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Independent auditor's review report to the Directors of Al Jazeera Steel Products Company SAOG

Report on the financial statements

We have reviewed the accompanying interim statement of financial position of **Al Jazeera Steel Products Company SAOG** as of 30 September 2009 and the related interim statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 31.

Management's and Auditor's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements. 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 financial information does not present fairly, in all material respects, the financial position of **Al Jazeera Steel Products Company SAOG** as of 30 September 2009, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards.

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Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
28 October 2009

Signed by
Robert O'Hanlon
Partner

AL JAZEERA STEEL PRODUCTS COMPANY SAOG

Statement of financial position as at 30 September 2009

	Notes	Unaudited 30 September 2009 RO	Audited 31 December 2008 RO
ASSETS			
Non-current assets			
Property, plant and equipment	6	30,282,743	31,972,035
Current assets			
Inventories	7	10,602,066	18,582,527
Trade and other receivables	8	13,612,726	21,029,322
Cash and cash equivalents	9	1,061,509	8,498,506
		25,276,301	48,110,355
Total assets		55,559,044	80,082,390
EQUITY			
Capital and reserves			
Share capital	10	12,489,796	12,489,796
Share premium	10	13,856,484	13,856,484
Legal reserve	11	1,360,636	1,360,636
Retained earnings		1,664,797	3,362,372
Total equity		29,371,713	31,069,288
LIABILITIES			
Non-current liabilities			
Borrowings	12	5,070,000	6,375,000
Government soft loans	13	581,949	890,439
Deferred government grant	13	114,125	175,636
End of service benefits	14	51,657	65,912
Deferred tax liability	21	549,356	470,926
		6,367,087	7,977,913
Current liabilities			
Borrowings - current portion	12	15,356,181	38,221,560
Government soft loans - current portion	13	505,098	505,098
Trade and other payables	15	3,958,965	2,308,531
		19,820,244	41,035,189
Total liabilities		26,187,331	49,013,102
Total equity and liabilities		55,559,044	80,082,390
Net assets per share	23	0.235	0.249

Chairman **Director**

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