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PADICO HOLDING

PADICO HOLDING NEWS

PADICO HOLDING Quarterly Newsletter - Issue 17 - March 2015

PADICO HOLDING Records Profits of USD 20.01 Million for the year of 2014.

PALTEL Group's General Assembly Holds its 18th Meeting in Ramallah.

The National Security forces and "Tamayaz" Partners Conclude Their Third Cohabitation Camp in the Village of Al Nuwe'meh.

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Editorial

After more than 6 months have passed over the Israeli latest aggression on the Gaza Strip, the Palestinian political and economic scene does not look any less complicated. The reconstruction file did not develop despite the increasing number of international organizations calling for the speeding up in the rebuilding process. International and local entities have expressed their concerns that the slow pace of the reconstruction process might play a role in escalating a detonation in the Strip once again, especially since thousands of families who have lost their homes are still living in shelters, all in addition to the increasing pressure of the siege. In the time that regional unrest is increasing, and no advancement in regards of the reconciliation files.

Israel still uses its extortion policies against the Palestinians. After holding the tax revenues for over than three months which was been considered by some to be a punishment retaliation for the Palestinian attempts to join the International Criminal Court, and to use it as a political and a promotional card in the Israeli elections; Israel releases withheld tax revenues to Palestinian Authority (PA) after stalling and attempting to deduct amounts of the money for the financial debt of the PA. On a different note, the Monetary Authority Index showed a decrease in the total demand level in the West Bank economy during the month of February, which in turn caused a declining level of production due to the withdrawal of only a part of the government sector's paychecks because the Israeli government was detaining the "clearing" tax revenues.

Some observers see that the biggest additional financial problem facing the PA in the upcoming days is the decision issued by a jury in one of the American courts in New York, which demands the Palestinian Authority to pay compensations of the amount of USD 218 Million for the American victims of six separate attacks that took place in Israel, which by itself is considered a serious financial challenge.

In addition,

on, the complicated political and financial situations of 2014 have impacted the financial performance of PADICO HOLDING; the company has recorded a profit before tax amount of USD 20.83 Million in the year of 2014, compared to USD 26.12 Million in the year of 2013, marking a decrease of 20.3%. As for the consolidated net profit, the company has recorded an amount of USD 20.01 Million by the end of 2014, compared to USD 25.34 Million for the same duration in 2013, marking a decrease of 21.0%.

PADICO HOLDING is still moving forward with developing a number of important investment projects such as: the Jericho Gate project, Rabiyyet Al Quds, and the Palestinian Power Generation Company (PPGC). The mentioned projects are strategic projects that will contribute in improving the company's revenues in a pivotal manner during the upcoming few years. For the time being, PADICO HOLDING seeks to become a main contributor in the rebuilding efforts and the rehabilitation of the infrastructure in Gaza, and to get the economic and investment wheel to spin again in the Strip in order to improve its performance on an economic level, particularly for the residents and the thousands of Gazans who are still living without a shelter.

News from PADICO HOLDING

PADICO HOLDING records profits of USD 20.01 Million in 2014

PADICO HOLDING achieved a profit before tax amount of USD 20.01 Million in 2014 compared to USD 26.12 Million in 2013, marking a decrease of 23.4%. The consolidated net profit recorded was USD 19.20 Million by the end of 2014, compared to USD 25.34 Million in 2013, which shows a decrease of 24.2%.

The financial results recorded by 31 December 2014 are a reflection of the Palestinian economy being affected during the second half of the year due to the latest Israeli aggression on the Gaza Strip, in addition to the increase in Israeli attacks and daily clashes that occurred in Jerusalem and other Palestinian cities during the previous year. Given the above mentioned, a decline in the earnings of PADICO HOLDING as well as its subsidiaries' growth in 2014. Mr. Munib Rashid Masri, Chairman of the Board, confirmed that Palestine is going through fragile and exceptional circumstances, and that it is trying to achieve reconciliation and unity; as freedom and independence are embedded in the company's vision and mission. Additionally, Palestine is going through the most crucial phase especially that it is not making any progress on stopping the negotiation efforts due to the increasing Israeli violations and continuation of settlement building on Palestinian lands. Mr. Masri clarified that this situation has left its apparent impact on the economic situation and the standards of living in Palestine, which causes Palestinian businessmen and investment companies to face new responsibilities and double their efforts in order to counter the new challenges that arise from the Palestinian – Palestinian political situation, as well as the Palestinian – Israeli situation. All of this comes from the fact that the Palestinian private sector makes up a crucial main component, and it is their responsibility to fortify Palestine with a strong, independent, and a consistent economy.

Mr. Masri also clarified that PADICO HOLDING is committed to its role in strengthening the Palestinian economy, in particular the reconstruction efforts in the Gaza Strip. He also called for all the Palestinian parties to speed up the reconciliation and unity process without delay, considering it the only true tool to be used while facing the current situation and to continue building the Palestinian nation. Additionally, Mr. Masri pointed out that PADICO HOLDING has managed, during previous years, to fortify and strengthen its position as an investment leading company implementing projects in vital sectors, which contributes to creating new and promising opportunities in spite of the difficult political and economic situations.

From his side, it was pointed out by Mr. Samir Hulileh, CEO, that PADICO HOLDING and its subsidiaries were affected by the successive events in the West Bank and the Gaza Strip similar to any other company in the private sector. The main reason for that was the last Israeli aggression on Gaza, which has clearly and directly impacted many economic sectors such as tourism, real estate, and telecommunications. Mr. Hulileh also clarified that in spite of the financial growth that was achieved by a number of PADICO HOLDING's subsidiaries during the previous year, the losses that have befallen some of the companies were due to the war and the elevating situation in Jerusalem and many Palestinian cities. The deteriorating situation has caused a decline in the tourism sector, as well as a decline in the performance of the real estate sector, and the damages occurred to PALTEL's infrastructure in Gaza and the losses that the company suffered from; are all reasons that negatively affected PADICO HOLDING's performance by the end of 2014 in contrast to the achieved increase in profit from during the first half of the same year.

Mr. Hulileh also said "During the past year, the Israeli war has damaged the infrastructure of the Gaza Strip, which greatly affected Gaza's economic performance, which was still trying to get on its feet in the face of the constant siege". Mr. Hulileh clarified that all local and international reports point out to pessimistic results for the upcoming phase, and that the Palestinian government will be facing an enormous deficit which it can't escape from. This crisis will affect the different sectors, which requires the private and public sectors to practically work in accordance to a realistic emergency plan in order to bypass the challenges and to deal with the growing economic downturn.

Consolidated Revenues

In regards of PADICO HOLDING's consolidated revenue, there has been an increase from USD 110.54 Million in 2013 to USD 110.9 Million in 2014. This increase is mainly attributed to the growth in the operating income in the subsidiaries from USD 65.95 Million in 2013 up to USD 70.5 Million in 2014, with a growth of 6.8%; this was due to the improvement that was achieved by some of the subsidiaries in their operating activities, especially the Palestinian Industrial Investment Company (PIICO) which had an increase in its operating income of 16% reaching USD 44.52 Million, as well as Nakheel Palestine for Agricultural Investment which had an increase of 20% reaching USD 3.09 Million in its operating income.

In return, there has been a decrease in the operating income of subsidiaries working in the real estate and tourism sectors. This decrease was due to the direct effects of the events that took place in Palestine in the year 2014, where the operating income decreased for both PADICO Tourism and PRICO with percentages of 14% and 16%.

As for PADICO HOLDING's share of its subsidiaries' profits; it had a decrease of 6.7%, decreasing from USD 42.89 Million in 2013 to USD 39.15 Million in 2014. This decrease was due to the decrease in PALTEL's profits from USD 129.51 Million to USD 119.98 Million, with a percentage of 7.4%, where PALTEL was directly and indirectly affected by the political events in Palestine, especially during the war on Gaza and the following recession which still holds its grip over the strip. At the same time, PADICO HOLDING and its subsidiaries' portfolio stock had a decrease in its profit from USD 2.53 Million in 2013 to USD 1.34 in 2014. This decrease was due to the draw back in the stock performance in the Palestinian market, especially in the year 2014.

Consolidated Expenses

As for the consolidated expenses, there has been an increase of 6.4%; from USD 84.65 Million in 2013 to USD 90.03 Million in 2014. This increase was mainly attributed to the operating expenses of the subsidiaries, which has seen an increase from USD 49.51 Million to USD 53.84 Million, which amounts to USD 4.33 Million with a percentage of 8.7%. This increase mainly came from PIICO, which was accompanied by an operating income of 16%.

Consolidated Financial Position

The total unified assets increased from USD 805.25 Million in 2013 to USD 831.84 Million in 2014, with a percentage of 3.3%. As for the total unified liabilities, they increased to USD 296.66 Million by the end of 2014 compared to USD 284.68 Million from the year of 2013, translating to an increased amount of USD 11.98 Million with a percentage of 4.2%. As for the property rights of the mother company's shareholders, it has seen an increase from USD 418.84 Million in 2013 up to USD 433.58 Million by the end of 2014, translating to an increased amount of USD 14.74 Million with a percentage of 3.5%. This increase represents the yield value of comprehensive income for the company's shareholders in 2014, which has amounted to USD 29.59 Million, and the cash dividend which has been distributed among the shareholders is then deducted for the year of 2013, which amounts to USD 15 Million (CENTS 6/share).

The item of ownership rights of shareholders consists of the paid capital of USD 250 Million, and the retained earnings that amount to USD 153.36 Million, as well as the reserves and other items that have amounted to USD 30.22 Million by the end of 2014. With that being said, the book value of share would be standing on approximately USD 1.74 by the end of 2014, which is higher than the market value of share by 27.7% (USD 1.36/share). As for the rights of non-controlling entities (the rights of shareholders from subsidiaries), it has reached the amount of USD 101.60 Million by the end of 2014, and it makes up 19.0% of the total ownership which has amounted to USD 535.17 Million.

Main Recent Development for Projects

Rabiyet Al-Quds Project

About Rabiyet Al-Quds Project; it is PADICO HOLDING's first housing project which meets the increasing demand for the housing sector in the city of Jerusalem. The project is composed of 22 housing buildings with a view of the holy city's landmarks. Mr. Hulileh said that the company has commenced its preparations for the project, and 82 apartments were put out for sale in 10 different buildings as a first phase. Mr. Hulileh also added that all plans and designs for this phase have been finished, and the permit files were opened in the Municipality of Jerusalem, and that there has been an agreement with the Cairo Amman Bank for the long term funding up to the limit of 20 years. It is expected that the building process will begin in the third quarter of the current year after acquiring the required permits. Rabiyet Al-Quds Project is located 5 km south of the old city in the Sharfat neighborhood near Beit Safafa, where the stunning view of the location is combined with the amazing designs, the delicate perfection, and the dedicated efforts of the work.

Jericho Gate Project

As for the Jericho Gate project, Mr. Hulileh pointed out that both the municipality and the regional committee have given their approvals on the structural plans for the project. Mr. Hulileh also clarified that the company has commenced to open some of the interior roads connecting the project's square with the main road leading to the Oasis Hotel (previously Inter-continental Hotel) considering it to be the main entry point for the project, giving the visitor easy access to the project's land and its square, as well as giving them the opportunity of getting to know the project's land plots as they are in the detailed structural plan and its different uses.

The company also commenced the creation of the detailed plans and designs for the road networks, the water network, and the sewage, in addition to the electricity and telecommunication networks. It is planned to commence implementing the plans for the road network and its infrastructure for the first phase of the project, which is set on 1000 Acres, during the upcoming months. Mr. Hulileh also pointed out that the Jericho Gate project will leave a tangible positive impact on the local community of Jericho on both an economic and a social level. The company is now working on creating the architectural designs for the historical Jericho Gate, the public square, as well as the Jericho tower, which are considered the project's landmarks. Also worth mentioning is that the company has signed Memorandums of Understanding with a number of developers to develop a land of 200 Acres for the purpose of improving housing areas and tourism hotels.

Palestine Power Generation Company

In regards of PPGC, Mr. Hulileh said that the company has restructured its capital; the Gaza Electricity Company has decreased its share in the company from 43% down to 5%; that was replaced by the entering of PALTEL, the Arab Bank, and the Palestinian Investment Fund to form the new base of shareholders of PPGC in addition to PADICO HOLDING. Mr. Hulileh also pointed out that the company has finished all necessary preparations for signing the final agreements with the Palestinian National Authority, and he added that the station should start operating between the years 2018-2019. The company has also decided to raise its power capacity from 200 megawatts to 400 megawatts, and this decision was agreed on by the Palestinian Energy Authority as well as the Palestinian Government. The company's current capital amounts to USD 10 Million, and is expected to rise up to over USD 150 Million during the upcoming three years. PADICO HOLDING's share of PPGC is 20%.

Future Plan

PADICO HOLDING will continue with its strategy to maintain and develop existing investments, commencing its undergoing projects, and improving the performance and profitability of its current projects. PADICO HOLDING will also continue its projects in the Gaza Strip and carrying out its role in the active contribution to the rebuilding efforts of Gaza.

A Delegation of British Architects and Engineers Visits PADICO HOLDING

A delegation of British architects and engineers visited PADICO HOLDING in the framework of a tour that is organized by the British Cultural Center in Palestine for a number of Palestinian companies and organizations. The delegation was welcomed by Mr. Abdullah Al-Sha'rawi, the Project Development Manager of PADICO HOLDING, who presented a detailed presentation about the company's history and its milestones, in addition to shedding the light on its investments and different projects.



PADICO HOLDING partakes in a Study Tour for a Number of British Universities

PADICO HOLDING partook in a study tour, that was organized by the British Council, to a number of British universities. The tour included representatives from the private sector and Palestinian universities, including PALTEL Foundation, Palestine Ahliya University, Bethlehem University, Palestine Technical University – Kadoorie, and Al-Quds University.

The tour aimed to identify the teaching methods, the academic policies, and the nature of the relationship between British universities and the private sector; and the impact of cooperation on employability and entrepreneurship. In addition, the tour aimed to create a connection between those universities and the Palestinian institutions to seek strategic partnership that is based on mutual cooperation. The tour included a visit to five British universities: Salford University, Durham University, Liverpool University, John Moores University, and Lancaster University.



News from Subsidiaries and Affiliates

PALTEL's General Assembly Holds its 18th Meeting in Ramallah



PALTE's General Assembly held their 18th meeting in the Moevenpick Hotel in Ramallah using the visual telecommunication techniques with Al-Mashtal Hotel in the Gaza strip. At the beginning of the meeting a movie was shown to include the achievements and the projects of PALTEL during the year 2014, in addition to the social responsibility programs held by the group and their development organization during the past year.

After discussing the financial and the board of directors' reports, the General Assembly verified the two reports, and the members of the board of directors were absolved for the previous year. The General Assembly then reelected Ernst and Young as a foreign inspector for the company's accounts for the current year of 2015, with the authorization of the board of directors for contracting with them and determining their fees. The meeting was concluded with the General Assembly's approval on the board of directors' recommendation, where they've decided to distribute the earnings on the shareholders with a percentage of up to 45% of the par value of the share which amounts to JD 1 per share, which translates to Piasters 0.45 per share, with a total of nearly JD 59 Million as profit distribution for the earnings of the year 2014.

The Supreme Council of Regulations Approves on the Structural Plan for the Jericho Gate Project

During their periodic session, headed by the Minister of Local Government Mr. Nayef Abu Khalaf and the representatives of related ministries and organizations, the Supreme Council of Regulations gave its approval on the structural plans for the Jericho Gate Project which is carried out by PADICO HOLDING and PALTEL on the southern entrance of the city of Jericho. This approval will result in the initiation of executing the project. The Jericho Gate Project works hard to build upon this approval and the actual commencing of working on the project.



Jericho Gate Sponsors and Participates in the Activities of the Second “Business and Finance” Forum in Bethlehem

The Jericho Gate Company for real estate investment, one of PADICO HOLDING’s investments, participated in the activities of the second “Business and Finance” forum where it had a participating part of sponsoring the different activities and events of the forum that began its work in the city of Bethlehem under the care of the Prime Minister Dr. Rami Al-hamdallah. The forum was attended by a great number of business men from the Gulf countries as well as other Arab countries, in addition to a number of executives, administrators and partners from different Palestinian companies and organizations in addition to other officials. The CEO of PADICO HOLDING, Mr. Samir Hulileh, gave a presentation in the second discussion session of the forum with the title of “The Strategic Investment Opportunities, and a Look at the Private Sector”.

The Palestinian Stock Market Organizes a Meeting with Stock Companies

The Palestinian Stock Market held a consultative session in the Business Men Club in Ramallah, and it was attended by representatives from all of the stock companies working in Palestine, as well as representatives of the Palestinian Capital Market Authority and the custodians in the stock market (Cairo Amman Bank and HSBC)

The meeting aimed to focus on the latest news regarding the stock market in Palestine, and finding the means to improve it. A number of registered cases have been looked into, most notably was finding the best methods for promoting the investment and pinpointing its motives, and improving the services given to the investors to enhance the proportion that can reach them by carrying out researches and feasibility studies that revolve around the renewal of the investment opportunities and expanding the participation in meetings and seminars, which would lead to identifying promising investors and targeting them.

With the Palestinian Market Initiative: The Executive Club Holds a Forum for Exploring the Opportunities of Developing Suitable Investment Tools for the Current Economic Situation

The Executive Club located in Ramallah, with the Palestinian Market’s initiative, held a round-table forum for exploring the possibility of developing investment tools that are suitable for the current economic situation in Palestine. The forum was attended by businessmen elites, academics, and specialized consultants. The Palestinian Market gave a briefing around the role of investment banks, their specialty, and the nature of their operations such as their contribution in the privatization process. There has also been a discussion around modern tools related to investment such as: securitization, acquisition, and merger, and the benefits of using those tools and methods. The forum also discussed the terms and goals of mutual funds with their different types, as well as other operations.

After Two Years of Signing: The Cash Settlement Agreement, which the Stock Market Operates Under, has Proven its Effectiveness and Readiness for a new phase

With the beginning of the year 2015, the Palestinian Stock Market has completed its second year of operating under the agreement of “Cash Settlement” which was signed by the Stock Market with the Monetary Authority early in the year 2013. The agreement includes the implementation of the settlement through the National Payments System “BU-RAQ”. This step is considered a result of the complementary relations between the two parties, and it establishes the ground for a new important phase in the success career of the stock market. With this agreement, the deposit and conversion center became in the stock market, giving authority of implementing cash settlement through the assigned settlement banks by the securities company members, which on their turn carry out the cash settlement for the financial liabilities that result from the trading process in their part.

PRICO Hosts a High Level Delegation of Japanese Businessmen

Mr. Nabil Al-Sarraf, Chairman of the Board of Directors of the Jericho Agro-Industrial Park Development Company, and Mr. Nidal Abu La'wa, the General Manager of PRICO, as well as Mr. Samir Hulileh, the CEO of PADICO HOLDING, have hosted a high level delegation of Japanese businessmen in Jericho Agro-Industrial Park. The delegation was joined by 38 Palestinian companies that presented their products in front of the Japanese delegation and the audience.

A Noticeable Improvement in the Performance of Al-Mashtal Hotel during the Past Three Months

The results achieved by Al-Mashtal Hotel during the first three months of the year 2015 are considered to be the best results since the opening of the hotel in the year 2011. The hotel was able during the mentioned duration of covering all of its operating expenses, and lately the hotel has hosted all of the governmental delegations that have arrived to the Gaza strip. The hotel also hosted a huge medical conference and a number of special weddings during the past period, and it has also signed a renting contract for workshops and training rooms which includes meals with the UNRWA for the period of four months; the contract ends in April 2015.

The Executive Club Launches the Cultural Activity Titled “Book Club”

The Executive Club launched a cultural activity titled “Book Club”. This activity consists of revising and discussing a selected collection of books in a monthly meeting, where each month a predetermined book is discussed, and is varied between Arabic and foreign novels and intellectual Arabic or translated studies. This activity comes in the framework of the intellectual and cultural activities carried out by the members of the club for rooting the habit of reading, and to facilitate delivering a good book for the reader, and enriching the public space by exchanging knowledge and social discussions.

The Executive Club Organizes a Seminar about the Israeli Elections

The Executive Club, in cooperation with the Palestinian Center for Israeli Studies “Madar”, has organized a seminar titled “The Upcoming Israeli Elections: the Horizons and the Expected Scenarios”. Mr. Ayman Odeh, head of the United Arab List, the Secretary-General of the Democratic Front, and Mr. Antwan Shalhat, the editor of the Israeli Scene Addendum partook in the seminar. The seminar was facilitated by: Dr. Haneeda Ghanem, – the General Manager of Madar Center, along with a number of political and media figures, and academics..

Jacir Palace Hotel in Bethlehem Hosts a several of Conferences and Activities.

Jacir Palace Hotel in Bethlehem hosted a number of scientific and development conferences and different activities during the last period. The hotel hosted the activities of the International Palestinian Conference for Orthodontics, the Osteoporosis Conference, and the fifth Palestinian conference for Environmental Awareness and Education. The hotel also hosted a lunch which was organized by the Higher Presidential Committee of Churches Affairs in Palestine (HCC), and another lunch for the UNICEF workers and their families.

Nakheel Palestine Participates in the 6th Dates Exhibition in Jericho

Nakheel Palestine participated in the sixth Dates Exhibition activities, which was held in Jericho and the Jordan Valley. The event was attended by the Palestinian Prime Minister, – Dr. Rami Al-Hamdallah, the Palestinian Minister of Agriculture – Mr. Shawqi Al-Issa, and the Governor of Jericho and the Jordan Valley, Mr. Majed Al-Fityani. The Dates Exhibition is considered among the most important exhibitions that are held in the province. According to a study made by the Chamber of Commerce and Agriculture and Industry of the province of Jericho, the dates’ exports made up a percentage of 50% of the total agricultural exports in the years 2011 to 2014.

Nakheel Palestine Company Concludes its 2014/2015 Season Early

Nakheel Palestine concluded manufacturing its crop for the 2014/2015 season early with the same potential and a record time compared to previous seasons, and with almost double the produced amount. This was due to the improvement of the adopted plan for gathering and distributing dates since the harvesting stage up until arriving to the company’s storages. The company has also commenced exporting its products to New Zealand, America, Turkey, Britain, Germany, and Lebanon. It is also worth mentioning that 60% of Nakheel Palestine’s productions is exported outside of Palestine, whereas 40% is marketed to meet the demand of the local Palestinian market.

Corporate Social Responsibility

The National Security and “Tamayaz” Partners Conclude the 3rd Cohabitation Camp in the Village of Al-Nuwe’meh



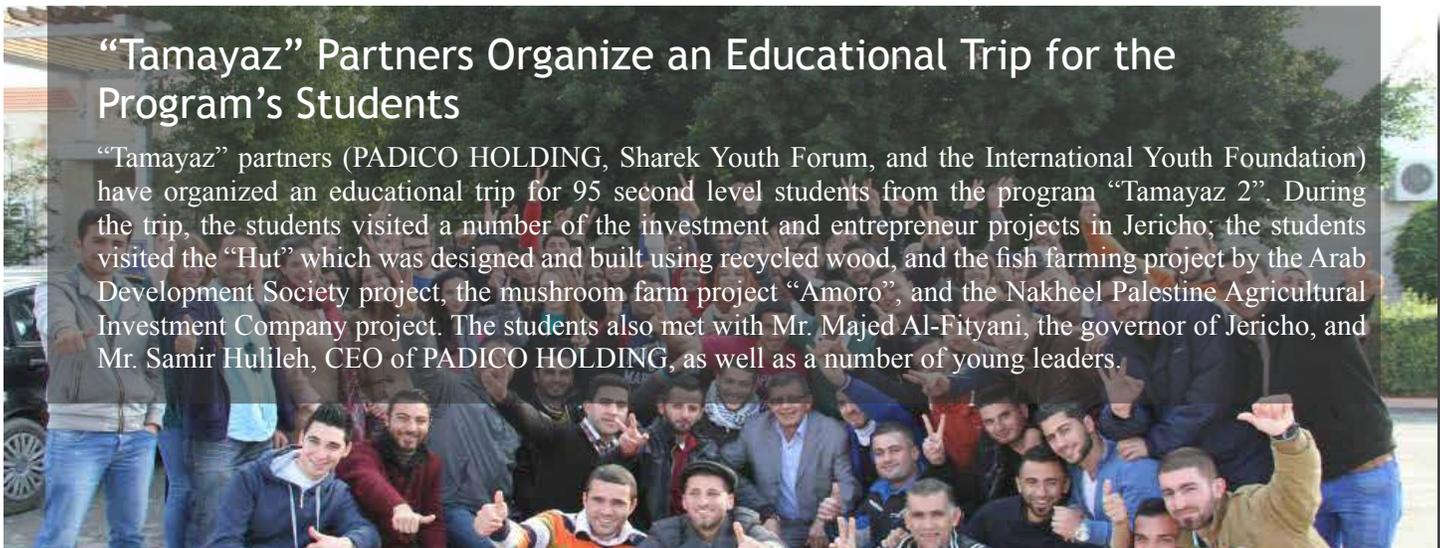
The partners of “Tamayaz” (PADICO HOLDING, Sharek Youth Forum, and the International Youth Foundation) concluded their 3rd Cohabitation Camp for the program students. The camp was held in the village of Al-Nuwe’meh in cooperation with the National Security Forces. The camp included in its 3rd period 120 “Tamayaz” students from seven different Palestinian universities: Birzeit University, Abu Dis University, Al-Najah National University, the Arab American University, Polytechnic Palestine University, Palestine Technical University – Kadourie, and Al-Quds Open University. The students of “Tamayaz” spent 4 days in the company of the National Security Forces in the camp in Al-Nuwe’meh village; during this time, they lived a rich and quality experience. It is mentioned that this is the third time that the partners of “Tamayaz” participate in this quality activity, where the Cohabitation Camp was held twice during the first phase of the “Tamayaz” program.

“Tamayaz” Partners Participate in a Forum about Entrepreneurship and Creativity in the Arab American University

“Tamayaz” partners participated in a forum about entrepreneurship and creativity that was organized by the Arab American University with the attendance of a number of the university’s students and graduates. Mr. Samir Hulileh – CEO of PADICO HOLDING, and Dr. Muhammad Al-Mubayed – Regional Director of the International Youth Foundation, Dr. NithamThiab – the university’s Vice President of Community Affairs, Mr. BadrZama’ra – the Executive Manager of Sharek Youth Forum, and Mrs. Sahar Uthman – Executive Manager of the Center of Economic Empowerment have all spoken during the forum.

“Tamayaz” Partners Organize an Educational Trip for the Program’s Students

“Tamayaz” partners (PADICO HOLDING, Sharek Youth Forum, and the International Youth Foundation) have organized an educational trip for 95 second level students from the program “Tamayaz 2”. During the trip, the students visited a number of the investment and entrepreneur projects in Jericho; the students visited the “Huf” which was designed and built using recycled wood, and the fish farming project by the Arab Development Society project, the mushroom farm project “Amoro”, and the Nakheel Palestine Agricultural Investment Company project. The students also met with Mr. Majed Al-Fityani, the governor of Jericho, and Mr. Samir Hulileh, CEO of PADICO HOLDING, as well as a number of young leaders.



PADICO HOLDING’s Chairman Meets with “Tamayaz” Program

Mr. Munib Rashid Al-Masri, the Head of the Board of Directors of PADICO HOLDING, met with a group of students from “Tamayaz 2”, which is a program carried out by PADICO HOLDING, Sharek Youth Forum, and the International Youth Foundation in cooperation with 7 Palestinian universities. During the meeting, Mr. Al-Masri accompanied his grandson who was seriously injured during his participation in a demonstration against the Israeli occupation which took place in the town of Maroon Al-Ras on the Lebanese borders.



The Head of the Gaza Sports Club Honors the CEO of PADICO HOLDING

Mr. Mousa Al-Wazeer, head of the Gaza Sports Club, visited PADICO HOLDING’s headquarters in Ramallah and presented an appreciation plaque from the club to Mr. Samir Hulileh, CEO of PADICO HOLDING, as a sign of appreciation for the company’s continuous efforts in supporting the Gaza Sports Club.

The CEO of PADICO HOLDING Participates in a Workshop about “The Requirements for Getting a Job” in Al-Najah National University

Mr. Samir Hulileh, CEO of PADICO HOLDING, participated in a workshop about “The Requirements for Getting a Job in Palestine” which was held in Al-Najah National University. Mr. Hulileh clarified in his contribution that the modern direction of the Western countries do not currently focus on university grades as much as they focus on personal skills in leadership, entrepreneurship, technology, and language skills. Mr. Hulileh also talked about the speed at which university specializations are changing in universities around the globe according to the market’s demand every 4 years, which requires the Palestinian society to try and keep up with those changes. He also added that the university is a place that puts the graduates on the beginning of the road by teaching them the basics, but the students have to continue improving themselves and their skills, clarifying that the working place is the larger learning environment, especially with the scarcity of job openings; the unemployment rate has reached 50% among university graduates. Mr. Hulileh also clarified that according to those developments, it is required from the student to improve their skills and shape them in order to bring out their trait if they want to compete against the great number of yearly graduates.

In Partnership with PADICO Tourism; the Institute for Community Partnership in Bethlehem Launches the “Employment through Education” Project

The Institute for Community Partnership in Bethlehem launched its project titled “Employment through Education” in partnership with PADICO Tourism Company, the investor arm of PADICO HOLDING in the tourism sector. The project is based on improving the competencies in the tourism and hospitality sector in Palestine, and it is funded by the International Bank’s Quality Improvement Fund. The project, which is planned to be carried out over 36 months, aims to improve the educational programs that are carried out by the Hotel and Tourism Management Institute and the Institute for Community Partnership in Bethlehem by creating a system that is connected to the market’s demand and requirements for strengthening the links between the job and the education, and for the education to be related to the current available job opportunities in the market.

By this partnership, PADICO Tourism will dedicate its facilities, potential, and tourist hotels for the service of the program’s students so that they would acquire the hospitality and tourism skills that are required for preparing the competent Palestinian cadres that are capable of rising with the tourism and hospitality industry in Palestine.



PALTEL Group Opens its Forests Project in the Village of Al-Mogheer / Jineen

PALTEL Group and the Ministry of Agriculture opened the Forests project in the village of Al-Mogheer in the province of Jineen. The ceremony took place and the ribbon was cut following a central celebration which was organized by PALTEL and the Ministry of Agriculture in Al-Mogheer Males Elementary School which is adjacent to the project's location. The ceremony was held to commemorate the Earth Day and to celebrate the International Forests Day and opening the project. The Communication Forests project is a cooperation between the Ministry of Agriculture and PALTEL; where the Ministry of Agriculture provides a number of lands that are classified as forests in the northern, middle, and southern West Bank areas as well as provides the seedlings for the forests; while the PALTEL group plants the seedlings in the areas that are decided upon by a combined committee between the two parties, as well as providing the complete care over the seedlings by guarding, watering, using pesticides, and caring for them through experts and specialized personnel under the supervision of the Ministry of Agriculture so that the lands can be turned into forests.

Within a University Scholarship Program: PALTEL Group Holds a Central Meeting through the Initiative of “Student to Student”

PALTEL Group held a central meeting for the initiative of “Student to Student” within the framework of the group's program for university scholarships, which PALTEL has been carrying out for four years. The initiative's idea is based upon enriching our giving back culture through a voluntary work that the university students who have benefitted from the scholarship program are required to do. This voluntary work consists of assisting school students who have learning difficulties and limited income in order to improve their academic results; each university student has to help four school students by engaging with the schools and the village councils for choosing those students.

It is also worth mentioning that the first wave of students who were chosen for PALTEL's scholarship since its establishment in 2010 have already graduated, and an alumni association has been established for the graduates of the PALTEL scholarship, which aims to strengthen the communications between the graduates themselves, as well as the graduates and the different Palestinian institutions.



Jacir Palace Hotel Offers Meals for 85 Elderly People

For its part in social responsibility, Jacir Palace Hotel offers meals for 85 elderly people in cooperation with Saint Nicholas Institution for the Elderly in Bethlehem. The lunch was followed by an entertainment program which included distributing gifts among the elderly. The hotel's management has consistently introduced such initiatives annually with the aim of supporting the local community and contributing in it. This category of the society was chosen to honor the elderly's role in raising generations and improving the local community. The event was attended by the mayor of Beit Jala – Dr. Nael Salman, and the Operations Manager of the Office of the European Union Representative – Mr. Sergio Piccola.

Financial performance for 2014

(Amounts in USD million except for the shares)

Main items of consolidated income statement	2014	2013	% Growth
Total revenues	110.95	110.54	0.4
Subsidiaries' operating income	70.46	65.95	6.8
Share of associates' results of operation	39.15	41.98	(6.7)
Profit before income tax	20.01	26.12	(23.4)
Profit attributable to equity holders of the parent	19.40	25.80	(24.8)
Net consolidated profit	19.20	25.34	(24.2)

Main items of consolidated statement of financial position	2014/12/31	2013/12/31	% Change
Total assets	831.84	808.67	3.3
Short and long-term borrowing	234.11	226.12	3.5
Other liabilities	62.56	61.99	6.8
Non- controlling interests	101.60	101.72	(0.1)
Equity attributable to equity holders of the parent	433.58	418.84	3.5
Total equity	535.17	520.57	2.8

Main profitability indicators	2014	2013	% Change
EPS	7.77	10.34	(24.9)
ROaE	3.64%	4.99%	(27.1)
ROaA	2.35%	3.21%	(26.9)

Debt and Liquidity indicators	2014/12/31	2013/12/31	% Change
Debt-to-equity ratio	43.74%	43.44 %	0.7
Debt-to-assets ratio	28.14%	27.96 %	0.2
Current ratio	0.65	0.60	8.3



عاماً من الاستثمار في فلسطين

With your invaluable trust, support and faith in PADICO HOLDING, we celebrate this lengthy experience of investment, marking the twentieth anniversary of establishing the company. We also feel proud and honored as we reflect on the perseverance, relentless efforts and the deployment of Palestinian investment capacities in Palestine and abroad; and we renew our pledge to build an independent national economy, providing a decent life and job opportunities for our people.