativity, as well as encouraging pioneers to continue on the road of creativity. The award honors Palestinians and internationals on their role in supporting the Palestinian cause and the Palestinian society, and aims to promote intellectual excellence and leadership in the Palestinian society to build a better Palestinian future.

The “Palestinian International Award for Excellence and Creativity” is one of the programs offered by PALTEL Group Foundation for Community Development, which came as a distinctive initiative from the Palestinian businessman Sabih Masri, who was one of the first people to realize the importance of supporting creativity and leadership in Palestine.



PALTEL Group and the Palestinian Information Technology Association of Companies (PITA) Launch a Project to Enhance Higher-Education with the Needs of the Palestinian Information Technology and Communications Private Sector

PALTEL Group has signed a cooperation agreement with the Palestinian Information Technologies Association of Companies (PITA) in order to launch a project aimed to enhance university education in Palestine with the needs of the Palestinian information technology and communications private sector. This agreement will help the private sector to apply a Palestinian curriculum which suits the needs of the IT and communications sector, which will in return help integrate the Palestinian economy with the global economy. This step comes as part of plan to approximate between the outcomes of education and the needs of the work market. This will help limit the problems related to human resources and proficiency, which in turn will help development the Palestinian economy and limit unemployment in the Palestinian society.

The Ministry of Agriculture and PALTEL Launch the “Communications Forest” Project

The Ministry of Agriculture has announced the launching of the “Communications Forest” project, in partnership with PALTEL. This came after the signing of an agreement between the two parties at the ministry headquarters in Ramallah. The project is based on the Ministry providing empty land spaces in the north, middle and south of the west bank, in addition to providing the seedlings; while PALTEL will work on planting these seedlings in the areas that will be specified by a joint committee. PALTEL will also make sure to nurture the seedlings, water them and spraying through experts and under the supervision of the Ministry, with the aim of turning them into forests.

Palestine Exchange (PEX) Launches the “Trading Simulation” Competition in Palestinian Universities

Palestine Trade has launched the 7th round of the “Trading Simulation” competition in mid-March 2014. The competition was held in Palestinian universities, and with the participation of 240 students from 10 different universities: An-Najah University, Birzeit University, Al-Quds University, Palestinian Polytechnic University, Islamic University in Gaza, Palestinian Technical University Kadoori, Palestine Ahliya University, Bethlehem University, The Arab American University, as well as Al-Quds Open University which is participating for the first time and is represented by its branches in Nablus, Hebron and Ramallah.

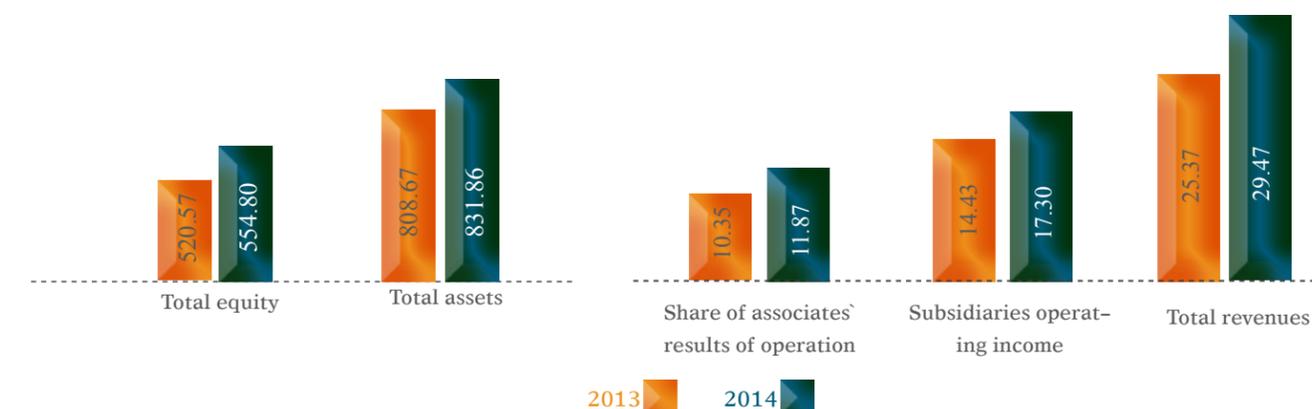
This competition is considered in its current round of 2013/2014 the largest and most spread, both in terms of the number of universities as well as the number of students enrolled in it, since its establishment in 2009. This competition targets students from Faculties of Economics and Business in Palestinian universities in order to raise the awareness of the students regarding investment in the Palestinian exchange market. It also comes as part of the company’s social responsibility towards the education sector and to raise awareness amongst students, especially university students.

Financial Performance for the first quarter 2014

(Amounts in USD million except for the shares)

Main items of consolidated income statement	Q1 / 2014	Q1 / 2013	Change %
Total revenues	29.47	25.37	16.2
Subsidiaries’ operating income	17.30	14.43	19.9
Share of associates’ results of operation	11.87	10.35	14.7
Profit before income tax	7.57	6.64	14.1
Profit attributable to equity holders of the parent	7.23	6.73	7.4
Net consolidated income	7.33	6.51	12.7

Main items of consolidated statement of financial position	31/3/2014	31/12/2013	Change %
Total assets	831.86	808.23	4.5
Loans, bonds and credit facilities	232.62	226.58	0.6
Other liabilities	54.44	60.21	14.4
Non- controlling interests	101.57	101.69	4.5
Equity attributable to equity holders of the parent	443.23	419.74	5.3
Total equity	544.80	521.43	5.2



Main financial indicators	Q1 / 2014	Q1 / 2013	Change %
ROIC	% 2.90	% 2.70	7.4
ROaE	%5.51	%5.21	5.8
ROaA	%3.58	%3.34	7.2

Indebtedness and liquidity indicators	31/3/2014	31/12/2013	Change %
Debt to equity ratio	%42.70	%43.44	(1.7)
Debt to assets ratio	%27.97	%27.96	0.0
Current ratio	1.01	0.62	62.9

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